

Proposed Modifications to the Statutes of Leejam Sports Company in Accordance with the New Companies' Law

To ensure compliance with the updated Companies' Law, we hereby suggest making amendments to the provisions within the company's Articles of Association. The proposed alterations are outlined in the table below, with the existing Provisions of the Statutes listed under List (A) and the recommended amendments provided under List (B), indicating changes in article numbering, the inclusion of new articles, the removal of certain articles, and the provision of additional provisions:

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
1	<p>Article (1): Incorporation: The Company shall be incorporated in accordance with the provisions of Companies Law, the regulations thereof and these Articles of Association as a Saudi joint-stock company pursuant to the following:</p>	<p>Article (1) Formation Pursuant to the provisions of the Companies Law and its regulations and this Statutes, a Saudi joint stock company shall be formed in accordance with the following:</p>	Revised wording
2	<p>Article (2): Name of Company: Leejam Sports Company (Listed Joint-Stock Company).</p>	<p>Article (2) Company Name: Leejam Sports Company (A Saudi listed Joint Stock Company).</p>	Revised wording
3	<p>Article (3): Objectives of the Company: The Company shall engage in and fulfill the following objectives: 1. Personal service activities including: Hairdressing and other beauty treatment, beauty salons for women, barber shops for men, beauty salons for children, other beauty treatment, laundering, pressing and dry-cleaning of all kinds of clothing (including fur) and textiles, laundry collection and delivery, Turkish baths, sauna and steam baths, solariums, slenderizing salons and massage salons; 2. Operation of health clubs (sports activities and amusement and recreation activities) including establishment, management and operation of sports and entertainment centers, sports clubs including (clubs of football, volleyball, basketball, handball, etc.), body-building clubs, swimming clubs, sports halls and centers, men's sports halls and centers, women's sports halls and</p>	<p>Article (3) Company Objectives Company Objectives are: 1. Beauty salons for men. 2. beauty salons for women. 3. beauty salons for Children. 4. Washing, ironing, dry-cleaning of all kind of clothes including fur and textiles, and laundry collection and delivery services. 5. Relaxation and personal care centers. 6. Sports Club including (football, volley ball, basketball hand ball etc.). 7. Men's sports halls and centers. 8. Women's sports halls and centers 9. Activities of producers and contractors organizing live events (other than artistic and sporting events) with or without facilities. 10. activities of sports leagues and regulating bodies.</p>	Revised wording + Adding activities

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	<p>centers, any other sports activities, activities of producers or promoters of sports events, activities of individual own-account sportsmen including (players, athletes, referees .. etc.), activities of sports leagues and regulating bodies supporting the previous sports activities and operation of health facilities;</p> <p>3. Food and beverage service activities, operation of food concessions at sports and similar facilities, operation of canteens and cafeterias on a concession basis including (canteens and cafeterias at factories, offices, hospitals and schools, .. etc.), coffee shops, other activities of cafés, fresh juice and cold beverages serving and other beverage serving activities;</p> <p>4. Wholesale and retail trade: Retail sale through vending machines, etc. (including coffee and juice machines), agents involved in the sale of food and beverages, wholesale of food and beverages, wholesale of beverages, bottled water and sports footwear, wholesale of soft drinks and juices, wholesale of pharmaceutical and medical goods, perfumeries, cosmetics and soaps, wholesale of pharmaceutical and medical goods and medical equipment and devices, wholesale of sports goods, retail sale in non-specialized stores with food or beverages predominating, retail sale of goods sold in department stores, including (clothes, shoes, leather goods, perfumes and accessories, retail sale of dairy products, eggs, olives, pickles and honey, trade of special and healthy food, retail sale of beverages in specialized stores, retail sale of cultural and recreation goods in specialized stores, retail sale of sports goods, fishing gear, camping goods, boats and bicycles, retail sale of sporting equipment in specialized stores, other retail sale of sports</p>	<p>11. Operation of food concessions at sports and similar facilities.</p> <p>12. Coffee shops.</p> <p>13. Operation of canteens or cafeterias on a concession basis (e.g., for factories, offices, hospitals or schools, etc.)</p> <p>14. Fresh juice and cold beverages serving.</p> <p>15. Retail sale through vending machines etc. (including coffee and juice machines).</p> <p>16. Retail sale by (non-store) commission agents.</p> <p>17. Retail sale via stalls and markets of food and beverages.</p> <p>18. Wholesale of sports footwear.</p> <p>19. Wholesale of soft drinks and juices.</p> <p>20. Whole sale of pharmaceuticals, medicaments, cosmetics and soaps.</p> <p>21. Wholesale of Pharmaceuticals and Herbs and medical equipment.</p> <p>22. Wholesale of sports goods</p> <p>23. Retail sale in non-specialized stores with food, beverages or tobacco predominating</p> <p>24. Retail sale of clothing, footwear and leather articles in specialized stores.</p> <p>25. Supermarkets for food and consumer goods.</p> <p>26. Retail sale of cultural and leisure goods in specialized stores.</p> <p>27. Retail sale of sporting goods, fishing equipment, camping goods, boats and bicycles.</p> <p>28. Retail sale of sporting equipment in specialized stores.</p> <p>29. Retail sale of clothing, footwear and leather articles in specialized stores.</p> <p>30. Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores.</p> <p>31. Retail sale of cosmetics and soaps.</p>	

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	<p>goods, fishing gear, camping goods, boats and bicycles, retail sale of sports clothes, retail sale of footwear, retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores, retail sale of medical herbs, retail sale of perfumery, cosmetic articles, soap and incense, retail sale of medical goods and orthopaedic devices, retail sale of drugs, retail sale via Internet, other retail sale activities via mail order houses or via Internet, retail sale through vending machines etc. (including coffee and juice machines) and wholesale of sporting clothes;</p> <p>5. Physiotherapy including physiotherapy centers and similar centers and establishment, management and operation of healthcare centers and activities;</p> <p>6. Real estate and development, real estate activities with own or leased property including management and leasing of real estate with own or leased property, purchase, sale and construction of buildings, subdividing of lands and real estate, and on-the-map selling activities, other real estate activities with own or leased property, intermediation in real estate management, other real estate activities on a fee or contract basis;</p> <p>7. Maintenance, cleaning and operation contracting of buildings and factories;</p> <p>8. Support services including motor vehicle washing and polishing;</p> <p>9. Construction works, construction of all types of non-residential buildings including schools, hospitals, hotels ... etc., construction of all types of non-residential</p>	<p>32. Retail sale of orthopedic devices.</p> <p>33. Pharmacies activities.</p> <p>34. Online retailing, other retail activities by ordering from home.</p> <p>35. Order by mail or online.</p> <p>36. Physiotherapy centres.</p> <p>37. buying, selling and subdividing of land and real estate, and on-the-map selling activities.</p> <p>38. Residential Real estate development using modern construction method.</p> <p>39. Commercial Real estate development using modern construction method.</p> <p>40. Management and leasing of real estate with own or leased property (residential)</p> <p>41. Management and leasing of real estate with own or leased property (non-residential)</p> <p>42. Real estate activities on a fee or contract basis.</p> <p>43. Activities of buildings cleaning services</p> <p>44. provision of maintenance services within facilities</p> <p>45. Other building and industrial cleaning activities</p> <p>46. Washing and polishing of motor vehicles</p> <p>47. Construction of buildings</p> <p>48. Sports equipment rental and rental</p> <p>49. Sports training and education, sports and entertainment education, sports education, including (football - volleyball - baseball - basketball - table tennis - handball - cricket), gymnastics education, swimming education, martial arts education, yoga instruction, any types Other than sports and entertainment, education, training and qualification for company employees and others.</p> <p>50. Advertising and publishing for others, including: aerial advertising, installing and assembling neon signs, other</p>	

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	<p>steel buildings, erection of prefabricated constructions on the site, remodeling or renovating existing residential and non-residential structures;</p> <p>10. Renting of sports equipment, renting and leasing of sports equipment;</p> <p>11. Sports training and education, sports and recreation education, teaching sports, including (football - volleyball - baseball - basketball - table tennis - handball - cricket), gymnastics instruction, swimming instruction, martial arts instruction, yoga instruction, other types of sports and recreation education, training and qualification of the Company's staff .. etc.;</p> <p>12. Advertising and publishing for third party including aerial advertising, installation and assembly of neon boards, other commercial advertising and market research-related activities, activities of motion pictures, video and television program production, commercial advertising, etc., production of motion pictures including traditional animation, production of television commercials, other motion picture, video and television program production activities, electronic publishing, other software publishing activities;</p> <p>13. Postal activities including postal and courier activities, pickup, delivery and transport of mail and parcels, providing mail-room management services, providing processing and storage services for items and postal parcels as well as redistribution services, providing postal logistics services and private courier activities;</p> <p>14. Nutrition centers;</p>	<p>activities related to commercial advertising and market research, film, video, television program production activities, commercial advertisements, etc., motion picture production, which includes traditional animation, production of television commercials, other film, video, and program production activities. Television, electronic publishing, other software publishing activities.</p> <p>51. Postal activities include: activities of transporting mail and parcels by bag, activities of receiving, delivering and transporting postal items and parcels, providing postal room management services, providing processing and storage services for postal items and parcels and redistributing them, providing postal logistics services, and the activities of private mail transport companies.</p> <p>52. Nutrition centers.</p> <p>53. Photography activities include: photography activities, aerial photography activities, commercial and tourist photography activities with all photographic means and methods, rapid film development, slide film development, photojournalist activities, document photography activities using microfilm, and other activities related to photography and operating drones for the purposes of aerial photography.</p> <p>54. Importing, selling and distributing medical devices and equipment.</p> <p>55. Importing, selling and distributing sports equipment.</p> <p>56. Renting and leasing sports equipment on credit.</p> <p>The company shall carry out its activities in accordance with applicable laws and upon obtaining the necessary and required licenses and permits from competent authorities and bodies.</p>	

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	<p>15. Advertising including advertising institutions and agencies and other commercial advertising and market research-related activities; and</p> <p>16. Photography activities including photographing activities, aerial photography activities, photography for commercials and tourism purposes using all means and methods of photographing, film processing, mounting of slides, activities of photojournalists, microfilming of documents, other photographic activities, operation of unmanned aerial vehicles for aerial photography purposes.</p> <p>The Company shall engage in its activities in accordance with the adopted laws and after the issuance of required licenses, if applicable, by relevant entities.</p>		
4	<p>Article (4): Participation and Ownership in Companies: The Company may establish on its own (limited liability or closed joint-stock companies) provided that share capital of the Company shall not be less than SAR five million. Besides, the Company may have shares and stocks in other existing companies or merge with such companies. The Company shall be entitled to participate with third party in incorporation of joint-stock or limited liability companies after satisfaction of requirements of adopted laws and instructions to this effect. The Company may further dispose of such shares or stocks, provided that this shall not include brokerage in trading the same. Nonetheless, the Company may deal and enter into contracts with individuals or corporates engaging in the same activities for the purposes of development of the Company's business</p>	<p>Article (4): Participation and ownership in companies: The company may, individually, form companies (limited liability or closed joint stock). It may also own shares and stakes in other existing companies or merge with them, and it has the right to participate with others in forming joint stock or limited liability companies after fulfilling the requirements of the applicable regulations and instructions in that regard. The company may also dispose of these shares or shares, provided that this does not include mediation in their trading. The company may also deal and contract with people or companies that practice the same activities to develop the company's work.</p>	Revised wording.
5	Article (5): Registered Office of the Company:	Article (5) Company's Head Office:	Revised Wording.

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	Registered office of the Company shall be in Riyadh. The Board of Directors may resolve to incorporate subsidiaries, offices or agencies in the Kingdom of Saudi Arabia or abroad.	The company's head office shall be in Riyadh, the Kingdom of Saudi Arabia, and it may be relocated to another location within the Kingdom of Saudi Arabia by a decision issued by the extraordinary general assembly. The Board of Directors may establish branches, offices, or agencies for it inside and outside the Kingdom of Saudi Arabia, and the Board of Directors may appoint representatives in any an entity inside or outside the Kingdom as required by the company's activity or beneficial to it, taking into account the laws and regulations in force in the Kingdom in this regard.	
6	Article (6): Duration of the Company: Duration of the Company shall be ninety-nine (99) calendar years as of the date on which decision of Minister of Commerce and Investment declaring the incorporation and registration of the Company in the Commercial Register is publicized. Duration of the Company may always be extended by a resolution to be passed by the Extraordinary General Meeting at least one year prior to the expiration of its duration.	Article (6): Company Term: Company term shall be (99) Gregorian years starting from the Minister of commerce resolution publication announcing its formation and registration in the commercial register. It is always permissible to extend the company term by a resolution issued by the extraordinary general assembly at least one year prior to expiration of its term.	Revised wording
7	Article (7): Capital: Capital of the Company shall be SAR (523,833,610) Five Hundred and Twenty-Three Million, Eight Hundred and Thirty-Three Thousand, Six Hundred and Ten Saudi Riyals, divided into (52,383,361) nominal shares of equal value, the nominal value of each shall be SAR (10) and all of which are ordinary shares.	Article (7): Capital The company's share capital shall be SAR (523,833,610) five hundred and twenty-three million, eight hundred and thirty-three thousand, six hundred and ten Saudi Arabian Riyals, divided into (52,383,361) nominal shares of equal value, the nominal value of each of which shall be (10) Saudi Riyals, all of which are ordinary shares.	Revised wording
8	Article (8): Subscription for Shares: Shareholders have subscribed for all share capital.	Article (8): Subscription to Shares The shareholders subscribed to full company's share capital, which equating to SAR 523,833,610, divided into 52,383,361 shares of equal value, each with a nominal value of 10 Saudi	Revised Wording

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		Riyals, all of which are ordinary shares, and have paid their full value.	
9	<p>Article (9): Preference Shares: The Company's Extraordinary General Meeting may, in accordance with the criteria set by the competent authority, issue preference shares or decide to purchase preference shares, convert ordinary shares into preference ones or vice-versa. The preference shares shall not grant their holder the right to vote in the Shareholders' General Meetings. The said shares shall entitle their holders, in addition to the right to participate in the net dividends distributed to the ordinary shares, to the following: The right to gain an additional percentage of the net profits by no less than 5% of the share's nominal value after setting aside the statutory reserve and prior to distributing any dividends of the Company; and The priority right to acquire value of their shares in the capital upon liquidation of the Company and to receive a specific percentage of the realization value. The Company may purchase such assets in accordance with the controls developed by the competent authority. However, such shares shall not be included in the quorum required for convening the General Meeting of the Company stipulated herein.</p>	<p>Article (9): Preferred Shares: The extraordinary general assembly of the company may, in accordance with the principles established by the competent authority, issue preferred shares, decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares. Preferred shares do not give their owner the right to vote in the general assemblies of shareholders, and the aforementioned shares are arranged for their owners. In addition to the right to participate in the net profits distributed on ordinary shares, the following are included: 1. The right to obtain an additional percentage of the net profits of not less than 5% of the nominal value of the share after setting aside the statutory reserve (if any) and before making any distribution of the company's profits. 2. Priority in recovering the value of their capital shares upon liquidation of the company and in obtaining a certain percentage of the liquidation proceeds. The company may purchase these shares in accordance with the controls set by the competent authority, and these shares are not included in calculating the quorum necessary for the company's general assembly to be held as stipulated in these statutes.</p>	
10	Added	<p>Article (10) Shares Conversion 1. It is permissible to convert one type or class of shares to another type or class. 2. To convert a type or class of shares to another type or class, it is necessary to obtain the approval of the extraordinary general assembly. The exception to this is cases where the decision to issue shares stipulates that they will be</p>	Added Article

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		<p>automatically converted to another type or class when certain conditions are met or after a specific period has passed.</p> <p>3. The provisions contained in Article (One Hundred and Ten) of the Companies Law apply in cases where the transfer results in modifying or canceling the rights and obligations related to the type or class of share.</p> <p>4. Ordinary or preferred shares, or any of their categories, may not be converted into redeemable shares or any of their categories except with the approval of all shareholders in the company.</p>	
11	Added	<p>Article (11) Amending rights and/or obligations associated with shares:</p> <p>1. It is required to modify or cancel any of the rights, obligations or restrictions related to the shares, or to convert any type or class of shares to another type or class if this results in amending or canceling the rights and obligations related to the type or class of shares to be converted, or to issue shares of a specific type or category that would result in prejudice to the rights of another category of shareholders, obtaining the approval of a special assembly formed in accordance with Article (Eighty-Nine) of the Companies Law from the shareholders who are harmed by this amendment, cancellation, transfer or issuance, and the approval of the extraordinary general assembly.</p> <p>2. If the company's shares contain redeemable shares, it is not permissible to issue new shares that have priority over any of their categories except with the approval of a special assembly formed - in accordance with Article (Eighty-Nine) of the Companies Law - of the shareholders who are harmed by this issuance.</p>	Added Article

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12	<p>Article (10): Selling the Unpaid Shares: The Shareholder shall pay value of the share within the specified dates therefor. Should the Shareholder fail to pay such value when falling due, the Board of Directors may, after notifying such shareholder by registered letter or email, put the share up for the public auction or in the stock market, as the case may be, in accordance with the controls determined by the relevant authority. The Company shall collect the amounts owed to the Company from the proceeds of sale and the remaining amounts shall be reimbursed to the Shareholder. If the proceeds of sale are not sufficient to pay such amounts, the Company may collect the outstanding amounts from all funds of Shareholder. However, the Shareholder in default, may, to the day of sale, pay the value owed by such Shareholder in addition to the expenses incurred by the Company in this regard. The Company shall void the share sold under the provision of this Article, grant the purchaser a new share bearing the voided share number and shall notate in the register of shares indicating the sale process along with the new holder's name.</p>	<p>Article (13) Sale of non-fully paid shares The shareholder shall have the obligation to remit the outstanding value of the share on the specified dates. Failure to make the payment on the designated date shall empower the Board of Directors, following a 30-day notice sent via email or registered letter, to proceed with the sale of the share through a public auction or in the securities market, as deemed appropriate under the prevailing circumstances and in accordance with the regulations prescribed by the relevant competent authority. From the proceeds of the sale, the company shall collect the amounts owed and return any surplus to the shareholder. In the event that the proceeds from the sale are insufficient to cover the outstanding amount, the company reserves the right to recover the remaining sum from any of the shareholder's funds. The entitlements associated with the defaulted shares, including the right to receive a portion of net profits and the right to participate in and vote at assemblies, shall be suspended after the specified deadline until the shares are sold or the outstanding payment is fulfilled. Nevertheless, the defaulting shareholder may, up until the day of the sale, settle the due amount along with the expenses incurred by the company in this regard. In such a case, the shareholder shall retain the right to request the receipt of distributed profits. In accordance with the provisions outlined in this Article, the company shall cancel the sold share, issue a new share bearing the number of the canceled share to the buyer, and record the sale in the share register, specifying the name of the new owner.</p>	<p>Articles rearrangement + Compliance with the new Companies' law.</p>
13	<p>Article (11): Issuance of Shares:</p>	<p>Articles (12) Issuance of Shares</p>	<p>Articles rearrangement</p>

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	<p>Shares shall be nominal and shall not be issued at less than their nominal value, rather, they may be issued at a premium value. In the latter case, difference in value shall be registered in a separate item within the Shareholders' rights and shall not be distributed as dividends to the Shareholders. The share shall be indivisible vis-à-vis the Company. Therefore, if the share is jointly owned by several persons, such persons shall elect a representative among them to exercise the rights in pertaining thereto on their behalf. Such persons shall be jointly liable for the obligations arising from the ownership of the share.</p>	<p>Shares shall be nominative and may not be issued at less than their nominal value, but rather they may be issued at a higher value than this value. In this last case, the difference in value is added in a separate item within shareholders' equity and may not be distributed as dividends to shareholders. The share is indivisible vis-à-vis the company. If the share is owned by multiple people, they must choose one of them to act on their behalf in exercising the rights related to the share, and these persons shall be jointly responsible for the obligations arising from ownership of the share.</p>	
14	<p>Article (12): Trading of Shares: Shares to which founders subscribe shall be traded only after publishing the financial statements for at least two consecutive twelve-month financial years as of the date of incorporation of the Company. A notation shall be made on instruments (Sukuk) of such shares indicating the type thereof, Company incorporation date and the period during which trading is prohibited. However, during the lock-up period, ownership of shares may be transferred in accordance with the provisions of sale of rights by one founder to another or by successors of a founder, if passed away, to a third party, or in case of enforcement against the insolvent or bankrupt founder, provided that the priority of owning such share shall be given to the other founders. Provisions of this Article shall be applied to all shares to which founders shall subscribe, in the event of capital increase, prior to the expiration of the lock-up period. Shares of the Company shall be traded in accordance with provisions of the Capital Market Law.</p>	<p>Article (14) Shares Trading The company's shares are traded in accordance with the provisions of the Capital Market Authority Law.</p>	<p>Articles rearrangement + Compliance with the new companies' law.</p>

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15	<p>Article (13): Purchase, Sale and Pledge of Company's Shares by the Company:</p> <p>The Company may purchase or pledge its shares in accordance with the controls developed by the competent authority. Shares purchased by the Company shall not have votes in the Shareholders' Meetings.</p> <p>The Company may repurchase its shares to be acquired by the employees under an employee stock purchase plan in accordance with the relevant laws and regulations governing such matter.</p> <p>Shares may be pledged subject to the controls established by the competent authority. Unless otherwise is agreed in the pledge agreement, pledgee shall be entitled to receive profits and exercise the rights in pertaining to the share. However, the pledgee shall neither attend nor vote in the Shareholders' General Meeting.</p>	<p>Article (15) Acquiring, Selling and Mortgaging the Company Shares</p> <ol style="list-style-type: none"> 1. The company may buy, sell, or mortgage its shares in accordance with controls set by the competent authority. The shares purchased by the company shall not have votes in the shareholders' assemblies. 2. The company may repurchase its shares in order to grant them to employees under a special employee stock program in accordance with the relevant laws and regulations regulating such matters. 3. Shares may be mortgaged in accordance with controls set by the competent authority, and the mortgage creditor has the right to collect the profits and exercise the rights related to the share, unless otherwise agreed upon in the mortgage contract. However, the mortgage creditor may not attend or vote in the meetings of the general assembly of shareholders. 	Revised wording and Articles rearrangement.
16	<p>Article (14): Capital Increase:</p> <p>1. Extraordinary General Meeting may resolve to increase capital of the Company, provided that the original capital shall be paid up. However, capital is not required to be paid in full if the unpaid part thereof belongs to shares issued in consideration of converting debt or financing instruments into shares and the term prescribed for its conversion into shares has not expired yet. Resolution shall define the capital increase method. Capital increase can be by either of the following methods:</p> <p>A. Issuance of new stocks for cash or contributions in-kind;</p>	<p>Article (16) Capital Increase</p> <p>1. The extraordinary general assembly, after verifying the economic feasibility and obtaining the approval of the competent authority, may decide to increase the company's capital one or more times, provided that the issued capital has been paid in full. It is not required that the capital has been paid in full if the unpaid portion of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares and the period specified for their conversion into shares has not yet expired.</p> <p>The decision specifies the method of increasing capital, and the capital increase shall be in one of the following ways:</p> <p>a. Issuing new shares in exchange for cash or in-kind shares.</p>	Articles rearrangement + Compliance with the new companies' law

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	<p>B. Issuance of new shares for the debts of specified amount that have fallen due and are owed by the Company, provided that issuance shall be pursuant to the value decided by the Extraordinary General Meeting having sought the advice of an expert or certified evaluator and after the Board of Directors and the auditor develop statement on the origin and amount of such debts and this statement shall be signed by the Directors and the auditor while assuming responsibility for the validity thereof;</p> <p>C. Issuance of new shares by the amount of the reserve which the Extraordinary General Meeting would decide to include into the capital. Such shares shall be issued upon the same types and conditions of the traded shares. Such shares shall be distributed to the Shareholders without consideration on a pro-rata basis; and</p> <p>D. Issuance of new shares for debt or financial instruments.</p> <p>2. Extraordinary General Meeting may, in all cases, allocate the issued shares upon capital increase, in full or in part, to the employees of the Company and/or its subsidiaries or the like. Shareholders shall not exercise the priority right when the Company issues the shares allocated for the employees.</p> <p>3. When the Extraordinary General Meeting issues its approval on capital increase, the Shareholder owning the share shall have the priority to subscribe for the new shares issued against cash. Such Shareholders shall be notified of their priority rights, if applicable, by publishing in daily newspaper or by registered mail or email, of the</p>	<p>B. Issuing new shares in exchange for the company's debts of a certain amount in the state of performance, provided that the issuance is at the value decided by the extraordinary general assembly after seeking the opinion of an expert or certified evaluator and after the Board of Directors and the auditor prepare a statement about the origin and amount of these debts and the members of the board and the auditor sign. This statement, and they are responsible for its accuracy.</p> <p>C. Issuing new shares in the amount of the reserve that the extraordinary general assembly decides to incorporate into the capital. These shares must be issued in the same form and conditions as the traded shares, and these shares must be distributed to the shareholders free of charge in proportion to the original shares owned by each of them.</p> <p>Dr. Issuing new shares in exchange for debt instruments or financing instruments.</p> <p>2. The extraordinary general assembly may, in all cases, allocate all or part of the shares issued upon increasing the capital to the employees of the company and all or some of its subsidiaries. Shareholders may not exercise their priority right when the company issues shares allocated to employees.</p> <p>3. The shareholder who owns the share at the time of issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares. They are informed of their priority, if any, by publishing in a daily newspaper or by informing them by registered mail, e-mail, or by any technical means. Talking about the decision to increase the capital, the terms and conditions of subscription, its duration, and the start and end dates, taking into account the type and class of shares that he owns.</p>	

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	<p>capital increase resolution, subscription conditions, duration, date of commencement and expiration.</p> <p>4. Extraordinary General Meeting may suspend the Shareholders' priority right to subscribe for capital increase in consideration of cash or give the priority to non-shareholders in the cases deemed to be in the interest of the Company.</p> <p>5. Shareholder may sell or forfeit the priority right during the period as of the date the General Meeting resolves to approve the capital increase to the last day of subscription for the new shares in pertaining to such rights, in accordance with the regulations developed by the relevant entity.</p> <p>6. Subject to Article (140) of Companies Law, the new shares shall be allotted to holders of priority rights who applied for subscription, in proportion to the priority rights they are holding to the total priority rights resulting from capital increase, provided that the number of shares allotted to such shareholders shall not be in excess of the number of new shares they applied for. The remaining new shares shall be allotted to holders of priority rights applied for more than their entitlement on a pro-rata basis, provided that the number of shares allotted to such shareholders shall not be in excess of the number of new shares they applied for. The remaining shares shall be offered to third parties unless otherwise is resolved by the Extraordinary General Meeting or stated by Capital Market Law.</p>	<p>4. The Extraordinary General Assembly has the right to suspend the priority right of shareholders to subscribe for a capital increase in exchange for cash shares, or to give priority to non-shareholders in cases it deems appropriate for the interest of the company.</p> <p>5. The shareholder has the right to sell or waive the priority right during the period from the time of issuance of the General Assembly's decision approving the capital increase until the last day of subscription for the new shares associated with these rights, in accordance with the controls established by the competent authority.</p> <p>6. Subject to Article (one hundred and twenty-nine) of the Companies Law, the new shares are distributed to the first refusal holders who requested to subscribe, in proportion to the first refusal rights they own out of the total first refusal rights resulting from the capital increase, provided that it does not exceed what they receive. It must obtain the new shares they requested, and the remainder of the new shares will be distributed to the first refusal rights holders who requested more than their share, in proportion to the first refusal rights they own out of the total priority rights resulting from the capital increase, on the condition that what they get does not exceed what they requested of the new shares. The remaining shares shall be offered to others, unless the extraordinary general assembly decides or Capital Market Laws stipulates otherwise.</p> <p>7. In all cases, the nominal value of the increase shares must be equal to the nominal value of the original shares of the same type and class.</p>	

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	<p>7. Provisions of valuation of contributions in-kind submitted upon incorporation of the Company shall be applied to the shares issued for contributions in-kind. The Ordinary General Meeting shall act as the Constituent Meeting to this effect.</p>		
17	<p>Article (15): Capital Decrease: The Extraordinary General Meeting may resolve to reduce the share capital if in excess of the need of the Company or if the Company sustains losses. Only in the latter case, the capital may be decreased below the limit set forth in Article (54) of Companies Law. Such resolution of reduction shall be issued only after reading the auditor report on the grounds therefor, on liabilities of the Company and the impact of such reduction on these liabilities. If the capital reduction is due to the fact that the capital exceeds the Company's need, the creditors must be invited to express their objections to such reduction within sixty days as of the date of publishing the reduction resolution in a daily newspaper published in the region where the Company's registered office is situated. If a creditor raises an objection and provides the Company with supporting documents within the aforementioned period, the Company shall settle its debt if due or shall furnish such creditor with adequate security for its payment if it has not fallen due yet.</p>	<p>Article (17) Capital Decrease 1. The Extraordinary General Assembly may reduce its capital if it proves to be in excess of the Company's needs or if the Company sustains losses, in which case only capital may be lowered beyond the limit specified in Article (59) of the Companies Law. In addition, such resolution shall be issued only after reading a statement prepared by the board of directors stating the grounds for such decrease, the company's liabilities, and the effect of the decrease on satisfying such liabilities is presented at the general assembly. Said statement shall include the report of the company's auditor. 2. If the reduction of the capital is due to its being in excess of the Company's needs, then the Company's creditors must be invited to express their objection thereto within 45 days prior to the date set for the extraordinary general assembly meeting to decide on the decrease. The invitation shall include a statement indicating the amount of capital prior to and after the decrease, the date of the meeting, and the date the decrease becomes effective. If a creditor objects to the decrease and submits supporting documents to the company within the specified period, the company shall pay the debt owed to him if it is due or provide him with a sufficient guarantee if it is not due. If a creditor notifies the company of his objection to the decrease and the company fails to pay his due debt or to provide him with a sufficient guarantee if his debt is not due, he may petition the</p>	<p>Articles rearrangement + Compliance with the new companies' law</p>

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
		<p>competent judicial authority prior to the date set for deciding on the decrease in the extraordinary general assembly meeting. The competent judicial authority may, in such case, order the payment of the debt, the provision of a sufficient guarantee, or the adjournment of the extraordinary general assembly meeting, as the case may be.</p>	
18	<p>Article (16): Issuance of Instruments and Bonds:</p> <p>1. The joint-stock company may, in accordance with Capital Market Law and the other relevant regulations, issue debt instruments or negotiable financing instruments.</p> <p>2. The Company may issue debt instruments or financing instruments convertible into shares only after a resolution is passed by the Extraordinary General Meeting setting the maximum number of shares that may be issued against such instruments or Sukuk, whether these instruments or Sukuk are issued at the same time or through a series of issuances or through program(s) to issue debt instruments or financing instruments. The Board of Directors, without the need for new approval of such Meeting, shall issue new shares in exchange for those instruments that their holders apply for their conversion, immediately after the expiration of the conversion period specified for holders of such instruments. The Board of Directors shall take the necessary actions to amend the Company's Articles of Association with regard to the number of shares issued and the capital.</p> <p>3. Subject to Article (122) of Capital Market Law, the Company may convert the debt instruments or financing</p>	<p>Article (18) Bonds and instruments</p> <p>1. The Company may issue negotiable and indivisible debt instruments or financing sukuk of equal value as per provisions of the Companies Law and Capital Market Law.</p> <p>2. Subject to a resolution from the Board of Directors and in accordance with the Capital Market Law and other related regulations can issue any kind of negotiable debt instruments, whether in Saudi Riyal or otherwise, inside and outside the Kingdom of Saudi Arabia, such as bonds and sukuk whether such have been issued at the same time or in a series of issues, or in one or more programs as set from time to time. In addition, the Board shall be entitled to take all necessary actions and procedures in this regard.</p> <p>3. The company may issue debt instruments or financing instruments convertible into shares after the issuance of a decision by the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those instruments or instruments at the same time or through a series of issues or through One or more programs to issue debt instruments or financing instruments, and the Board of Directors - without the need for new approval from the extraordinary general assembly - issues new shares in exchange for those instruments or instruments whose holders request to convert them, immediately after the end of the conversion request period specified for the holders of those instruments or instruments, and the Board shall do what is necessary to amend</p>	<p>Articles rearrangement + Compliance with the new companies' law</p>

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>instruments into shares in accordance with Capital Market Law. In all events, such instruments shall not be converted into shares in the following cases:</p> <p>A. If the conditions for issuance of debt instruments or financing instruments do not include the possibility to convert such instruments into shares by increase of the Company's capital; and</p> <p>B. If holder of the debt instrument or financing instrument does not approve such conversion.</p>	<p>the company's statutes with regard to the number of issued shares and capital. The Board of Directors must register the completion of the procedures for each increase in capital with the commercial register.</p>	
19	<p>Article (17): Management of the Company: The Company shall be managed by a board of directors composing of (7) seven directors to be elected by the Shareholders' Ordinary General Meeting for a term of service of no more than three years.</p>	<p>Article (19): Board of Directors The company shall be managed by a board of directors composed of (7) Seven members appointed by the Ordinary General Assembly for a term not exceeding (4) for Gregorian years.</p>	Articles rearrangement + Compliance with the new companies' law
20	<p>Article (18): Termination of the Board Membership: Membership of the Board shall be terminated at the expiration of the board term or when a director becomes incompetent for the board membership in accordance with any law or instructions applicable in the Kingdom. Nonetheless, the Ordinary General Meeting may terminate the board term of office and call for election of new board of directors in accordance with the relevant laws and regulations. Besides, the General Meeting may, at all times, dismiss all or certain directors without prejudice to the right of the dismissed director against the Company to claim for compensation if dismissed for undue cause or at an inappropriate time. The director may resign, provided to be at a reasonable time, otherwise the director shall be held responsible before the Company for the damage arising out of such resignation.</p>	<p>Article (20): Expiry of Board of Directors membership Membership in the Board shall expire if any of the following occurs:</p> <ol style="list-style-type: none"> a. At the end of its term. b. By resignation or death of the member. c. If it becomes disqualified for the membership in accordance with the provisions of any law or instruction in force in the Kingdom of Saudi Arabia. d. If it is convicted of a crime/felony involving a breach/violation of honor and/or the public trust. e. If it is declared bankrupt or makes arrangements or reconciliation with his creditors. <p>Notwithstanding, the Ordinary General Assembly may, at any time, dismiss all or some of the members of the Board of Directors, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. A member of the Board of Directors may</p>	Articles rearrangement + Revised wording.

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		resign, provided that this is at an appropriate time. Otherwise, he will be liable to the company for any damages resulting from his retirement.	
21	<p>Article (19): Vacant Seat on the Board: If there is a vacancy on the board, the Board of Directors may temporarily appoint another director to fill such vacant seat irrespective of the arrangement with regard to taking votes of the Meeting elected the board, provided to have the adequate expertise and efficiency. Ministry of Commerce and Investment and Capital Market Authority must be informed within five working days as of the date of appointment. Such appointment shall be presented to the Ordinary General Meeting at its first meeting. The new director shall complete the term of its predecessor. In the event, the conditions required for convening the board are not met because the number of directors falls below the minimum number prescribed in the Companies Law or herein, the remaining directors shall call for the Ordinary General Meeting within sixty days to elect the essential number of directors.</p>	<p>Article (21): Vacant Position in the Board of Directors: If the position of a member of the Board of Directors becomes vacant, the Board may appoint a temporary member to the vacant position who has experience and competence. The Board shall notify Commercial Register and the Capital Market Authority of this within fifteen business days from the date of the appointment and present the appointment to the Ordinary General Assembly at its next meeting. The new member shall serve the term of his predecessor. If the required conditions for quorum of the board of directors are not satisfied due to the number of its members being less than the minimum stipulated in the Companies Law or these statutes, the remaining members must invite the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.</p>	Articles rearrangement + Compliance with the new companies' law
22	Added	<p>Article (22) Board of Directors' Term Expiry The provisions of Article Sixty-Nine of the Companies Law shall apply to the cases of the expiry of the Board's term or the retirement of its members, in accordance with the company's policies and the relevant laws and regulations.</p>	Added Article
23	<p>Article (20): Powers of the Board of Directors: Subject to the powers specified for the General Meeting, the Board of Directors shall have full powers and authorities to manage the Company, supervise its business and funds and manage its affairs in the Kingdom of Saudi Arabia and abroad for the purpose of achieving its objectives, guarding its interests, contributing into its</p>	<p>Article (23): Board of Directors' Powers Subject to the powers conferred on the General Assembly, the Board of Directors shall be vested with full powers to manage the business of the Company, supervise its affairs, and to set its general policies to achieve its objectives as per provisions of the Companies Law. For such purposes, the Board of</p>	Revised Wording + Articles rearrangement.

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	<p>development and raising its value. The Board of Directors shall be vested, including without limitation, with the following powers and authorities:</p> <ol style="list-style-type: none"> 1. Represent the Company in its relation with third party, including labor offices, executive and administrative authorities, Passport Department, civil rights bodies, Police and Traffic Departments, municipalities, principalities, governorates, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Labor, embassies, consulates, Customs Department, recruitment offices, General Authority of Zakat and Tax, General Organization for Social Insurance, all other government authorities, chambers of commerce and industry, private authorities and enterprises, banks, commercial banks, finance houses, investment institutions and companies, all funds and all types of government financing funds and institutions of different competencies in addition to all types of corporates and institutions in the Kingdom of Saudi Arabia and abroad; 2. The right to issue, amend and renew licenses, apply for visas by labor and recruitment offices in the name of Company, grant those sponsored by the Company exit and re-entry visas or final exit visas, transfer or assign sponsorships and issue iqamas; 3. The right to sign, on behalf of the Company, memorandums of association, amendment resolutions, shareholders' resolutions and boards of directors of the companies in which the Company participates or of which the Company is a shareholder including without limitation: 	<p>Directors shall be empowered, for example and not limited to, the following powers:</p> <ol style="list-style-type: none"> a. Approving the Board of Directors' Charter, as well as the financial, managerial, technical, and investment Charters of the Company alongside the accounting policies and internal control systems and update same regularly; approve and operate Company action plans; approve annual budget; and approve social corporate responsibility allocation and donations. In addition, the Board may authorize officers in the Company to sign on its behalf as per the controls set by the Board. b. Forming committees which help the Board carry out its duties including the Nomination and Remuneration Committee together with other committees which the Board establishes. In addition, the Board shall control over the performance of its committees regularly and coordinate among them for the expedient resolution of matters referred thereto Determining the powers of the committees, the procedures for appointing and dismissing their members, their compensation, and the procedures for monitoring the work of these committees in accordance with the policies established by the Board. c. Opening, managing, operating, and closing bank accounts; withdraw and deposit; opening credits; appointing authorized signatories and determining and revoking their powers; signing all papers, documents, and commercial papers, including cheques, bills, bonds to order, and endorsing the same; making transfers; issuing bank guarantees, applying and obtaining credit facilities, dealing in treasury products, e-banking, and all other bank transactions; and investing an operating Company funds in local and international markets, 	

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	<p>amendment of articles on management, capital increase or decrease, sale and transfer or acceptance and purchase of stocks and shares, in part or in full, change its legal entity, attest and sign memorandums of association and the amendments thereto of the companies before the Notary Public in the Kingdom of Saudi Arabia, represent the Company in the ordinary and extraordinary general meetings and all shareholders' meetings of the companies of which the Company is a shareholder. They shall have the right to vote, discuss and deliberate in all matters brought before such meetings and to sign all documents to this effect;</p> <p>4. Sign all contracts, agreements and documents of purchase, sale, lease, release, mortgage, redeem mortgage, assignment, conveyance and transfer of the title of lands and buildings as well as all types of real estate properties and movables whether in the name and for the interest of the Company or in the name and for the interest of a third party, to receive, deliver and collect the price and to sign all required documents before the Notary Public and all competent authorities and other documents and conclude deals with any third party on behalf of the Company;</p> <p>5. The right to open, operate, update, close, withdraw from, deposit in and manage bank and investment accounts of the Company, sign all required documents in this regard, sign all bank transactions including but not limited to: domestic and international transfer, purchase and sale of international currencies, apply for, receive and draft all types of cheques, sign all</p>	<p>whether inside or outside the Kingdom, and giving authorizations for such investments.</p> <p>d. Approving and signing financing agreements, financial derivatives, and other commercial, financial, financing funds and institutions, and other banking agreements, of whatever durations in addition to loan agreements of terms exceeding three years, including governmental financing institutions and funds, commercial banks, finance houses, credit companies, and any other credit bodies, and granting authorizations in loan agreements regardless of their durations.</p> <p>e. Providing proper financial facilities for companies in which the Company holds, whether directly or indirectly, shareholdings or shares regardless of their durations, and the Board may provide guarantees and mortgages to creditors of such companies, and giving priority for settling such companies' debts over repaying the Company's liabilities. The Board may also provide investment, managerial, technical, credit, and financial support and treasury management for such companies and providing loans thereto. The Board may as well provide surety for any of such companies, which all shall be subject to the Board's discretion as deemed appropriate for serving the Company's best commercial objectives.</p> <p>f. Carrying out any and all acts and actions serving the Company's objectives.</p> <p>g. The Board of Directors may discharge the Company's debtors of their debt obligations towards the Company as deemed appropriate for serving its objectives after the Company's has taken the actions as deemed suitable by the Board to collect such debts; issuing financial guaranties and bonds; issuing fine and performance guarantees regarding Company business for any third party whenever the Board</p>	

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	<p>required documents relevant to such transactions, open letters of credit, apply for all types of bank guarantees, sign all documents and the resulting commercial papers, apply for and receive all types, kinds and categories of credit cards, amend the data and privileges thereof, sign all documents required therefor in the name and for the interest of the Company, apply for and activate electronic services provided by banks in the name and for the interest of the Company in addition to signing all essential and necessary forms;</p> <p>6. The right to apply for and approve loans and credit facilities in accordance with rules of sharia from commercial banks, government industrial funds or other lenders and sign the required contracts and documents, sign and submit all essential securities including legal guarantees for providing facilities of such loans such as mortgage, promissory notes, share certificates and other securities in-rem and cash securities;</p> <p>7. The right to register commercial agencies in the name and for the interest of the Company, sign all local and international agency contracts in accordance with all types of commercial agency laws and sign all relevant documents and commercial papers;</p> <p>8. Sale, purchase and mortgage of all types of movable properties of the Company. However, with regard to sale of real estate property of the Company, Board of Directors report and reasoning of its decision on disposal shall require that BOD has to define in the sale resolution the reasons and grounds therefor and that the sale has to</p>	<p>considers, at its discretion, that would serve the Company's objectives; executing all kinds of bank transactions and agreements; providing bank guarantees and any other guarantee documents; giving priority to paying third party debts and the like; and allowing third parties to use all or any part of the facilities given to the Company or the companies in which the Company participates.</p> <p>h. Disposing of the Company's assets, properties, and real estate properties in return for the fair consideration as approved by the Board; providing guarantees for creditors; mortgaging, redeeming mortgage, and giving authorization in same; selling, buying, leasing, renting, transferring ownership, collecting and delivering price and sold items; and providing some assets, properties and real estates of the Company as an in-kind share in the capital of a company in which the Company participates.</p> <p>i. Representing the Company in its relations with third parties, before governmental and private bodies and all executive authorities and bodies, all companies, institutions, individuals, commercial banks, financial institutions, exchanges, any and all governmental financing institutions and funds of all titles and powers, and other lending bodies; clearing and receiving Company's products at customs, and submitting applications and data in such regard and signing them; receiving mail parcels; applying for visas from the Ministry of Labor, paying their fees; granting exit and reentry visas and final exit visas; transferring sponsorship and assigning the same; applying for visit visas; applying for and obtaining Iqama cards, labor permits and renewing the same; establishing offices and branch offices; applying for and renewing commercial registrations for branches and making amendments thereto including any omissions, additions,</p>	

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	<p>be concluded for a price similar to the standard price and sale shall be in cash unless in the cases determined by the Board and upon the sufficient guarantees. Such disposal shall neither cause suspension of activities of the Company nor taking on other obligations;</p> <p>9. Enter into loan agreements with government financing funds and institutions irrespective of the term thereof. The Board of Director shall further be entitled to make commercial loans of which term are not in excess of the Company's Term, subject that, for the commercial loans longer than three (3) years, the Board of Directors shall define in the resolution loan utilization and repayment method;</p> <p>10. In the cases established by the Board of Directors, BOD shall release and discharge the Company's debtors from their obligations in accordance with interest of the Company, provided that in the Board report and reasoning of its resolution shall consider the following conditions: A. Release and discharge shall be after one full year as of the date of debt; and B. Release and discharge shall be for a maximum amount specified for each debtor per year.</p> <p>11. The Board of Directors may provide financial support, saving from loans, to any of the companies of which the Company is a shareholder as well as the subsidiaries thereto;</p> <p>12. The Board of Directors shall have the power to approve distribution of interim dividends to Shareholders</p>	<p>modifications, or deletions; applying for and renewing licenses of whatever kind, and making amendments thereto including any omissions, additions, modifications, or cancellations; entering bids, tenders, and auctions, whether independently or in conjunction with other persons or companies or through a consortium; carrying out transactions on behalf of the Company; collecting payments, paying, and receiving dues at third parties' liabilities; and accepting gifts.</p> <p>j. Applying for commonage settlement, assigning and sorting the same; applying for ownership and titles deeds; applying for deeds amendment, sorting, alternative declaration of same; applying for a replacement for lost titles deeds and submitting applications for obtaining copies thereof, annotating or correcting same; correcting and amending measurements and borders of real estate properties; consolidating deeds into one deed or more; applying for and obtaining new deeds; signing and receiving legal deeds; selling, buying, transferring ownership and accepting same, collecting and delivering, and signing the same before public notary; paying, receiving, and delivering price; adjoining properties, deeds of titles, sorting and dividing; applying for the modification of plans; leasing, renting, collecting, and paying; signing contracts and agreements including without limitation, bills of sale, purchase contracts, leases, renting franchising agreements, insurance contracts, and other contracts the Company needs to carry out its business activities.</p> <p>k. Establishing companies and amending their articles of association and signing on behalf of the Company on articles of association and amendment annexes of companies of whatever kind, in which the Company participates, regardless of the content of such amendments related to</p>	

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	<p>of the Company, provided to be presented to the General Meeting in its first subsequent meeting;</p> <p>13. Develop, supervise the application of and review plans, policies, strategies and main objectives of the Company on a regular basis and ensure the availability of human and financial resources required for realization of such plans and objectives including:</p> <p>A. Establishment, review and orientation of the Company's comprehensive strategy, master plans of operation, risk management policies and procedures;</p> <p>B. Determination of the optimal capital structure, strategies and financial objectives of the Company and approval of all types of estimated budgets;</p> <p>C. Supervision of the Company's major capital expense and ownership and disposal of assets;</p> <p>D. Setting performance targets, monitoring performance and overall performance of the Company;</p> <p>E. Periodic review of organizational and employment structures of the Company and approving such structures; and</p> <p>F. Ensuring that the human and financial resources essential for realization of objectives and plans of the Company are provided.</p> <p>14. The Board of Directors shall be entitled, within its powers, to authorize on its behalf director(s) or third party to conduct certain action(s) and may revoke the authorization or delegation, in part or in full; and</p> <p>15. The Board of Directors shall be entitled to resolve to form several committees in accordance with the</p>	<p>raising/lowering capital stock, assigning and selling shares and shareholdings as per relevant laws; accepting shares and shareholdings assigned to the Company; transforming or merging companies; selling and buying some or all shares and shareholdings of companies; liquidating and removing records of companies; requesting, accepting, and negotiating putting shares and shareholdings held by the Company to public or private placement whether inside or outside the Kingdom of Saudi Arabia taking into consideration legal requirements, and appointing Company representatives in managing any other subsidiary company or assemblies, shareholders' meetings, board meetings, board of management meetings, voting thereat on behalf of the Company, and signing the resolutions and minutes of meetings of partners' assemblies, shareholders' meetings, board meetings, and board of management meetings.</p> <p>l. Selecting legal attorneys, revoking powers of attorney, appointing the Board Secretary, Company Chief Executive Officer and staff, determining their remuneration benefits, terms and conditions of their employments and terminating their contracts, and contracting service providers, such as law, engineering, accounting, and auditing firms, and other firms.</p> <p>m. Signing agreements and deeds before the notary public and official bodies, and granting powers of attorney.</p> <p>n. The Board of Directors may, within the limits of its jurisdiction, authorize and delegate one or more of its members or a third party to undertake a specific function or functions and to authorize them to sub-delegate such powers to others.</p> <p>o. Selling the company's assets, taking into consideration that the board of directors must obtain the approval of the general assembly when exceeding 50% of the value of its total</p>	

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	<p>relevant laws and the Company's need. Furthermore, the Board shall have the power to determine the terms of reference of the committees and procedures on appointment, termination and remuneration of the members in addition to the procedures on monitoring works of such committees in accordance with the policies developed by the Board.</p>	<p>assets, whether the sale is made through one transaction, or more. In such case, the transaction which leads to the sale of more than 50% of the value of assets shall require the general assembly's approval, the percentage shall be calculated from the date the first transaction is concluded within the previous 12 months.</p> <p>p. Claiming and filing lawsuits - pleading and defending - hearing and responding to lawsuits - acknowledgment - denial - reconciliation - waiver - release - requesting an oath, rejecting it, and abstaining from it - bringing witnesses and evidence and challenging it - answering, wounding, and amending - challenging forgery - denying handwriting, seals, and signatures - requesting a ban from Traveling and releasing it – appearing in the seizure and enforcement departments – applying for seizure and enforcement - Requesting arbitration - Appointing experts and arbitrators - Challenging the reports of experts and arbitrators, rejecting and replacing them - Requesting the application of Article 230 of the Shari'a Procedures law - Demanding the enforcement of judgments - Accepting and denying judgments - Objecting to judgments and requesting appeal - Petition Reconsideration - Marginalization of judgment instruments - Request for pre-emption - finalizing the requirement to attend court hearings in all lawsuits before all courts - Receipt of deeds - Request to intervene - Request to refer the case - to the courts - to the administrative courts (Board of Grievances) - to the Sharia medical committees - At the medical committees - At the labor committees - At the financial dispute resolution committees and banking dispute settlement committees - At the securities dispute settlement committees At commercial paper dispute settlement offices and commercial dispute resolution committees - At the customs committees and commercial</p>	

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		fraud committees - At the dispute settlement committees And insurance violations - at the Oversight and Investigation Authority - at the Public Prosecution - a request to overturn the ruling at the Supreme Court - at the Supreme Court - at the Committee for Reviewing Violations of the Law on the Practice of Health Professions - the Disciplinary Committee for Lawyers at the Ministry of Justice - the Committee for Settlement of Violations and Tax Disputes - the Appeals Committee for Violations And tax disputes - the Committee for Resolving Violations of the Banking law - the Committee for Violations of the Copyright Protection law - the Committee for Patent Claims - the Committee for Trademark Grievances, and it has the right to appoint others	
24	<p>Article (21): Remuneration of the Directors and Committee Members:</p> <p>1. Remuneration of the Directors</p> <p>Remuneration of the Directors may consist of a specified sum, an attendance fee, expense allowance, any benefits in-kind, a certain percentage of profits of the Company, or a combination of the cash and benefits in-kind when determining remuneration of the Directors. Benefits shall be granted pursuant to a resolution by the Ordinary General Meeting in accordance with Companies Law and the regulations thereof.</p> <p>Remuneration of the Directors shall be variable subject to the policies developed by the Company to which the Company agrees. The Directors shall present to the Ordinary General Meeting a detailed report on all amounts received by the Directors during the financial year, including remuneration, bonuses, expenses and any other benefits. The said report shall state what has been earned by the Directors as employees of the Company.</p>	<p>Article (24) Remuneration of Board members and committees</p> <p>1. Remuneration of the Board Members</p> <p>The remuneration for members of the Board of Directors shall be either a lump sum, an amount for attendance at meetings, an allowance for expenses, any in-kind privileges, or a specific percentage of the company's profits. It is also permissible to combine cash and in-kind privileges when determining the remuneration for members of the Board of Directors.</p> <p>Board member remuneration shall be variable in accordance with the policies established by the company and approved by the General Assembly. Board members must submit a detailed statement to the General Assembly of all amounts they receive during the fiscal year, including bonuses, expenses, and any other privileges, as well as the amounts they received in their capacity as employees of the company, and the report must include the number of meetings attended after the last meeting of the General Assembly.</p> <p>The remuneration of independent members may not be a fixed percentage of the company's profits and must not</p>	Articles rearrangement + Compliance with the new Companies law.

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	<p>The report shall also include the number of meetings attended as of the last General Meeting.</p> <p>In all events, total remuneration and cash or benefits in-kind received by any independent Director shall not exceed SAR five hundred thousand per annum in accordance with the regulations established by the relevant authority. Besides, remuneration of the Directors shall not be a percentage of profits of the Company and shall not have direct or indirect connection with the Company's profits.</p> <p>The Directors having the right to vote in the General Meeting shall not vote on the resolutions relevant to remuneration of the Directors.</p> <p>2. Remuneration of the Board Committees: The Board of Directors shall determine remuneration of the committee members, attendance fees and other entitlements subject to a policy approved by the Board of Directors on the recommendation of Remuneration and Nomination Committee. Such remunerations and entitlements shall be fulfilled in accordance with the policy to be approved by the Board, except for remuneration of membership of the audit committee that shall be defined by the Shareholders' General Meeting pursuant to recommendation of the Board of Directors.</p>	<p>depend on the company's profits, whether directly or indirectly. Members of the Board of Directors who have the right to vote in the General Assembly may not vote on decisions related to the remuneration of members of the Board of Directors.</p> <p>2. Remuneration of Committees' Members' The Board of Directors determines committee membership remuneration, attendance allowances, and other entitlements based on a policy approved by the Board of Directors based on the recommendation of the Remuneration and Nominations Committee. These remunerations and entitlements shall be disbursed according to the policy approved by the Board, with the exception of the Audit Committee membership remuneration, which is determined by the General Assembly of Shareholders. Based on the recommendation of the Board of Directors.</p>	
25	<p>Article (22): Powers of the Chairman, Vice-Chairman, Managing Director and Secretary: The Board of Directors shall appoint among its members a Chairman and a Vice-Chairman and may appoint a Managing Director. No Director shall hold the position of a Chairman along with any other executive position at the Company at the same time. The Chairman shall have the</p>	<p>Article (25) Powers of the chairman, Vice-Chairman & Managing Director 1. The Board of Directors shall appoint from among its members a Chairman and Vice-Chairman and may appoint a Managing Director. The position of Chairman of the Board of Directors may not be combined with any executive position in the company. The Chairman of the Board has the competency</p>	Articles rearrangement + revised wording.

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>powers to call for the Board and chair meetings of the Board and Shareholders' General Meeting. The Managing Director shall implement the directives issued by the Board or the Chairman and shall follow such instructions and directives.</p> <p>The Managing Director shall manage the day-to-day business of the Company and shall present reports to this effect to the Board. The Managing Director shall be vested with all powers and authorities granted in accordance with the laws and regulations.</p> <p>1. Chairman of the Board shall represent the Company before the court, sharia courts, judicial authorities, Board of Grievance, labor offices, Supreme and Primary Commission for the Settlement of Labor, commercial paper committees, all types of other committees and judicial authorities in addition to judicial, executive and administrative bodies, arbitral tribunals and Notary Public;</p> <p>2. The Chairman may issue title deeds, receive instruments and deeds, apply for amendment of the deeds including the borders and area thereof, deleting, addition, partition, division, signing on behalf of the Company where required in addition to signing all agreements and instruments before the Notary Public and other official entities. The Chairman shall have the right to enter into and withdraw from tenders, receive and make payments, acknowledge, make reconciliation, transfer, enter into contracts and assume obligations and commitments in the name and on behalf of the Company;</p>	<p>of calling the Board to a meeting and chairing Board of Directors meetings as well as the General Assembly of Shareholders meetings. The Managing Director is also the competency of implementing the directives that may be issued to him by the Board or the Chairman of the Board of Directors, and he must implement those instructions and directives.</p> <p>2. The Managing Director manages the daily business of the company and submits reports to the Council. The Managing Director has all the powers granted to him according to the laws and regulations.</p> <p>3. The Chairman of the Board of Directors represents the company before the judiciary, Sharia courts, judicial bodies, the Board of Grievances, labor and workers offices, supreme and first instance labor tribunals, commercial papers committees, all other judicial committees and bodies of all kinds, judicial, executive and administrative bodies, arbitration bodies and notaries.</p> <p>4. The Chairman of the Board of Directors may extract the deeds of ownership "ISTIHKAM", receive the deeds and ISTIHKAM deeds, request the amendment of the deeds within their limits and area, delete, add, divide, sort, and sign on behalf of the company in everything that requires this, and sign all agreements and instruments before the Notary Public and other official bodies, and the right to sign entry into and withdrawal from tenders, and receipt and payment. Acknowledgment, reconciliation, waiver, contracting, commitment and association in the name of the company and on its behalf.</p> <p>5. The Chairman of the Board of Directors has the right to plead, defend, dispute, demand, acknowledge, deny, pre-emption, bail, hear claims and respond to them, request an</p>	

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>3. The Chairman shall have the right to plead, defend, dispute, claim, acknowledge, deny, preemption and guarantee, hear and respond to cases, request and tender back the oath, bring evidence, challenge and deny the texts, signatures and seals. Furthermore, the Chairman may appoint and disqualify the experts and arbitrators, follow all lawsuits filed by or against the Company before sharia courts, Board of Grievance, enforcement judges, labor offices, Supreme and Primary Commission for the Settlement of Labor, Labor Dispute Committee, banking committees, commercial papers and instruments committees, all other judicial authorities and committees, arbitral tribunal. Besides, the Chairman shall be entitled to accept, apply for execution, deny or challenge judgments, apply for arbitration on behalf of the Company, appeal the judgments delivered against the Company, object to and accept such judgments, receive and deliver on behalf of the Company, apply for execution of judgments, refer to enforcement judges and collect the amounts arising out of enforcement;</p> <p>4. Chairman of the Board of Directors and Managing Director shall, jointly or severally, represent the Company in its relation with third party;</p> <p>5. Chairman of the Board of Directors and Managing Director shall, jointly or severally, represent the Company before the General Directorate of Passports and Civil Rights bodies, Police and Traffic Departments, municipalities, principalities and governorates, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Labor, embassies, consulates, Customs Department, recruitment</p>	<p>oath to be taken and rejected, provide evidence, defend, deny and challenge lines, signatures and seals, request the appointment of experts and arbitrators and reject them, and follow up on all cases brought by or against the company before the Sharia courts, judicial bodies and the Courts. Grievances, enforcement judges, labor and workers offices, higher and primary labor bodies, the labor disputes committee, banking committees, commercial and financial securities committees, and all other judicial bodies and committees, arbitration bodies, accepting rulings, requesting their implementation, denying them, or objecting to them, requesting arbitration on behalf of the company, appealing rulings issued against the company, objecting to them, accepting them, and receiving and delivering on behalf of the company. On behalf of the company, requesting the implementation of judgments, reviewing the implementation judges, and collecting what is obtained from the implementation.</p> <p>6. The Chairman of the Board of Directors or the Managing Director, jointly or individually, represents the company in its relationship with others. The Chairman of the Board of Directors or the Managing Director, jointly or individually, represents the company before the General Directorate of Passports and Civil Rights, police and traffic departments, municipalities, emirates and governorates, the Ministry of Interior, Foreign Affairs, Labor, embassies, consulates, customs, recruitment offices, the Department of Zakat and Income, the General Organization for Social Insurance, and all other government agencies, chambers of commerce and industry, private bodies and agencies, and banks. Commercial banks, financial houses, investment institutions and companies, all government financing funds</p>	

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>offices, General Authority of Zakat and Tax, General Organization for Social Insurance, all other government authorities, chambers of commerce and industry, private authorities and enterprises, banks, commercial banks, finance houses, investment institutions and companies, all funds and all types of government financing funds and institutions of different competencies in addition to all types of corporates and institutions in the Kingdom of Saudi Arabia and abroad;</p> <p>6. Chairman of the Board of Directors and Managing Director may, jointly or severally, issue, amend and renew licenses, apply for visas by labor and recruitment offices in the name of Company, grant those sponsored by the Company exit and re-entry visas or final exit visas, transfer or assign sponsorships and issue iqamas;</p> <p>7. Chairman of the Board of Directors and Managing Director shall, jointly or severally, have the right to sign memorandums of association of the companies in which the Company participates or of which the Company is a shareholder all amendment resolutions to the memorandums of association including without limitation: capital increase or decrease, amendment of articles on management, change the legal entity, transfer, sell, accept and purchase the stocks or shares in full or in part, or any other amendments before the Notary Public in addition to the right to refer to the Notary Public, conclude any type of conveyance, sell and purchase lands and real estate properties, receive and make payments, sign, receive and handover documents, instruments and</p>	<p>and institutions with their various names and specializations, and companies and institutions of all kinds inside and outside the Kingdom.</p> <p>7. The Chairman of the Board of Directors or the Managing Director, jointly or individually, may issue licenses, amend them, and renew them, request visas from the labor and recruitment offices in the name of the company, grant the company's sponsors exit and return visas, or final exit, transfer or waive sponsorships, and obtain residency permits.</p> <p>8. The Chairman of the Board of Directors or the Managing Director, jointly or individually, has the right to sign the incorporation contracts of the companies in which the company participates or contributes, and all decisions to amend the incorporation contracts, which include, without limitation, raising or reducing the capital, amending the management clause, transferring the legal entity, assigning and selling, or accepting and purchasing a part. Of or all of the shares, stocks, or any other modifications with His Eminence the Notary, reviewing the notary, making discharges of any kind, buying and selling lands and real estate, collecting and paying the price, signing, receiving and receiving papers, documents, and instruments, receiving the price, and accepting the discharge to the company and from the company before the official authorities.</p> <p>9. The Chairman of the Board of Directors or the Managing Director, jointly or individually, has the right to open, operate, update, close, withdraw, deposit, manage the company's bank and investment accounts, and sign all necessary documents in this regard. Deposit, withdrawal, internal transfer, external transfer, requesting, receiving, issuing and signing checks of all kinds, requesting, activating and using all electronic transactions available by banks in the</p>	

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>deeds, receive the price, accept conveyance to the Company and by the Company before official entities;</p> <p>8. Chairman of the Board of Directors and Managing Director shall, jointly or severally, be entitled to open, operate, update, close, withdraw from, deposit in and manage bank and investment accounts of the Company, sign all required documents in this regard, deposit, withdraw, conduct domestic and international transfer, apply for, receive, draft and sign all types of cheques, request, activate and use all electronic transactions provided by the banks in the name and for the interest of the Company and sign all required forms and documents;</p> <p>9. Chairman of the Board of Directors and Managing Director may, jointly or severally, within their powers, issue power of attorney on behalf of the Company before the competent Notary Public and may further, within its powers, authorize or delegate director(s) or third party to carryout certain work(s) in the Kingdom of Saudi Arabia and abroad and may revoke the legal power of attorney, the authorization or delegation in part or in full; and</p> <p>10. Vice-chairman shall act as the Board Chairman when absent. The Board of Directors shall, at its discretion and by a resolution to be adopted by the Board of Directors, determine the remuneration of the Chairman and the Managing Director in addition to the remuneration hereunder prescribed for the Directors. The Board of Directors shall appoint a Secretary of the Board, whether among its members or a third party, who</p>	<p>name and for the benefit of the company and signing all forms and documents necessary for that.</p> <p>10. The Chairman of the Board of Directors or the Managing Director, jointly or individually, within the limits of his powers, has the right to issue legal powers of attorney on behalf of the company before all competent notaries. He also has the right, within the limits of his powers, to assign or delegate one or more members of the Board of Directors or others to carry out work or Certain works inside and outside the Kingdom and he has the right to cancel legal agencies and cancel the authorization or power of attorney partially or completely.</p> <p>11. The Vice Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence.</p> <p>12. The Board of Directors determines, in its discretion and by a decision issued by it, the special remuneration that the Chairman of the Board and the Managing Director receive in addition to the remuneration originally granted to members of the Board of Directors.</p> <p>13. The Board of Directors also appoints a secretary whom it chooses from among its members or from others. He is responsible for writing down the facts and decisions of the Board of Directors and recording them in a special register prepared for this purpose. His remuneration is determined by a decision of the Board. The term of the Chairman of the Council, the Vice-Chairman, the Managing Director, and the Secretary, member of the Board of Directors, shall not exceed the term of membership of each of them in the Council. They may be reappointed, and the Council may at any time dismiss them or any of them without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at a time unsuitable.</p>	

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>shall be responsible for drafting and recording the resolutions passed by the Board in a special register made for such purpose. Remuneration of the Secretary shall be determined by resolution of the Board. Term of office of the Chairman, Vice-chairman, Managing Director and the Secretary of the Board (if a director) shall not be in excess of their respective term on the Board and they may be reappointed. The Board shall be entitled at any time to dismiss all or any of them without prejudice to the right of dismissed party if dismissed for undue cause or at an inappropriate time.</p>		
26	<p>Article (23): Meetings of the Board: The Board of Directors shall convene, when called by the Chairman, at least four (4) times a year. Such call must be in writing and may be sent by registered mail or email accompanied by agenda. The Chairman shall call the Board if so requisitioned in writing by two directors.</p>	<p>Article (26) Board of Directors Meetings 1. The Board shall convene regular meetings to perform its duties effectively, and also convene meetings whenever needed. 2. The Board shall convene no less than four meetings per year, and no less than one meeting every three months. 3. The Board shall meet upon the invitation of its chairman or upon a request from one of its members. The invitation to the meeting shall be sent to each of the Board members no less than five days prior to the date of the meeting accompanied by its agenda and the necessary documents and information, unless circumstance require convening an emergency meeting, the invitation accompanied with the agenda and necessary documents and information may be sent within a period less than the five days. 4. Board meetings shall be held at the Company head office or at any other place the Chairman selects. Besides, the Board may invite whomever it considers helpful for their information or experience, and those invitees shall not be entitled to vote at such meetings. A Board meeting may be held and a director may take part in its deliberations and vote at proposed</p>	<p>Articles rearrangement + Compliance with the new Companies law.</p>

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
		resolutions using one of the modern technological means subject to the regulating directives.	
27	<p>Article (24): Deliberations of the Board: The deliberations and resolutions of the Board of Directors shall be recorded in minutes signed by the Board Chairman, present Directors and secretary. Such minutes shall be entered into in a special register to be signed by the Board Chairman and the secretary. All present or represented Directors shall sign a copy of the minutes. The Board of Directors may hold its meetings by video-conferencing whereby all Directors participating in the meeting are able to see and hear each other. In this event, the Secretary shall send copies of the resolutions passed during the meeting to the Directors to sign thereon.</p>	<p>Article (28) Board Deliberation The deliberations and resolutions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the present members of the Board of Directors, and the Secretary. These minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary, and all the members present and representatives sign one of the copies of the minutes. The Board of Directors may hold its meetings through modern technological devices in a way that all members see and hear each other during the meeting. In this case, the Secretary of the Board must send copies of the resolutions made during the meeting to the Board members for signature. It is also permissible to use modern technological devices to sign and record the deliberations, resolutions and recording of minutes.</p>	Articles rearrangement + Compliance with the new Companies law.
28	<p>Article (25): Quorum of the Board of Directors Meetings: Meeting of the Board shall be duly convened only if attended by at least half or the Directors, provided not to be less than three (3) directors in person. Should a director desire to delegate another director to attend the Board's meetings, such delegation shall be in accordance with the following rules:</p> <ol style="list-style-type: none"> a. The director shall not represent more than one director when attending such meeting. b. Such authorization shall be in writing and about one specific meeting. c. The director's proxy shall not vote on the resolutions on which the delegating director is prohibited to vote by the law. 	<p>Article (27) Quorum for Board Meeting The meeting shall not be valid unless attended by half of the Board members (by themselves or by proxy), provided that the number of attendees shall not be less than four. In the event that a member of the Board of Directors gives a proxy to another member to attend the Board meetings on his behalf, then such proxy shall be given accordance with directives issued by the Competent Authority.</p>	Articles rearrangement + Compliance with the new Companies law.

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
29	<p>Article (26): Resolutions of the Board of Directors: The Board's resolutions shall be adopted by majority vote of the Directors present or represented in the meeting. In case of a tie, Chairman of the meeting will have casting or second vote.</p> <p>The Board of Directors may pass resolutions by circulation by presenting such matters to all members individually unless the Board is requested in writing to be convened by a director for deliberation of these matters. Such resolutions shall be reviewed by the Board of Directors in the first subsequent meeting.</p>	<p>Article (29) Board Resolutions: The Board resolutions shall be passed with the approval of the majority vote of the members present in person or represented by proxy. In case of a tie, Director presiding over the Board shall have a tie-breaking vote. A board decision shall become effective on the date of its issuance, unless the decision provides for a specific date or condition for its effectiveness.</p> <p>The Board of Directors may pass resolutions by circulation by presenting them to all members separately, unless one of the members requests in writing the Board meeting for deliberation. These resolutions shall be issued with the approval of the majority of the votes of its members, and these decisions shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of that meeting.</p> <p>Modern technological means may be used to sign and vote on decisions</p>	Articles rearrangement + Compliance with the new Companies law.
30	<p>Article (27): Conflict of Interest: The Director shall not have a direct or indirect interest in the business and contracts concluded for the interest of the Company unless under an authorization by the Ordinary General Meeting in accordance with the regulations developed by the competent authorities. The director shall notify the Board of its direct or indirect interest in the business and contracts concluded for the Company. Such notification shall be recorded in the meeting minutes. Such director shall not participate in voting on the resolution to be passed in this regard in the Board of Directors and the Shareholders' Meetings. The Chairman shall notify the Ordinary General Meeting, when convened, of the business and contracts in which</p>	<p>Article (30) Conflict of Interests A Board Member may not have any direct or indirect interest in the business and contracts conducted on behalf of the company except by a license from the Ordinary General Assembly and in accordance with the controls established by the competent authorities. A member of the Board of Directors must inform the Board of his direct or indirect interest in the business and contracts conducted on behalf of the company, and this notice shall be recorded in the minutes of the meeting. This member may not participate in voting on the decision issued in this regard by the Board of Directors and the shareholders' assemblies. The Chairman of the Board of Directors shall inform the Ordinary General Assembly when it convenes of business and contracts in which a member of the</p>	Articles rearrangement

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>the director has direct or indirect interest. The notification shall be attached to a specific report developed by the external auditor of the Company. Should the Director fail to disclose the interest as stipulated in this Article, the Company or every interesting party may claim before the competent judicial entity for revocation of the contract or obligating the director to pay any profits or benefit achieved. The director shall not engage in any business that may compete with the Company or compete with the Company in any of its activities unless having an authorization by the Ordinary General Meeting in accordance with the regulations developed by the competent authorities.</p>	<p>Board has a direct or indirect interest. The notice shall be accompanied by a special report from the company's external auditor. If the Board member fails to disclose his interest referred to in this article, the company may or any interested party may submit a claim to the competent judicial authority to invalidate the contract or oblige the member to pay any profit or benefit he gained from it.</p> <p>A board Member may not participate in any work that would compete with the company, or to compete with the company in one of the branches of the activity that it practices, unless he holds a license allowing him to do so from the Ordinary General Assembly in accordance with the controls set by the competent authorities.</p>	
31	<p>Article (28): Attending Meetings: Each subscriber, irrespective of the number of its shares, shall have the right to attend the Constituent Meeting. Every Shareholder shall be entitled to attend the Shareholders' General Meetings and may grant a written proxy to a third party who is not a director or a member of the Company to attend the General Meeting in accordance with the proxy form developed for such purpose required to be attested by a chamber of commerce or bank.</p>	<p>Article (31): Attending Assemblies Each Shareholder shall have the right to attend the Shareholders' General Assemblies. In addition, each Shareholder may authorize another Shareholder, other than the members of the Board of Directors or the Company's personnel to attend the General Assembly on his behalf in accordance with the directives issued by the Competent Authority. Shareholders' General Assemblies may be held and a director may take part in its deliberations and vote at proposed resolutions using one of the modern technological devices in accordance with the controls issued by the Competent Authority.</p>	Articles rearrangement + Compliance with the new Companies law
32	<p>Article (29): Constituent Meeting: The founders shall invite all subscribers to hold a Constituent Meeting within forty-five days as of the resolution date of the Ministry of Commerce and Investment licensing the incorporation of the Company.</p>	To be removed	Removal of " Constituent Meeting "

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>For the meeting to be valid, it must be attended by subscribers representing at least half of share capital of the Company. If such quorum is not present, another meeting shall be hold one hour after the expiration of the period specified for the first meeting, provided to be included in the call of the first meeting. In case the call does not refer to the second meeting, the second meeting shall be held at least fifteen days as of the call date.</p> <p>In all cases, the second meeting shall be deemed duly convened and constituted regardless of the number of subscribers represented therein.</p>		
33	<p>Article (30): Powers of Constituent Meeting: The Constituent Meeting shall be vested with the powers set forth in Article (63) of Companies Law.</p>	To be removed	Removal of “Powers of Constituent Meeting”
34	<p>Article (31): Powers of Ordinary General Meeting Saving from the matters falling within the competency of the Extraordinary General Meeting, the Ordinary General Meeting shall be competent to deal with all matters in pertaining to the Company. It shall be convened at least once per annum during the six (6) months following the end of the Company's financial year. Furthermore, other ordinary general meetings may be called whenever necessary.</p>	<p>Article (32) Competencies of Ordinary General Assembly Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters concerning the Company. The Ordinary General Assembly shall be convened at least once a year, within six (6) months following the end of the Company's fiscal year. Additional Ordinary General Assembly meetings may be convened whenever needed.</p>	Articles rearrangement + Revised wording.
35	<p>Article (32): Powers of Extraordinary General Meeting: The Extraordinary General Meeting shall have the power to amend the Articles of Association of the Company, saving from the provisions prohibited to be amended by the law. EGM may pass resolutions on matters falling within the competency of the Ordinary General Meeting under the same terms and conditions prescribed for the Ordinary General Meeting</p>	<p>Article (33) Competencies of Extraordinary General Assembly The extraordinary general assembly shall be authorized to amend the company's Statutes (except for matters prohibited from being amended by law), resolve the continuation or dissolution of the company, and approve the company's purchase of its shares. It may issue decisions on matters that are originally within the jurisdiction of the Ordinary General</p>	Articles rearrangement + Revised wording.

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
		Assembly under the same terms and conditions established for the Ordinary General Assembly.	
36	<p>Article (33): Calling for Meetings: Shareholders' public or special meetings shall be convened upon the call of the Board of Directors in accordance with the Companies Law and regulations thereof. The Board of Directors shall convene the Ordinary General Meeting if so, requisitioned by the auditor, the audit committee, or a number of shareholders representing at least five (5%) per cent of the share capital. The auditor may also call the Meeting to convene if the Board of Directors fails to hold the Meeting within thirty (30) days as of the date of the auditor's request.</p> <p>Besides, the Ordinary General Meeting may be convened by a resolution of the relevant authority in the following cases:</p> <ol style="list-style-type: none"> 1. In case of expiration of the period specified for holding the Meeting stipulated in Article (87) of Companies Law without being held; 2. If the number of Directors falls below the minimum required for its meeting subject to Article (69) of Companies Law; 3. If it is established that there are violations of the law or Company's Articles of Association or there are flaws in management of the Company; and 4. If the Board fails to call for the General Meeting within fifteen days as of the requisition made by the auditor, audit committee or number of Shareholders representing at least (5%) of the capital. <p>Shareholders representing at least (2%) of the capital may submit request to the relevant authority in order to convene the Ordinary General Meeting in any of the cases</p>	<p>Article (34): Calling Assemblies:</p> <ol style="list-style-type: none"> 1. General or private assemblies of shareholders shall be held by an invitation of the Board of Directors in accordance with the conditions stipulated in the company's Statutes. The Board of Directors shall call the ordinary general assembly to convene if so requested by the auditor, the audit committee, or a number of shareholders representing (10%) of the capital at least, the auditor may call the assembly to convene if the Board does not invite the assembly within thirty days from the date of the auditor's request. 2. Ordinary general assembly may be convened by a call from the competent authority in the following cases: <ol style="list-style-type: none"> a. If the specified period for the meeting stipulated in Article (88) of the law elapsed without it being held. b. If it becomes apparent that there are violations of the provisions of the law or the company's statutes, or that there has been a defect in the company's management, including a decrease in the number of members of the Board of Directors below the minimum number for a valid meeting. c. If the Board does not invite the Ordinary General Assembly to convene within the period specified in Paragraph 1 of this Article from the date of requesting the auditor or one or more shareholders representing (ten percent) of the company's shares that have at least voting rights. d. The competent authority may take the necessary measures to hold the ordinary general assembly, and it may chair the meeting of that assembly in the event that it is impossible to chair it in accordance with the provisions of Paragraph (1) of Article (Eighty-Four) of the law. 	Articles rearrangement + Compliance with the new Companies law

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>set forth hereinabove. The relevant authority shall call for the Meeting within thirty days as of the Shareholders' request, provided that the call shall include agenda of the Meeting and the items required to be approved by the Shareholders.</p> <p>The General Meeting call shall be published via CMA website and website of the Company and in a daily newspaper distributed in the region of the Company's registered office at least twenty-one (21) days prior to the date set for the meeting. Besides, the Company may convene the Meeting via modern technologies. The call shall include date, venue and the agenda of the Meeting. A copy of the call and the agenda shall be sent to the Ministry of Commerce and Investment and to the Capital Markey Authority within the period specified for publication.</p>	<p>3. A number of shareholders representing at least 2% of the capital may submit a request to the competent authority to invite the Ordinary General Assembly to convene if any of the cases stipulated in clause (2) of this Article are met. The competent authority must send the invitation to convene within thirty days from the date the shareholder request submission, provided that the invitation includes an agenda for the assembly meeting and the items required to be approved by the shareholders.</p> <p>4. The request referred to in Clause (3) of this Article must state the matters on which shareholders are required to vote.</p> <p>5. The invitation to convene the assembly shall be sent at least (twenty-one) days prior to the date specified for it in accordance with the provisions of the law, considering the following:</p> <ul style="list-style-type: none"> a. Informing shareholders through registered letters to their addresses listed in the shareholders' register, or announcing the invitation through modern technological devices. b. Send a copy of the invitation and the agenda to the Commercial Register, as well as a copy to the Capital Market Authority if the company is listed on the financial market on the date of announcing the invitation. <p>6. The invitation to the assembly's meeting must include at least the following:</p> <ul style="list-style-type: none"> a. A statement of the right holder to attend the assembly meeting and his right to delegate someone it selects who is not a member of the Board of Directors, and a statement of the shareholder's right to discuss the topics on the assembly's agenda and ask questions and the way to exercise the right to vote. b. The place, date and time of the meeting. 	

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
		<p>c. The type of association, whether it is a public or private association.</p> <p>d. The meeting agenda, including the items on which shareholders are required to vote.</p>	
37	<p>Article (34): Meeting Attendance Register: Shareholders desiring to attend the General Meeting shall register their names in the registered office of the Company prior to the date specified for holding the Meeting. The Company may register the Shareholders desiring to attend the meetings and vote on resolutions using modern technologies, if feasible</p>	<p>Article (35) Shareholders Attendance Record Shareholders who desire to attend the General Assembly shall register their names at the company's main office before the time specified for the Assembly to be held. The company has the right to register shareholders who desire to attend meetings and vote on decisions through modern technological devices whenever possible.</p>	Articles rearrangement + Compliance with the new Companies law.
38	<p>Article (35): Quorum of the Ordinary General Meeting: The Ordinary General Meeting shall be duly convened only if attended by Shareholders representing at least twenty-five (25%) per cent of the share capital. If such quorum cannot be attained at this meeting, a call for convening a second meeting shall be made within an hour after the end of the specified period of the first meeting, provided that the call for the first meeting shall include a statement indicating that this second meeting can be held. If the call does not refer to the second meeting, the second meeting shall be held within thirty days following the previous meeting. This call shall be published by the means set forth in Article (33) hereof. In all cases, the second meeting shall be valid irrespective of the shares represented therein.</p>	<p>Article (36) Ordinary General Meeting Quorum</p> <p>1. The ordinary general assembly meeting shall not be valid unless it is attended by shareholders representing at least a quarter of the company's shares that have voting rights.</p> <p>2. If the quorum necessary to hold the Ordinary General Assembly meeting is not met in accordance with Clause (1) of this Article, an invitation shall be sent to a second meeting to be convened in the same conditions stipulated in Article (Ninety-One) of the Companies Law within the (thirty) days following the date specified for convening the previous meeting. However, the second meeting may be held one hour after the elapse of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence of the possibility of convening that meeting. In all cases, the second meeting is valid regardless of the number of shares with voting rights represented in it.</p>	Articles rearrangement + Compliance with the new Companies law.
39	<p>Article (36): Quorum of the Extraordinary General Meeting The Extraordinary General Meeting shall be duly convened only if attended by Shareholders representing half of the</p>	<p>Article (37): Extraordinary General Meeting Quorum</p> <p>1. The extraordinary general assembly meeting shall not be valid unless it is attended by shareholders representing half of the capital. If this quorum is not present at the first</p>	Articles rearrangement + Revised wording

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>capital. If such quorum cannot be attained at the first meeting, a call for convening a second meeting shall be made within an hour after the end of the specified period of the first meeting, provided that the call for the first meeting shall include a statement indicating that such meeting can be held. If the call does not refer to the second meeting, a call for the second meeting shall be made upon the same conditions provided for in Article (31) hereof. In any event, the second meeting shall be valid if attended by Shareholders representing at least quarter of the capital.</p> <p>If the quorum required for the second meeting is not met, a third meeting shall be called under the same conditions set forth in Articles (90 and 91) of Companies Law. The third meeting shall be deemed duly held regardless of the number of shares represented therein, after approval of the relevant entity</p>	<p>meeting, the second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation to convene the first meeting includes an announcement of the possibility of convening the second meeting. If the invitation does not include a reference to the second meeting, the invitation shall be sent to a second meeting to be convened in the same conditions stipulated in Article (Thirty-six) of these statutes.</p> <p>In all cases, the second meeting is valid if it is attended by a number of shareholders representing at least a quarter of the capital.</p> <p>2. If the necessary quorum is not met in the second meeting, an invitation will be sent to a third meeting to be convened in the same conditions stipulated in Article (Ninety and Ninety-One) of the Companies Law, and the third meeting will be valid regardless of the number of shares represented in it, after the approval of the competent authority.</p>	
40	<p>Article (37): Voting at Meetings: Every Shareholder shall have a vote for every share represented in the Constituent Meeting. Votes at the Ordinary General Meeting and Extraordinary General Meeting shall be counted as one vote for each share. The cumulative voting shall be adopted in electing the Board of Directors.</p> <p>The Directors shall not participate in voting on the Meeting's resolutions in pertaining to their discharge or with regard to remuneration of the Directors.</p>	<p>Article (38) Voting in Assemblies: Votes at ordinary and extraordinary general assemblies are calculated on the basis of one vote per share, and cumulative voting must be used to elect the Board of Directors. Members of the Board of Directors may not vote in the General Assembly on decisions related to their discharge or related to the remuneration of members of the Board of Directors.</p>	Articles rearrangement + Compliance with the new Companies law.
41	<p>Article (38): Resolutions of the Meetings Resolutions of the Constituent Meeting shall be adopted by absolute majority (i.e. more than fifty per cent) of the shares represented therein.</p>	<p>Article (39): Assembles Resolutions The resolutions of the Ordinary General Assembly shall be issued by an absolute majority (i.e. more than fifty percent) of the shares represented at the meeting.</p>	Articles rearrangement + Compliance with the new Companies law.

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>Resolutions of the Ordinary General Meeting shall be issued by absolute majority of the shares represented in the meeting.</p> <p>Further, resolutions of the Extraordinary General Meeting shall be passed by a majority of two-thirds of the shares represented in the meeting unless such resolution is related to capital increase or decrease, extension of duration of the Company, dissolution of the Company prior to the expiration of its term specified in the articles of association, or merging the Company with another company, in such case, the resolution shall be valid only if issued by a majority of three quarters of shares represented in the meeting.</p>	<p>The decisions of the extraordinary general assembly are also issued by a two-thirds majority of the shares represented at the meeting, unless the decision is related to increasing or reducing the capital, extending the term of the company, dissolving the company before the expiry of the period specified in its bylaws, or merging the company with another company, in which case the decision will not be valid unless it is issued. By a majority of three-quarters of the shares represented at the meeting.</p>	
42	<p>Article (39): Deliberations at the Meetings: Every Shareholder shall have the right to discuss the topics listed on agenda of the Meeting and to address questions to the Directors and the auditor to this effect. The Board of Directors or the auditor shall answer the Shareholders' questions to the extent that would not jeopardize the Company's interest. If the Shareholder believes that the response to its question is not convincing, it shall appeal to the Meeting whose decision in this regard shall be effective and binding</p>	<p>Article (40) Discussions at the Assemblies Each shareholder has the right to discuss the topics included in the Assembly's agenda and direct questions about them to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the shareholders' questions to the extent that does not expose the interest of the company to harm. If the shareholder finds that the answer to his question is not convincing, he shall refer to the Assembly and its decision shall be in This matter shall be effective.</p>	Articles rearrangement + Revised wording
43	<p>Article (40): Chairing the Meetings and Preparation of Minutes: Shareholders' General Meeting shall be chaired by the Chairman of the Board of Directors, or, if absent, by the Vice-Chairman, or, if the Chairman and the Vice-Chairman are absent, by the member delegated by the Board amongst its members for such purpose. The Chairman shall appoint a secretary and teller of the meeting. A meeting minutes shall be made involving the numbers of</p>	<p>Article (41) Chairing Assemblies and Preparing Minutes The meetings of the general assemblies of shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or whomever the Board of Directors delegates from among its members in the event of the absence of the Chairman of the Board of Directors and his deputy. The Chairman shall appoint a secretary for the meeting and a vote collector, and shall draw up minutes at the assembly meeting that include the number of shareholders</p>	Articles rearrangement + Revised wording

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>present or represented Shareholders, the number of shares held by each in person or by proxy, the number of votes allotted thereto, the resolutions adopted, the number of votes in favor or against, and a comprehensive summary of the debate conducted in the meeting. The minutes shall be recorded on a regular basis after each meeting in a special register to be signed by the Chairman, secretary and teller of the meeting.</p>	<p>present or represented, the number of shares in their possession in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes that approved or disagreed with them, and a comprehensive summary of the discussions that took place at the meeting. Minutes are recorded regularly after each meeting. A meeting in a special register signed by the association's president, its secretary, and the vote collector.</p>	
44	<p><u>Article (41): Formation of the Committee: Formation of Audit Committee:</u> An audit committee shall be formed by a resolution of the Ordinary General Meeting of at least (3) members other than the executive directors, whether shareholders or third parties, provided that at least one member shall be financial or auditing expert. The resolution shall specify the responsibilities and regulations of the committee and remuneration of its members. If there is vacancy during the committee's term, the Board shall be entitled to appoint a temporary member, provided that such appointment has to be presented to the nearest General Meeting for approval. The new member shall continue the remaining term.</p>	<p>Article (42) Audit Committee Formation An audit committee shall be formed by a resolution of the Board of Directors, consisting of at least (3) members other than the executive members of the Board of Directors, whether shareholders or others, provided that at least one member is an expert in financial or auditing matters, and the committee's tasks, work controls, and remuneration shall be specified in the resolution. If a member's seat becomes vacant during the committee's term, the Council has the right to appoint an alternative member, and the replacement member will complete the term of his predecessor. The Company's General Assembly shall issue - based on a proposal from the Board of Directors - the work charter of the Audit Committee, provided that this charter includes the controls and procedures for the committee's work, its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, and their remuneration.</p>	Articles rearrangement + Compliance with the new Companies law.
45	<p><u>Article (42): Quorum of the Committee Meeting:</u> It is conditioned for the validity of the audit committee meeting to be attended by the majority of its members. Its resolutions shall be adopted by majority of the present votes. In case of equality, the chairman of the committee shall have the casting vote</p>	<p>Article (43) Committee meeting Quorum For a meeting of the Audit Committee to be valid, the majority of its members must be present, and its decisions shall be issued by a majority of the votes of those present. In the event of a tie, the side with which the Chairman of the Committee voted shall prevail.</p>	Articles rearrangement + Revised wording

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
46	<p>Article (43): Terms of Reference of the Committee: The audit committee shall supervise the Company's business. For such purpose, the committee shall have the right to have access to its registers and documents and to ask for any clarifications or statements from the directors or the executive management. The audit committee may request the Board of Directors to call for the General Meeting of the Company if the Board of Directors interfere with its work or the Company sustains serious damage or loss.</p>	<p>Article (44) Committee Competencies The Audit Committee is authorized to monitoring the company's work, and for this purpose it has the right to review its records and documents and request any clarification or statement from members of the Board of Directors or the Executive Management. The audit committee may request the Board of Directors to call for the General Meeting of the Company if the Board of Directors interfere with its work or the Company sustains serious damage or loss.</p>	Articles rearrangement + Revised wording
47	<p>Article (44): Committee Reports: The audit committee shall consider and give its views, if any, on financial statements of the Company and the reports and notes submitted by the auditor. It shall further develop a report on its opinion regarding the adequacy of the Company's internal control system along with other business conducted by the Committee within its terms of reference. The Board of Directors shall deposit sufficient copies of this report in the Company's registered office, at least twenty-one (21) days prior to the date set for the General Meeting in order to furnish each of the desiring Shareholders with a copy. The report shall be read during the meeting.</p>	<p>Article (45) Committee Reports The audit committee's report must include details of its performance of its tasks and powers stipulated in these statutes, and must include its recommendations and opinion on the adequacy of the company's internal and financial control and risk management systems. The Board of Directors must submit sufficient copies of the Audit Committee's report at the company's main office and the Capital Market Authority's website upon publishing the invitation to hold the General Assembly to enable any shareholders who wish to obtain a copy of it. A summary of the report must be read during the General Assembly.</p>	Articles rearrangement + Revised wording
48	<p>Article (45): Appointment of the Auditor: The Company shall have one or more auditors of those licensed to work in the Kingdom of Saudi Arabia; to be appointed by the Ordinary General Meeting on an annual basis. The Ordinary General Meeting shall also determine the remuneration of the auditor. The Meeting may further reappoint the auditor provided that its terms of service shall not exceed five consecutive years and those completing such period may be reappointed two years</p>	<p>Article (46): Auditor Appointment 1. The company shall have one (or more) auditors from among the auditors licensed in the Kingdom who shall be appointed by him. His fees, duration of work, and scope shall be determined by the General Assembly, and he may be reappointed. Provided that the period of his appointment does not exceed the period in accordance with the provisions established by law.</p>	Articles rearrangement + Compliance with the new Companies law

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>after the expiration date thereof. The Meeting shall be entitled to change such auditor at any time without prejudice to its right to compensation if changed at inconvenient time or for unlawful reason.</p>	<p>2. Pursuant to a decision taken by the General Assembly, the auditor may be dismissed, and the Chairman of the Board of Directors must inform the competent authority of the dismissal decision and its reasons, within a period not exceeding (five) days from the date of issuance of the decision.</p> <p>3. The auditor may resign from his mission pursuant to a written notification that he submits to the company, and his mission ends on the date of submission or on a later date specified in the notification, without prejudice to the company's right to compensation for the damage caused to it if necessary. The retiring auditor is obligated to submit to the company and the competent authority - upon submitting the report - a statement of the reasons for his retirement, and the Board of Directors must invite the General Assembly to convene to consider the reasons for retirement and appoint another auditor, and determine his fees, the duration of his work, and its scope.</p>	
49	<p>Article (46): Powers of the Auditor: The auditor shall, at all times, have the right to access to the Company's books, records, and other documents. The auditor may claim for the data and clarifications deemed necessary to verify the Company's assets and liabilities and other businesses within its scope of work. Chairman of the Board of Directors shall empower the auditor to perform its duties. If the auditor encounters difficulty in this regard, the auditor shall document such matter in a report to be submitted to the Board of Directors. In the event, the Board fails to facilitate the auditor's work, the auditor shall request the Board of Directors to call for the Ordinary General Meeting to consider such issue.</p>	<p>Article (47): Auditor's Powers The auditor may - at any time - review the company's documents, accounting records and supporting documents, and may request the data and clarifications that he deems necessary to obtain in order to verify the company's assets and obligations and other matters that fall within the scope of his work. The Board of Directors must enable him to perform his duty, and if the auditor encounters difficulty in this regard, he must prove that in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, it must request them to invite the General Assembly to convene to consider the matter. The auditor may send this invitation if the Board of Directors does not send it within (thirty) days from the date of the auditor's request</p>	Articles rearrangement + Compliance with the new Companies law

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
50	<p>Article (47): Report of the Auditor: The auditor shall present a report to the General Meeting. All information and clarifications requested by the auditor shall be provided to establish position of the Company. The auditor's report shall indicate any violations of Companies Law or these Articles of Association.</p>	<p>Article (48) Auditor's Report The auditor must submit to the annual ordinary general assembly a report prepared in accordance with the auditing standards approved in the Kingdom of Saudi Arabia, including the position of the company's management regarding enabling him to obtain the data and clarifications he requested, and any violations of the provisions of the system or the provisions of the company's bylaws that have become apparent to him, and an opinion on the extent to which The fairness of the company's financial statements. The auditor reads his report to the general assembly. If the assembly decides to ratify the board of directors' report and the financial statements without listening to the auditor's report, its resolution shall be invalid.</p>	Articles rearrangement + Compliance with the new Companies law
51	<p>Article (48): Financial Year: The Company's financial year shall start as of January 1st and end December 31st of each calendar year. The first financial year shall commence as of the date on which the Company is registered in the commercial Register and shall end December 31st of the following calendar year.</p>	<p>Article (49): Financial Year The Company's fiscal year shall be twelve (12) Gregorian months and shall commence as on the 1st of January and shall expire on the 31st of December of each Gregorian year</p>	Articles rearrangement + Revised wording
52	<p>Article (49): Financial Documents 1. The Board of Directors shall, at the end of each financial year of the Company, prepare the Company's financial statements and a report on its activity and financial position for the preceding financial year. Such report shall include the method proposed for distribution of the profits. The Board of Directors shall place such documents at the disposition of the auditor at least forty-five (45) days before the date set for the General Meeting. 2. Chairman of the Board of Directors, CEO and CFO of the Company shall sign the documents referred to in Sub-clause (1) of this Article. Copies of such documents</p>	<p>Article (50) Financial Documents The Board of Directors shall prepare at the end of each fiscal year an inventory of the Company's financial statements, a report on the Company's activities and its financial position for the preceding fiscal year and the Board's proposals as to the distribution of the net profits. The Board of Directors shall put such documents at the Auditor's disposal at least forty-five (45) days prior to the convening of the General Assembly. The documents stated in paragraph (1) above, shall be signed by the Chairman of the Board of Directors, Chief Executive Officer, and Chief Financial Officer, and copies thereof shall be available at the Company's head office for the Shareholders'</p>	Articles rearrangement + Revised wording + compliance with the new companies law

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>shall be deposited in the Company's registered office at the disposition of Shareholders at least twenty-one (21) days before the date set for the General Meeting.</p> <p>3. Chairman of the Board of Directors shall provide the Shareholders with the financial statements of the Company, the Board report, and the report of the auditor, unless they are published in a daily newspaper distributed in the region where the Company's registered office is situated. A copy of such documents shall further be sent to the Ministry of Commerce and Investment and to Capital Market Authority within at least fifteen days prior to the date of the General Meeting.</p>	<p>review at least twenty-one (21) days prior to the time set for convening the General Assembly.</p> <p>The Chairman of the Board of Directors shall provide Shareholders with the Company's financial statements and Board report after signing the same, as well as the Auditor's report if any, unless they are published using any means of technology at least 21 days prior to the date set for the annual ordinary general assembly meeting. The chairman of the board shall also deposit such documents in accordance with the Regulations</p>	
53	<p>Article (50): Dividends:</p> <p>The Company's annual net profits shall be distributed as follows:</p> <p>1. (10%) of the net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Meeting if the said statutory reserve reached (30%) of the paid-up capital.</p> <p>2. The Ordinary General Meeting may resolve to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends, so far as possible, to the Shareholders. The same Meeting may also deduct amounts from the net profit to create social institutions for the Company's employees, or to support existing institutions of such kind. The remaining net profits shall be distributed to the Shareholders unless otherwise is resolved by the Ordinary General Meeting.</p>	<p>Article (51) Profit Distribution</p> <p>The Company's annual net profits shall be allocated as follows:</p> <p>1. The Ordinary General Assembly may, upon the request of the Board of Directors, set aside a specific percentage of the annual net profits to form a consensual reserve to be allocated for the purpose or purposes decided by the General Assembly.</p> <p>2. Ordinary General Assembly may form other reserves to the extent that would serve the Company's best interest or would ensure distributing constant profits, as much as possible, amongst Shareholders. Besides, the Ordinary General Assembly may allocate from the net profits amounts to establish social institutions for the Company employees or to support existing social institutions.</p> <p>3. The entire remainder of the net profits shall be distributed to shareholders unless the Ordinary General Assembly decides otherwise.</p> <p>4. The Company may pay interim dividend to its Shareholders on a bi-annual or quarterly basis in accordance with the directives issued by the Competent Authority upon</p>	Articles rearrangement + Compliance with the new Companies law

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
		authorization issued by the Ordinary General Assembly to the Board of Directors to distribute such interim dividend.	
54	<p>Article (51): Payment of Profits: The Shareholder shall receive its share of profits pursuant to the resolution of the General Meeting issued to this effect. The resolution shall specify the payment date and distribution date. Entitlement to dividends shall be to the Shareholders registered in the Shareholders' registers at the end of the day specified for entitlement. The General Meeting may distribute dividends to its Shareholders on a semi-annual or quarterly basis upon an authorization by the Ordinary General Meeting to the Board of Directors for distribution of interim dividends, to be renewed annually, after satisfaction of the following requirements: That the Company achieves profitability; The Company has sufficient liquidity; That the Company has adequate distributable profits in accordance with the recent audited financial statements to cover the profits proposed to be distributed after deducting the profits already distributed and capitalized after the date of such financial statements; The Board shall submit to the General Meeting the percentage of profits distributed to the Shareholders during the financial year, the profits expected to be distributed at the end of the financial year and total profits; and Resolution on dividends shall be disclosed on Tadawul website once approved by the Board.</p>	<p>Article (52) Dividends Maturity The shareholder is entitled to his share in the profits in accordance with the General Assembly's resolution issued in this regard. The resolution indicates the entitlement date and the date of distribution. Eligibility for the dividends is for the share owners registered in the shareholders' records at the end of the day specified for entitlement. The General Assembly may distribute dividends to its shareholders on a semi-annual or quarterly basis, based on a mandate issued by the Ordinary General Assembly to the Board of Directors to distribute interim dividends, renewed annually, provided that the following conditions are met:</p> <ol style="list-style-type: none"> 1. For the company to achieve profits. 2. The company must have sufficient liquidity. 3. The company must have distributable profits according to the latest audited financial statements, sufficient to cover the profits proposed to be distributed, after deducting what was distributed and capitalized from those profits after the date of these statements. 4. Disclosing the dividend distribution decision on the Tadawul website immediately upon its approval by the Board. 	Articles rearrangement + Compliance with the new Companies law

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
55	<p>Article (52): Distribution of Preference Shares' Dividends: If, in any financial year, no profits are distributed, the profits for the subsequent years shall be distributed only after payment of the percentage stipulated in Article (114) of Companies Law to holders of preference shares for such year.</p> <p>In the event, the Company fails to pay the specified percentage, in accordance with Article (114) of Companies Law, of the profits for three successive years, the meeting of holders of such shares duly held and convened pursuant to Article (89) of Companies Law may resolve either to let such holders attend the General Meetings of the Company or participate in voting or appoint representatives of them in the Board of Directors in proportion to their share in the capital until the Company is able to pay all priority profits allotted to holders of such shares for the previous years</p>	<p>Article (53) Preferred Shares Profit Distribution If profits are not distributed for any financial year, it is not permissible to distribute profits for the following years except after paying the percentage specified in accordance with the provisions of Article 108 of the Companies Law to the owners of preferred shares for this year.</p> <p>If the company fails to pay the specified percentage - in accordance with the provisions of Article One Hundred and Eighth of the Companies Law - of profits for three consecutive years, the special assembly of the owners of these shares held in accordance with the provisions of Article Eighty-Nine of the Companies Law may decide whether to attend the company's general assembly meetings and participate To vote or appoint their representatives to the Board of Directors in proportion to the value of their shares in the capital until the company is able to pay all priority dividends allocated to the owners of these shares for previous years.</p>	Articles rearrangement + Compliance with the new Companies law.
56	<p>Article (53): Loss of the Company:</p> <p>1. If loss of the company reaches half of the paid-up capital, at any time during the financial year, any official of the company or the auditor shall, immediately upon getting familiar with this matter, inform the Chairman of the Board of Directors. The Chairman shall promptly notify the Directors of such matter. The Board of Directors shall, within fifteen (15) days of becoming aware of the same, call for the Extraordinary General Meeting to convene within forty five (45) days as of the date the Board got notified of the loss, to resolve either to increase or decrease the Company's share capital in</p>	<p>Article (54) Company's losses if the Company's losses total half of its issued capital, the board of directors shall, within 60 days from the date of its knowledge thereof, announce the losses and the recommendations relating thereto, and shall, within 180 days from said date, call for an extraordinary general assembly meeting to consider the continuation of the company by taking measures necessary to resolve such losses or the dissolution of the company.</p>	Articles rearrangement + Compliance with the new Companies law.

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>accordance with the provisions of Companies Law, to the extent that the percentage of loss decreases to less than half of the paid-up capital or the early dissolution of the Company prior to the expiration of the term stipulated herein.</p> <p>2. The Company shall be considered dissolved by the power of law if the Extraordinary General Meeting does not convene within the period specified in this Article, or if convened and failed to adopt a resolution on the relevant matter, or if the Meeting decides to increase the capital according to the conditions set forth in this Article, and the capital increase is not subscribed in full within ninety days as of the date of issuing the Meeting's resolution of the capital increase</p>		
57	<p>Article (54): Liability Claim: Every Shareholder shall have the right to file liability claim, vested with the Company, against the Directors if the wrongful act committed by such Directors would cause harm to such Shareholder. The Shareholder may file such claim only if the right of the Company to initiate the same claim is still valid. The Shareholder has to notify the Company of its intention to file the claim.</p>	<p>Article (55): Liability Lawsuit Each Shareholder shall have the right to file a liability action, vested in the Company, against the members of the Board of Directors if they have committed a fault which has caused some particular damage to such Shareholder, provided that the Company's right to file such action is still valid. The Shareholder must notify the Company of his intention to file such action</p>	Articles rearrangement + Revised wording.
58	<p>Article (55): Dissolution of the Company: At the expiry of the Company, the Company shall enter into liquidation and maintain its legal personality to the extent necessary for the liquidation. The voluntary liquidation resolution shall be passed by the Extraordinary General Meeting. The liquidation resolution shall appoint a</p>	<p>Article (56): Company Dissolution and winding up The company shall be terminated by one of the reasons for termination mentioned in Article (two hundred and forty-three) of the Companies Law, and with its expiration, it shall enter the stage of liquidation in accordance with the provisions of Chapter Twelve of the Companies Law. If the</p>	Articles rearrangement + Revised wording.

SN	(A) Current Provisions (Old)	(B) Proposed Provisions (New)	Comments
	<p>liquidator, determine its powers, fees, restrictions imposed on its powers, and the period required for liquidation. The period of voluntary liquidation shall not exceed five years and shall not be extended for more than that period without a judicial order. The authority of the Company's Board of Directors shall cease to be effective upon the dissolution of the Company. However, the Board of Directors shall continue to manage the Company and be deemed as liquidators towards third parties until the liquidator is appointed. The Shareholders' Meetings shall remain existent throughout the liquidation period, yet, the roles of such Meetings shall be limited to the exercise of its powers that shall not conflict with the powers of the liquidator.</p>	<p>company is lapsed and its assets are not sufficient to pay its debts or it is in default according to the bankruptcy law, it must apply. To the competent judicial authority to initiate any liquidation procedures under the bankruptcy Law.</p>	
59	<p>Article (56): Companies Law: Companies Law and the regulations thereof shall be applied to all matters not covered hereby.</p>	<p>Article (57) Applicable Law The Companies Law shall apply to all other matters not specifically provided for herein</p>	<p>Articles rearrangement + Revised wording.</p>
60	<p>Article (57): Filling the Article of Associations: These Articles of Association shall be deposited and published in accordance with the provisions of Companies Law and the regulations thereof.</p>	<p>Article (58) Publication Publication of Incorporation Document This Incorporation Document shall be filed and published in accordance with the Companies Law and its Implementing Charters</p>	<p>Articles rearrangement + Revised wording.</p>

REPORT ON AGREED-UPON PROCEDURES REPORT WITH RESPECT TO THE PURCHASE OF TREASURY SHARES

Mr. Adnan Abdullah Al Khalaf
Chief Executive Officer
Leejam Sports Company
P O Box 295245
Riyadh 11351
Kingdom of Saudi Arabia

Scope and purpose

We have performed the procedures agreed with you and set out below, in relation to the attached solvency report (the "Schedule") of Leejam Sports Company - a Saudi Joint Stock Company (the "Company") and its subsidiaries (together referred to as the "Group") or (the "engaging party") related to the Group's compliance with the requirements of Paragraph 3 of Article seventeenth of the Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by the Board of the Capital Market Authority pursuant to Resolution No. (8 - 127 - 2016) dated 16/1/1438H (corresponding to 17/10/2016G) based on the Companies' Law issued by Royal Decree No. M/3 dated 28/1/1437H as amended by Resolution of the Board of the Capital Market Authority Number (2 - 26 - 2023) dated 5/9/1444H (corresponding to 27/3/2023G), based on the Companies Law Issued by Royal Decree No. M/132 dated 1/12/1443H, prepared for a special purpose (for the purposes of Capital Market Authority) (the "Subject Matter"). Accordingly, it may not be suitable for any other purpose.

Restricted use

This agreed-upon procedures report ("AUP Report") is intended solely for the information and for the purpose set forth in the first paragraph of this report and for your information and is not intended to be and should not be used by anyone else or distributed to any other party.

Responsibilities of the Engaging party

The Engaging party has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Engaging party is responsible for the Subject Matter on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Engaging party. The agreed-upon procedures are not audit or review of the financial statements or part of it, which objective is expressing an opinion or an assurance conclusion for the financial statements or part of it.

Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*, as endorsed in Kingdom of Saudi Arabia. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Engaging party, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

REPORT ON AGREED-UPON PROCEDURES REPORT WITH RESPECT TO THE PURCHASE OF TREASURY SHARES (continued)

Our independence and quality management

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia. We are the independent auditor of the Company and its subsidiaries (the “Group”) and therefore we also complied with the independence requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this code.

Our firm applies International Standard on Quality Management 1 that is endorsed in the Kingdom of Saudi Arabia, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed and findings

We have performed the procedures described below, which were agreed upon with the Engaging Party on the Subject Matter and findings we noted are as follows.

	Procedures	Findings
1	Comparing the total assets, total liabilities and total contingent liabilities mentioned in the attached schedule as at 31 March 2024, with the total assets, total liabilities and total contingent liabilities disclosed in the Company's interim condensed consolidated financial statements as at 31 March 2024.	We noted that the total assets, total liabilities and total contingent liabilities mentioned in the attached schedule as at 31 March 2024, are matching the total assets, total liabilities and total contingent liabilities disclosed in the Company's interim condensed consolidated financial statements as at 31 March 2024.
2	Checking the arithmetical accuracy of the net assets mentioned in the attached schedule (which represent the balance after deducting total liabilities and total contingent liabilities from total assets) as at 31 March 2024.	We noted the arithmetical accuracy of the net assets mentioned in the attached schedule (which represent the balance after deducting total liabilities and total contingent liabilities from total assets) as at 31 March 2024 is correct.

REPORT ON AGREED-UPON PROCEDURES REPORT WITH RESPECT TO THE PURCHASE OF TREASURY SHARES (continued)

Description of procedures performed and findings (continued)

3	Comparing the working capital for the period from 1 May 2025 till 30 April 2026, mentioned in the attached schedule with the working capital mentioned in the financial plan prepared by the Management for the period from 1 May 2025 till 30 April 2026.	We noted that the working capital for the period from 1 May 2025 till 30 April 2026, mentioned in the attached schedule are matching the working capital mentioned in the financial plan prepared by the Management for the period from 1 May 2025 till 30 April 2026.
4	Checking the arithmetical accuracy of the balance of retained earnings as at 31 March 2024, mentioned in the attached schedule after deducting the balance of the treasury shares held and expected to be purchased.	We noted the arithmetical accuracy of the balance of retained earnings as at 31 March 2024, mentioned in the attached schedule, after deducting the balance of treasury shares held and expected to be purchased is correct.

Explanatory paragraph

The Responsible Party is responsible for the sources of the documents mentioned in the agreed-upon procedures above, and the results obtained. We were not engaged to perform procedures, and we did not perform any procedures other than those listed above. We have not performed any procedures to test the accuracy and completeness of the information provided to us other than stated in the agreed-upon procedures. In addition, we have not performed any procedures in connection with the preparation or verification of any of the documents provided to us. It is not our responsibility to verify any of the source of the information relied upon in arriving at our results.

**REPORT ON AGREED-UPON PROCEDURES REPORT WITH RESPECT TO THE PURCHASE OF
TREASURY SHARES (continued)**

Restriction on the performance of the procedure

This report relates only to the accounts and items specified above and does not extend to any financial statements of the Group, taken as a whole.

for Ernst & Young Professional Services



Hesham A. Alatiqi
Certified Public Accountant
License No. (523)



Riyadh: 28 Shawwal 1445H
(7 May 2024)

Leejam Sports Company
Schedule for Share Buy back

This schedule has been prepared to comply with the requirements of Part 6, Chapter 1, Article 17, clause 3 of Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by Capital Markets Authority

Maximum expected buy back date 1 May 2025
All amounts contained in this schedule are in thousand Saudi Riyal

Requirement 1: Prior to buying its shares, the Company must have sufficient working capital for the twelve (12) months immediately following the date of completion of the share buy-back transaction.

Working capital status following 12 months from the buy back date is as follows:

Average current assets	Average current liabilities	Average deferred revenue balance	Net average current liabilities excluding deferred revenue	Net average surplus
A	B	C	D = B - C	E = A - D
673,860	1,108,359	598,526	509,833	164,027

Note: Average deferred revenue balance has been excluded from the current liabilities because this balance is not payable and it would be realised as revenue over the membership period.

Requirement 2: The value of the Company's assets must not be less than the value of its liabilities (including contingent liabilities), prior to and immediately upon payment of the purchase price, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.

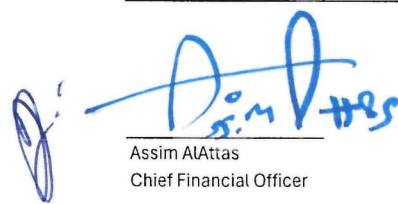
The following numbers are based on latest reviewed interim condensed consolidated financial statements as of 31 March 2024


Total assets	Total liabilities	Contingent liabilities	Total liabilities including contingent liabilities	Net assets	Share buy back	Excess of total assets over total liabilities including contingent liabilities
A	B	C	D = B + C	E = A - D	F	G = E - F
3,584,751	2,464,465	103,714	2,568,179	1,016,572	40,000	976,572

Requirement 3: The amount of Treasury Shares held must not exceed the amount of the retained profits of the Company.

The following numbers are based on latest reviewed interim condensed consolidated financial statements as of 31 March 2024

Retained earnings	Share buy back	Excess of retained earnings
A	B	C = A - B
454,353	40,000	414,353


Assim AlAttas
Chief Financial Officer


Adnan Abdullath Al Khalaf
Chief Executive Officer



Audit Committee Regulations Amendments

Before the Amendments	After the Amendments
N/A	<p>Article (1): Definitions</p> <p><u>The following terms and phrases shall have the meanings assigned thereto unless the context requires otherwise:</u></p> <p>Companies Law: The Companies Law issued by Royal Decree No. M/132 dated 1/12/1443H and any amendments thereto.</p> <p>Governance Regulations: The Corporate Governance Regulations issued by the Capital Market Authority Board Resolution No. 8-5-2022 dated 25/06/1444H, corresponding to 18/01/2023G, and any amendments thereto.</p> <p>Authority: The Saudi Capital Market Authority.</p> <p>Company: Leejam Sports Company</p> <p>General Assembly: The General Assembly of Leejam Sports Company.</p> <p>Board/Board of Directors: The Board of Directors of Leejam Sports Company.</p> <p>Board Member: A Board Member of Leejam Sports Company.</p> <p>Executive Member: A member who works full time to manage the company and engages in its daily affairs.</p> <p>Non-Executive Member: A board member who does not work full-time to manage the company, nor engage in its daily affairs.</p> <p>Independent Member: A non-executive board member who is fully independent in his/her position and decisions</p>

and not having any independence conflicts stipulated in Article (19) of the Governance Regulations.

Committee: The Audit & Risk Committee.

Regulations: The Audit & Risk Committee Work Regulations.

Chairman: Chairman of the Audit & Risk Committee.

Member: A member of the Audit & Risk Committee.

Secretary: Secretary of the Audit & Risk Committee.

Modern Technology Means: Any means of communication that allows exchange of views and discussion between members, including telephone calls, audiovisual communication.

Resolution by Circulation: Issuance of a decision by the Board without holding a meeting - for approval in writing by presenting it to the members, individually,.

1 Purpose and Role

The purpose of the Committee is to assist the board of directors (the “Board” and each member of the Board, a “Director”) of the Company in fulfilling its oversight responsibilities and to perform the duties, responsibilities and authorities described in this Charter.

The primary role of the Committee is to monitor the Company’s affairs and assist the Board with oversight of:

- (i) the integrity, effectiveness and accuracy of the Company’s financial statements and reports;
- (ii) the Company’s compliance with legal and regulatory requirements;
- (iii) the qualifications, independence and performance of the Company’s external auditor (the “Auditor”); and
- (iv) the performance, soundness and effectiveness of the Company’s internal control, audit and financial reporting systems.

Article (2): Purpose of the Regulations:

These Regulations aim to regulate the work of the Audit & Risk Committee by defining its tasks, work controls, authorities, member selection rules, nomination methods, membership duration, remuneration, mechanism for interim appointment of Committee members in case a Committee seat becomes vacant, pursuant to the Law, the Company Bylaws, the Corporate Governance Regulations issued by the Capital Market Authority, other related regulations and bylaws, and sound governance principles and practices.

2 Organization and Membership

The Committee shall be composed of at least three and no more than five members (each a "Member" and collectively, the "Members").

All Members shall be appointed by the General Assembly upon the recommendation of the Board for a term not exceeding [three years]. The recommendation of the Board to the General Assembly shall be based on the recommendation of the Company's Nomination and Remuneration Committee. The recommendations of the Nomination and Remuneration Committee and the Board shall be in compliance with the applicable laws, regulations, rules and policies (including this Charter).

The term of service of the Members who are also Directors shall not exceed their respective terms of service as Directors.

Executive Directors may not be appointed as Members and the Chairman of the Board may not be appointed as a Member.

A person who is, or has been during the preceding two years, working in the executive or financial management of the Company or as an employee or a director of the Auditor may not be appointed as a Member.

At least one Member shall be an independent Director.

All Members shall be financially literate, with at least one Member being a specialist in financial and accounting matters.

The Committee shall appoint, from amongst the Members who are independent Directors, a chairman of the Committee (the "Chairman") who shall preside over the meetings of the Committee. The Chairman (or his/her delegate from amongst the Members) shall attend all meetings of the General Assembly to address any questions raised by the Company's shareholders. The term of service of the Chairman shall coincide with his/her term of service as a Member. The Chairman shall be subject to removal at any time by the Members.

The Committee shall appoint, from amongst the Members or others, a secretary to the Committee (the "Secretary")

Article (3): Committee Formation:

3.4 First: Committee Formation

3.1.5 The Committee shall be formed by a resolution of the Company's Board of Directors, consisting of at least three and not more than five members from shareholders or others, provided that none of the Board's Executive Members are included, and the composition of the Committee meets the stipulations and rules in these Regulations.

3.1.6 The Committee shall appoint one of its members as Chairman ("Chairman"), provided he is one of the Board's Independent Members⁽³⁾, and the Chairman shall chair the Committee meetings and shall attend—or appoint a member to attend on his behalf—all General Assembly meetings to answer shareholders' questions. The Chairman tenure shall not exceed his/her membership term on the Committee.

3.1.7 The Committee shall appoint one of its members or others as Secretary ("Secretary"). The Secretary shall attend all Committee meetings, prepare its meeting minutes, and document its resolutions. The Committee shall determine the appointment duration of the Secretary, and if the Secretary is a member on the Committee, his appointment duration shall be his membership term on the Committee. The Committee may also replace him and appoint another Secretary at any time.

3.5 Second: Member Selection Rules

3.2.6 Half of the Audit & Risk Committee members shall be Independent Members or those to

who shall attend all meetings of the Committee and record the minutes and resolutions of the Committee. The term of service of the Secretary shall be specified by the Members. If the Secretary is also a Member, his/her term of service shall not exceed his/her term of service as a Member. The Secretary shall be subject to removal at any time by the Members.

2.10 All Members shall be subject to removal at any time by the General Assembly. In the event that the membership of any Member is terminated for any reason prior to the expiry of that Member's term, the Board may appoint a temporary Member as his/her replacement, provided that such appointment is presented before the next General Assembly meeting for ratification. The term of service of such replacement Member shall extend to the term of service of his/her predecessor.

2.11 [The Capital Market Authority shall be notified of the name, position and independence status of each Member, and any changes thereto, within a period of five business days from the date on which a Member is appointed or removed, or a change in any of the foregoing occurs.]

whom the independence disqualifiers stipulated in Article (19) of the Corporate Governance Regulations do not apply. ⁽⁴⁾

3.2.7 The membership term of a Board Member on the Committee shall not exceed his/her membership term on the Board.

3.2.8 The Chairman of the Board shall not be appointed as a Committee member.

3.2.9 No one who works or has worked over the past two years in the executive or financial management of the Company, or as an employee or Board member of the Company's auditor may be appointed as a Committee member.

3.2.10 The Committee must include at least one Independent Member.

3.2.11 All members shall be financially literate, provided that at least one of them is specialized in financial and accounting affairs.

3.2.12 A Committee member shall not hold membership of Audit & Risk committees in more than five listed companies at the same time.

3.2.13 He/she shall fulfill all qualification and eligibility requirements set out in the relevant regulations, and remain so throughout the membership term.

3.2.14 The Committee member shall be adequately qualified for the nature of the tasks that fall under the Committee's specialty.

3.2.15 He shall have the appropriate expertise and knowledge for the nature of the tasks that fall under the Committee's specialty.

3.2.16 He shall not have been convicted of committing an act in breach of honor or trust

⁽¹⁾ Guidance paragraph*

or in violation of the systems and regulations in Saudi Arabia or any other country.

3.6 Third: Membership Duration, Termination, and Vacant Position Procedures

3.3.3 The membership term shall not exceed the Board term, and the Board of Directors may dismiss all or some members at any time. If the membership of any member ends for any reason before the end of their term, the Board shall appoint another member for the vacant position who shall complete the previous member's term.

3.3.4 The Company shall notify the Capital Market Authority of the name of each member, their position, independence status, and membership capacity within five business days of their appointment or dismissal, and any changes thereto within five business days of the change occurring.

4 Duties and Responsibilities

The Committee shall perform its primary role described in Section 1 above by undertaking at least the following duties and responsibilities:

Financial Statements and Reports:

review, express an opinion on, and make recommendations to the Board regarding the interim and annual financial statements of the Company, including all announcements relating to the Company's financial performance, prior to their presentation to the Board, to ensure their integrity, fairness and transparency;

at the request of the Board, express a technical opinion with respect to the fairness, balance and comprehensibility of the Board report and the Company's financial statements, and whether they include the information necessary to enable shareholders and investors to assess the Company's financial position, performance, business model and strategy;

review any significant or unusual issues or matters included in the Company's financial reports and accounts, and review any matters raised by the Company's Chief Financial Officer (or his/her delegate), Corporate and Legal Compliance Manager, or the Auditor;

examine the accounting estimates in respect of significant matters contained in the Company's financial statements and reports; and

review the accounting policies in force and advise the Board of its opinion and any recommendations regarding the same.

Internal Control and Audit:

review, and consider the effectiveness of, the Company's internal control, financial, and risk management systems;

review internal audit reports and pursue the implementation of corrective measures in respect of the comments included therein;

oversee and supervise the Internal Auditor and the Company's Internal Audit Department to ensure they have access to the necessary resources and ensure their

Article (4) Competencies of the Committee:

The Audit & Risk Committee shall be specialized in overseeing the Company's operations and verifying the integrity, fairness and transparency of its reports, financial statements and internal control systems, and the Committee's tasks shall include in particular the following:

4.7 First: Financial Statements and Reports

4.1.7 Studying the Company's initial and annual financial statements and all announcements related to its financial performance before presenting them to the Board of Directors, expressing its opinion on them and recommending to the Board regarding them, to ensure their integrity, fairness and transparency.

4.1.8 Expressing a technical opinion—at the Board of Directors request—on whether the Board of Directors report and the Company's financial statements are fair, balanced, understandable and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.

4.1.9 Studying any significant or unusual matters contained in the Company's financial statements and reports.

4.1.10 Thoroughly examining any matters raised by the Chief Executive Officer (or his delegate), Chief Financial Officer (or his delegate), Compliance Officer, Internal Auditor, or External Auditor.

4.1.11 Verifying the accounting estimates on substantial matters contained in the Company's financial statements and reports.

effectiveness in performing the tasks and duties assigned to them;
approve the Company's internal audit charter; and
recommend to the Board decisions regarding the appointment, removal and remuneration of the Internal Auditor [and Head of the Internal Audit Department]; and
review on an annual basis the performance and the activities of the Internal Auditor [and Head of the Internal Audit Department] and recommend to the Board their annual compensation and salary adjustment.

External Audit:

recommend to the Board the appointment, dismissal, and remuneration of the Auditor, after reviewing the Auditor's scope of work and terms of engagement, with such recommendation having regard to the independence of the Auditor;

review the professional qualifications of the Auditor and the personnel that will be working within the Auditor for the Company;

review the performance and supervise the activities of the Auditor and report to the Board with its recommendations in respect of the same;

review and verify annually the independence, objectivity, and fairness of the Auditor and the effectiveness of the Auditor's audit work, taking into account the relevant rules and standards, and make recommendation to then Board in respect of the same;

review the Auditor's proposed audit scope, approach, and plan, and make any comments thereon;

verify that the Auditor is not providing any technical or management services outside of the scope of the audit, and make recommendations to the Board in respect of the same;

address any questions raised by the Auditor; and

review the reports, qualifications and comments of the Auditor in relation to Company's financial statements, and follow up on the actions taken in relation to the same.

Compliance:

4.1.12 Studying applicable accounting policies and expressing an opinion and recommendation to the Board of Directors regarding them.

4.8 Second: Internal Control and Audit System

4.2.7 Studying and reviewing the Company's internal control and financial systems and risk management and their effectiveness.

4.2.8 Studying internal audit reports and following up implementation of corrective procedures for observations stated therein.

4.2.9 Overseeing and supervising the performance and activities of the Internal Auditor and the Company's internal audit department to ensure availability of necessary resources and their effectiveness in performing the assigned tasks and duties.

4.2.10 Approving the Company's internal audit regulations.

4.2.11 Recommending to the Board of Directors on appointing, dismissing and remunerating the Company's Internal Auditor.

4.2.12 Annually reviewing the performance and activities of the Internal Auditor and recommending to the Board of Directors on his remuneration and any amendments thereto.

4.9 Third: Independent Auditors.

4.3.10 Recommending to the Board of Directors nomination of the External Auditors, their dismissal, determining their fees and evaluating their performance, after verifying their independence and reviewing the scope of their work and terms of contracting with them.

verify and monitor the Company's compliance with the applicable laws, regulations, policies and instructions; review the reports and results of investigations of any competent supervisory or regulatory authority, and ensure that the Company has undertaken the necessary actions in relation to the same;

review the contracts and transactions to be entered into by the Company with any related party, and make recommendations to the Board in relation to the same;

ensure that appropriate arrangements are put in place, and implemented, to allow for the confidential and anonymous submission by the Company's employees of concerns regarding any financial, accounting or auditing matters or any cases of non-compliance through a reasonable mechanism; and

report to the Board any matters or issues which should be brought to the attention of the Board, and any related recommendations.

Reporting:

report to the Board on its proceedings, recommendations, and resolutions after each meeting of the Committee on all matters within its duties and responsibilities; and

prepare an annual written report assessing the adequacy of the Company's internal control, financial and risk management systems, and its recommendations in respect thereof, as well as the tasks undertaken by the Committee within its competence. Copies of the report should be made available for collection by the Company's shareholders at the Company's head office [and published on the website of the Company and the Saudi Stock Exchange (Tadawul) at the time of publishing the invitation to convene the relevant annual General Assembly meeting], and at least ten days prior to such General Assembly meeting. A copy of the report should be read out at that meeting.

Miscellaneous:

institute and oversee special investigations as needed; and perform such other related activities as requested by the Board.

4.3.11 Reviewing the professional qualifications of the External Auditor and employees who will work for the Company on its behalf.

4.3.12 Reviewing the External Auditor's performance and overseeing his activities, and making recommendations to the Board of Directors in this regard.

4.3.13 Verifying the External Auditor's independence, objectivity, fairness, and effectiveness of the audit activities, taking into account relevant rules and standards, and making recommendations to the Board of Directors in this regard.

4.3.14 Reviewing the proposed scope for the External Auditor's tasks, his proposed methodology and audit plan, and stating its views regarding them.

4.3.15 Reviewing the External Auditor's plan, work and verifying he does not provide technical or administrative services that fall outside the scope of audit work, and making recommendations to the Board of Directors in this regard.

4.3.16 Responding to the External Auditor's inquiries.

4.3.17 Studying the External Auditor's report and notes on the financial statements, and following up the procedures taken in their regard.

4.3.18 Studying the External Auditor's report, notes and reservations on the Company's financial statements and following up the procedures taken in their regard.

4.10 Fourth: Compliance Assurance:

4.4.10 Approving the annual compliance plan.

4.4.11 Reviewing periodic compliance reports.

While performing the Committee's oversight role, the Committee will be mindful of the division of responsibilities between the Committee, the Board, the Company's management, the Internal Auditor, and the Auditor. In the event of a conflict between the Committee's recommendations and the resolutions of the Board, or if the Board resolves not to follow the recommendations of the Committee with respect to the appointment, dismissal, or remuneration of the Auditor or the appointment of the Internal Auditor, the Board must include in its report a summary of the relevant recommendations of the Committee and the reasons for not adopting such recommendations.

- 4.4.12 Verifying the Company's compliance with relevant regulations, bylaws, policies and instructions, and monitoring the same.
- 4.4.13 Initiating and overseeing special investigations when necessary.
- 4.4.14 Carrying out other related tasks at the Board of Directors request.
- 4.4.15 Reviewing the results of reports and investigations by supervisory and regulatory authorities, and verifying the Company has taken necessary action in their regard.
- 4.4.16 Reviewing contracts and transactions the Company proposes to enter into with related parties, and presenting its views and recommendations to the Board of Directors regarding them.
- 4.4.17 Ensuring appropriate mechanisms and arrangements are in place which allow company employees to confidentially and anonymously submit their remarks and concerns regarding any breach or default in any financial matters (including financial reports), accounting, audit work or any non-compliance cases.
- 4.4.18 Elevating to the Board of Directors any matters or issues that require bringing to the Board of Directors attention and making recommendations to the Board of Directors in this regard.

4.11 Fifth: Risk Management

- 4.5.13 Perform other relevant tasks at the Board of Directors' request.
- 4.5.14 Approve the annual risk management plan:
- 4.5.15 Develop a comprehensive strategy and policies for managing risks commensurate with the nature and size of the Company's activities, verify their implementation,

review and update them based on internal and external variables of the Company.

4.5.16 Determine the level of acceptable risks the Company may be exposed to and maintain it, verifying the Company does not exceed it.

4.5.17 Verify the feasibility of the Company's continuity and continuation of its activity successfully, identifying risks that threaten its continuity over the next twelve months.

4.5.18 Oversee the Company's risk management system and evaluate the effectiveness of the system and mechanisms for identifying, measuring and monitoring risks the Company may be exposed to, in order to identify shortcomings.

4.5.19 Re-evaluate the Company's risk tolerance and exposure periodically (by conducting stress tests for example).

4.5.20 Review reports submitted by the Risk Management Unit on risk exposure and proposed steps to manage these risks, summarize them to the Board of Directors, and make recommendations to the Board on risk management related matters.

4.5.21 Ensure availability of adequate resources and systems for risk management.

4.5.22 Review the organizational structure of risk management and make recommendations before adoption by the Board of Directors.

4.5.23 Verify the independence of risk management personnel from activities that may expose the Company to risks.

4.5.24 Verify risk management personnel comprehend risks surrounding the Company, and work to increase risk awareness.

4.12 Sixth: Reports

4.6.3 Inform the Board of Directors of the Committee's meeting proceedings and the

	<p>recommendations it makes and decisions it takes after each Committee meeting.</p> <p>4.6.4 Prepare an annual written report on its opinion on the adequacy and effectiveness of the Company's internal control and financial systems and risk management, and its recommendations in this regard, in addition to other tasks it has undertaken that fall under its specialization. Sufficient copies of this report shall be deposited at the Company's head office to provide a copy to any shareholder who wishes so, and published on the Company's website and the Saudi Stock Exchange's website (Tadawul) when publishing the notice convening the relevant Annual General Assembly Meeting, provided that is at least ten days prior to the set date of the meeting. The report shall be recited during the meeting.</p>
N/A	<p>Article (5): Procedures for Submitting Remarks</p> <p>The Committee shall develop a mechanism that allows company employees to confidentially submit their remarks regarding any breach in financial or other reports, and the Committee shall verify implementation of this mechanism by conducting an independent investigation commensurate with the size of the error or breach and adopt appropriate follow-up procedures.</p>
N/A	<p>Article (6) Contradiction between the Audit & Risk Committee and Board of Directors:</p>

	<p>If there is a conflict between the Committee's recommendations and the Board of Directors' decisions, or if the Board rejects the Committee's recommendation regarding appointment of the auditor, their dismissal, determining their fees or appointing the internal auditor, the Board of Directors' report shall include a summary of the relevant Committee recommendations, justifications and reasons for the Board not adopting them.</p>
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5 Authorities

The Committee shall have the authority necessary to perform its duties and responsibilities. In particular, the Committee shall have:

- (a) unrestricted access to all documents and records of the Company;
- (b) unrestricted access to the management and employees of the Company (including Directors, executive officers and members of the Company's internal audit team), all of whom shall cooperate fully with the Committee and shall answer promptly and fully any questions raised by the Committee;
- (c) unrestricted access to the Auditor, who shall cooperate fully with the Committee and shall answer promptly and fully any questions raised by the Committee;
- (d) the right to establish subcommittees consisting of one or more Members to carry out such duties as the Committee may delegate and as are permitted pursuant to this Charter;
- (e) the right to appoint, retain, and terminate outside counsel, accountants or other specialists to advise or assist the Committee, as necessary (which appointment, including the name of the retained party and any relations it has with the Company or its executive management, shall be recorded in the relevant minutes of meeting of the Committee); and
- (f) the right to undertake any other actions that the Committee reasonably considers necessary to satisfactorily perform its duties and responsibilities and satisfy its obligations under this Charter.

Article (7) Powers of the Committee:

The Committee shall have the necessary powers to perform its specializations and tasks, in particular:

- 7.1** The right to access company records and documents without restriction.
- 7.2** The right to meet with company management and employees (including Board members, executive officers and members of the company's internal audit team) and request any clarification or statement from them, and they must fully cooperate with the Committee and respond as soon as possible and comprehensively to any questions raised by the Committee.
- 7.3** The right to meet with the auditor and request any clarification or statement from them, and they must fully cooperate with the Committee and respond as soon as possible and comprehensively to any questions raised by the Committee.
- 7.4** The right to form a working group of one or more members to serve any purpose it deems appropriate and fulfilling its objectives, and it may grant any of its powers and authorities to the working group emanating from it whenever it deems suitable.
- 7.5** The right to appoint and seek assistance from whomever it deems suitable of external auditors, accountants or other specialists and experts to provide advice to the Committee or assist it when required, and the right to terminate contracting with them (provided the relevant Committee meeting minutes document such appointment, stating the name of the appointed person and any relationship with the Company or executive management).
- 7.6** The right to take any other actions the Committee reasonably deems necessary to duly perform its specializations and tasks and fulfill its responsibilities under these Regulations.

The Committee may require the Board to convene a General Assembly meeting if a serious financial loss or damage is detected or if the Committee's work is being obstructed by the Board. A notice of invitation to convene a General Assembly meeting must be issued by the Board within 15 days of the Committee's request.

7.7 The Committee may request the Board of Directors to convene a General Assembly meeting if the Board obstructs its work or the Company is exposed to substantial damages or losses.

N/A

Article (8) Powers of the Chairman and Secretary:

8.4 First: : Duties of the Committee Chairman

The Committee Chairman shall undertake the following tasks:

8.1.9 Calling the Committee to convene through approved means including modern technology, specifying the time, date and location of the meeting, after coordinating with Committee members.

8.1.10 Managing Committee meetings and promoting their effectiveness.

8.1.11 Preparing the meeting agenda taking into account matters any Committee member wishes to include.

8.1.12 Ensuring adequate time to discuss agenda items of Committee meetings.

8.1.13 Promoting effective participation of members in Committee meetings by studying agenda items and discussing them, and expressing their views in a manner that contributes to achieving Committee objectives.

8.1.14 Preparing periodic reports on Committee activities, recommendations and outputs for the Board.

8.1.15 Following up implementation of Committee resolutions.

8.1.16 Representing the Committee before the General Assembly and Board. The Committee Chairman or their delegate from among its members shall attend General Assembly meetings to answer shareholders' questions.

8.5 Second: Duties and Obligations of a Committee Member

8.2.16 Complying with the Companies Law and its implementing regulations, related regulations and Company Bylaws when carrying out their duties, and refraining from any act that may harm the Company's interests.

8.2.17 Being aware of the Committee's tasks and responsibilities, dedicating sufficient time to fulfill their role in achieving its objectives.

8.2.18 Carrying out their duties free of any external influence whether from within or outside the Company, and they must not prioritize their personal interests over the Company's interests.

8.2.19 Not accepting gifts from any person with dealings with the Company pursuant to the controls stipulated in the Professional Conduct Policy.

8.2.20 Preparing for meetings, attending them and not being absent except for objective reasons the Committee Chairman is notified of in advance and accepted by the Committee.

8.2.21 Actively participating in Committee meetings by studying and discussing agenda items.

- 8.2.22 Working to enhance knowledge of regulatory developments in areas and topics related to the Committee's tasks and responsibilities.
- 8.2.23 Making suggestions regarding developing the Committee's work.
- 8.2.24 Reviewing, studying and discussing in Committee meetings reports submitted to the Committee.
- 8.2.25 Participating in recommending appropriate remuneration levels for executive management members.
- 8.2.26 Participating in recommending appointment of executive management members.
- 8.2.27 Participating in developing the succession and replacement plan in the Company.
- 8.2.28 Studying and analyzing information relevant to matters examined by the Committee before opining on them.
- 8.2.29 Recognizing his/her duties, roles and responsibilities arising from the membership.
- 8.2.30 Developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields.

8.6 Duties of the Committee Secretary

- 8.3.6 Coordinating the Committee meeting schedules annually and proposing agendas in coordination with the Committee Chairman.
- 8.3.7 Notifying the Committee members of meeting times and providing them with the agenda and documents required to study the meeting agenda items.
- 8.3.8 Attending and documenting the committee's meetings, preparing its minutes including the discussions and deliberations, stating the

	<p>meeting venue, date, start and end time, documenting the committee’s decisions and voting results and keeping them in a special register.</p> <p>8.3.9 Maintaining documents, records and reports presented to or issued by the Committee, whether hard copies or electronically.</p> <p>8.3.10 Performing all administrative tasks related to the Committee and any other tasks that may be assigned by the Committee from time to time.</p> <p>8.3.11 Providing assistance and advice to the Committee in matters that fall under its competence.</p>
N/A	<p>Article (9) Confidentiality of Committee Work</p> <p>The committee member shall maintain the confidentiality of the information available to him/her and the documents he/she has accessed, and shall not in any way, even after the end his/her membership, disclose it to any unauthorized person or entity unless authorized to do so by the Board of Directors, nor use any of this information for personal benefits or his/her relatives or others, and the company has the right to claim compensation in the event of a breach of what is stated in this Article, as it applies to the Secretary of the Committee.</p>
N/A	<p>Article (10) Conflict of Interests:</p> <p>The member must take care to serve the interests of the Company and material public interests over any personal interest, avoid situations leading to a conflict between his interests and the Company's interests, and comply with the provisions stipulated in the Conflict of Interest Policy.</p>

<p>3 Meetings and Proceedings</p> <p>The Committee shall meet at least four times each fiscal year. Additional meetings may be held from time to time and may be convened at the request of the Board, any of the Members, the Company’s internal auditor (the “Internal Auditor”), the Auditor, or any senior officer of the Company.</p> <p>A meeting of the Committee shall be convened by written notice being given by the Secretary at the request of the Chairman to each Member (and invitee, as appropriate) not less than [five business days] prior to the date set for the meeting, except in cases of urgency, when a meeting may be convened on shorter notice upon approval by a majority of the Members. The notice shall include the date, time and location of the meeting and shall be accompanied by a meeting agenda and appropriate briefing materials. The Committee shall meet at such times and places as it deems necessary to fulfill its responsibilities.</p> <p>The meetings of the Committee may be convened in person, by telephone or video teleconference, or by any other method approved by the Committee and which allows the Members to hear each other.</p> <p>Only the Members and the Secretary will be entitled to attend meetings of the Committee. However, others may attend such meetings at the invitation of the Members. The Committee shall meet regularly with the Auditor and the Internal Auditor. The Auditor and the Internal Auditor may request to meet with the Committee as required for the performance of their duties.</p> <p>In order for meetings of the Committee to reach quorum, it shall be necessary for a majority of the Members to be present. All decisions and actions of the Committee shall be approved by a resolution passed by the affirmative vote of the majority of the Members attending the meeting of the Committee at which the resolution is approved. The Chairman shall have a casting vote in the event of a tie.</p>	<p>Article (11) Committee Meetings</p> <p>11,4 <u>First: Committee Meeting Procedures</u></p> <p>11.1.9 The Committee shall meet at least four times during each fiscal year. In addition, additional meetings may be held from time to time upon request by the Board of Directors, any member, the Company’s Internal Auditor or External Auditor.</p> <p>11.1.10 The Committee shall periodically meet with the External Auditor and Internal Auditor separately to discuss relevant matters pertaining to the tasks and responsibilities of the Committee.</p> <p>11.1.11 The Committee shall approve the dates and agendas of meetings for the fiscal year before its start, and meeting invitations must be sent in writing or by email to each Committee member promptly upon the Committee Chairman's instructions to call the meeting, at least five (5) days prior to the meeting date, specifying in the invitation the time, date and venue of the meeting, agenda and documents to be discussed at the meeting.</p> <p>11.1.12 The Committee shall hold its meetings at the Company's head office, and may meet outside the head office.</p> <p>11.1.13 In the absence of the Chairman – and without a deputy appointed by him from among the members – the remaining attending members shall elect from among themselves a member to chair the meeting, from those qualified to hold this position pursuant to these Regulations.</p>
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In the absence of the Chairman, and an appointed deputy, the remaining Members present shall elect, from amongst themselves, a Member to chair the meeting from those who would qualify under this Charter to be appointed to that position.

The Committee may adopt resolutions by circulating the proposed resolutions in writing or in electronic format to all the Members for their approval and signature (and a scanned copy of the Member's signature will be deemed to constitute an acceptable form thereof). Written resolutions shall be passed with the approval of the majority of the Members, with the Chairman having a casting vote in the event of a tie.

Promptly following the conclusion of each meeting of the Committee or the adoption of a written resolution, the Secretary shall distribute the meeting minutes and/or the resolutions of the Committee to the Board and to each Member. Minutes of meeting shall be signed by the Secretary and all Members present at the relevant meeting.

11.1.14 The Committee may – when necessary in urgent cases as determined by the Committee Chairman – hold remote meetings and vote on them using modern technology.

11.1.15 In exceptional emergency cases requiring an urgent decision, the Committee Chairman may make the Committee recommendations and decisions by circulating them to the members for signature indicating all members have reviewed them, unless a member requests in writing that a meeting be held to deliberate on them. Such decisions shall only be valid if signed by a majority of members, provided the decision is documented in the minutes of the Committee's first meeting held after issuing the decision.

11.1.16 No Board or executive management member other than the Committee Secretary may attend its meetings without an invitation from the Committee, to listen to their opinion or obtain their advice without voting rights or accessing confidential information except to the extent achieving the purpose of their attendance.

11,5 Second: Quorum and Voting:

11.2.4 The meeting shall only be validly held if attended by the majority of its members. The Committee resolutions shall be passed by the majority of the present members. In case of votes tie, the Chairman shall have the casting vote.

11.2.5 Members may not abstain from voting, and objecting members may record their objection and grounds in the meeting minutes.

11.2.6 No Committee member (attending in person) may represent more than one absent member at the same meeting.

11,6 Third: Documentation of the Committee Meetings:

The Committee Secretary shall prepare minutes documenting the Committee meetings, containing the following:

11.3.13 Meeting venue, date, start and end times.

11.3.14 Names of attending and absent members, including guests invited to attend the meeting from non-Committee members.

11.3.15 Deliberations and decisions of the Committee including voting results and grounds for objections if any.

11.3.16 Recommendations and decisions issued in the meeting, including their dates, texts and factual and regulatory reasoning – if any – with reference to the documents and records relied upon when issuing the recommendation or decision.

11.3.17 Identifying the party responsible for implementing the decisions, timeline to initiate implementation, and follow-up mechanism.

11.3.18 A scanned copy of the decision signed by the member shall be an acceptable model for this purpose.

11.3.19 The Secretary of the Committee shall send the draft minutes of the meeting to the members who shall present their feedback on it, if any, within a maximum period of five (5) working days.

11.3.20 A Committee member may object to any decision made by the Committee provided their objection is explicitly recorded in the meeting minutes along with grounds

	<p>for objection. Absence from attending the meeting where the decision is issued shall not exempt the member from responsibility unless it is proven they were unaware of the decision or unable to object immediately upon learning of it.</p> <p>11.3.21 After addressing members' comments on the draft minutes, and upon approval of the Chairman, the Secretary shall send the amended draft to the members. The minutes shall be official once signed by all members and the Committee Secretary.</p> <p>11.3.22 The meeting minutes shall be maintained in a special register signed by the Committee Chairman and Secretary, attached with the meeting agenda and all accompanying documents.</p> <p>11.3.23 The Committee shall follow up on implementing its resolutions and any other matters discussed in previous meetings.</p> <p>11.3.24 The Committee Chairman shall elevate its recommendations and outcomes to the Board, in the first subsequent Board meeting after the Committee's meeting.</p>
<p>6 Remuneration</p> <p>Any remuneration to be granted to the Members shall be in the form and amount recommended by the Board and approved by the General Assembly in accordance with the laws, regulations, resolutions, and instructions to which the Company is subject.</p>	<p>Article (12): Committee Member Remuneration</p> <p>12.1 Any remuneration granted to members shall be pursuant to the relevant regulations, bylaws, resolutions and instructions, and the Remuneration Policy for Board Members and Sub-Committees approved by the Company's General Assembly and any amendments thereto from time to time.</p> <p>The report of the Board shall disclose remuneration, allowances or benefits received by Committee members.</p>
<p>N/A</p>	<p>Article (13) General Provisions</p>

	<p>13.1 These Regulations are supplementary to the Company Bylaws, Governance Policy and the Board and Sub-Committee Work Regulations.</p> <p>13.2 These Regulations shall supersede any conflicting procedures, decisions or company bylaws.</p> <p>13.3 Anything not covered herein shall be subject to the applicable laws and regulations issued by the competent authorities.</p>
<p>7 Entry into Effect and Review</p> <p>This Charter shall be adopted by a resolution of the General Assembly, following a recommendation by the Board, and shall enter into effect from the date on which it is approved by the General Assembly.</p> <p>The Committee shall periodically review the provisions of this Charter and recommend any amendments thereto to the Board.</p> <p>Any amendments to this Charter shall be adopted in the same manner in which this Charter was adopted.</p>	<p>Article (14) Effectiveness and Review</p> <p>14.1 These Regulations shall be approved by General Assembly resolution based on a Board of Directors proposal, and shall be effective from the date of approval by the General Assembly.</p> <p>14.2 The Committee shall periodically review provisions of these Regulations and make recommendations to the Board of Directors regarding any amendments.</p> <p>14.3 Any amendments to these Regulations shall be approved in the same manner as their approval.</p>

Competing Business Standards Amendments

Before the Amendments	After the Amendments
N/A	<p>Article (1): Purpose of the Policy:</p> <p>This Policy aims to identify businesses and activities that compete with the Company or its subsidiaries in their operations or activities. These standards and controls also aim to clarify the procedures to be followed if a Board member or a member of one of its committees or a Board membership nominee engages in competing businesses in accordance with the controls stipulated in the Implementing Regulations of the Companies Law related to Listed Joint Stock Companies and the Corporate Governance Regulations, which contributes to enhancing transparency in all the Company's transactions and avoiding conflicts of interest.</p>
<p>Competing Business Standards Scope of Applicability</p> <p>These Competing Business Standards shall apply to Directors of the Company.</p> <p>These Standards will not have a prejudice to other duties of the Directors of the Company under relevant provisions in other policies of the Company, such as the Company's Conflict of Interest Policy. Obligations stipulated in these Standards in addition to duties under such policies shall be applicable and have to be adhered to at all times.</p>	<p>Article (2): Scope of Application of Competing Business Standards</p> <p>These Competing Business Standards apply to members of the Company's Board of Directors and shall not affect Board members' other duties under relevant provisions in the Company's other policies, such as the Conflicts of Interest Policy. The obligations set out in these standards apply in addition to the duties set out in those policies and must be complied with at all times.</p>
Concept of Competing Businesses	Article (3): Concept of the Competing Businesses

The following shall be deemed a participation in any business that may compete with the Company or any of its activities:

1. The Director establishing a company or a sole proprietorship or the ownership of a controlling percentage of shares or stocks in a company or any other entity engaging in business activities similar to the activities of the Company or its group;
2. Accepting membership in the Board of a company or an establishment competing with the Company or its group or managing the affairs of a competing sole proprietorship or any competing company of any form, except for Company's affiliates; and

The Board member acting as an overt or covert commercial agent, or the like, for another company or entity competing with the Company or its group.

Engagement in any business that competes with the Company or competes with it in any of its activities shall include:

- 3.1 A Board member establishing a company or sole proprietorship, or owning an influential percentage of shares or stakes in another company or entity that engages in an activity similar to the Company's activities or those of its group.
- 3.2 Accepting board membership of a company or entity competing with the Company or its group or managing a competing sole proprietorship or company in any form, other than the Company's subsidiaries.
- 3.3 A Board member obtaining a commercial agency or its equivalent, overt or covert, for a company or other entity competing with the Company or its group.

Competing with the Company

1. The Director shall neither engage in any business that may compete with the Company nor compete the Company in any of its activities, unless such Director has an authorization from the Ordinary General Meeting in accordance with the controls established by the competent authorities.
2. The duty, obligation above, is considered the personal responsibility of each Director, and the Directors pledged to disclose to the Board, on an ongoing basis, any change in their positions.
3. When a Director desires to engage in a business that may compete with the Company or compete with the Company in any of its activities, the following shall be considered:
 - A. Notifying the Board of the competing business such Director desires to engage in

Article (4) Controls on Competing with the Company

- 4.7 A Board member may not participate in any business that competes with the Company or any of its activities. A Board member may not be a board member of a company competing with the Company or any of its activities unless authorized by the Ordinary General Assembly.
- 4.8 The above duty is a personal responsibility for each Board member, and Board members have pledged to continuously disclose to the Board any change in their positions.
- 4.9 When a Board member wishes to engage in work that may compete with the Company's business or any of its activities, the following must be considered:
 - 4.3.5 Informing the Board of the competing work they wish to engage in and documenting this notification in the Board meeting minutes.
 - 4.3.6 The conflicted member not voting on the relevant decision or participating in the

and recording such notification in the minutes of the Board meeting;

- B. The conflicted member shall abstain from voting on the relevant resolution to be passed by the Board and Shareholders' Meetings to this effect;
 - C. Informing the Ordinary General Meeting, once convened, by the Chairman of Board, of the competing business that the member of the Board is engaged in having the Board been confirmed that such Director is actually competing business of the Company or competing with the Company in any of its activities pursuant to standards issued by the General Meeting of the Company, upon proposal of the Board of Directors, provided to posed to website of the Company and that such business shall be checked annually; and
 - D. Obtaining the consent of the Company's Ordinary General Meeting authorizing the Director to engage in the competing business.
4. The Board, when assessing the Director's competition with the Company's business, shall take into account the following standards:
- A. The geographical reach of the business competing with business of the Company;
 - B. Whether engaging in the competing business would prevent the Director from giving sole consideration to the interests of the Company; and
 - C. Whether the activities undertaken by the Director are likely to have a material impact on its role as a Director of the Company.
5. The deliberations and decisions with regard to the competing business of the Director shall be recorded in the minutes of meeting of the Board.

decision-making at the Board meeting and shareholders' meetings.

- 4.3.7 The Chairman informing the Ordinary General Assembly when convened of the competing work engaged in by the Board member, after the Board has verified that the Board member is competing with the Company's business or activities in any of its fields of activity in accordance with criteria issued by the Company's General Assembly based on a Board proposal and published on the Company's website, provided that these works are verified annually.
- 4.3.8 Obtaining a license from the Company's Ordinary General Assembly or from the Board of Directors by delegation from the Ordinary General Assembly allowing the member to engage in competing works.
- 4.10 When evaluating a Board member's competition with the Company's business, the Board must take into account the following:
 - 4.4.4 The geographical extent of the work competing with the Company's business.
 - 4.4.5 Whether engaging in competing work would prevent the Board member from caring for the Company's interests.
 - 4.4.6 Whether the activities to be practiced by the Board member are likely to materially affect their role as a Board member of the Company.
- 4.11 Deliberations and decisions regarding the Board member's competing work must be recorded in the Board meeting minutes.
- 4.12 If the Board of Directors decides that a breach of this policy has occurred, the violators shall be liable before the competent judicial authorities to pay appropriate compensation for all damages or losses incurred by the Company in that regard, unless authorization has been obtained from the Ordinary General Assembly in that respect.

<p>6. If the Board of Directors determines that these Standards are violated, violators shall be held responsible before the competent judicial authorities for appropriate compensation for all damage or loss incurred by the Company with regard thereto, unless an authorization was obtained from the Ordinary General Meeting to this effect.</p>	
<p>Disclosure of Competing Business by Nominee</p> <p>A person desiring to nominate himself/herself for membership of the Board shall disclose to the Board and the General Meeting any conflict of interest, pursuant to the procedures prescribed by the Authority, including:</p> <ol style="list-style-type: none"> 1. Having a direct or indirect interest in the business and contract concluded for the interest of the Company wishing to nominate to its Board of Directors; and 2. Engaging in any business that may compete with the Company or any of its activities. 	<p>N/A</p>
<p>N/A</p>	<p>Article (5): Board of Directors' License Based on Delegation from the General Assembly</p> <ol style="list-style-type: none"> 5.1 The Ordinary General Assembly has the right to delegate licensing authority for competing works to the Company's Board of Directors, provided that the General Assembly resolution specifies the competing businesses and activities for which the Board may license during the delegation period. 5.2 The delegation period shall be a maximum of one year from the date the Ordinary General Assembly approves delegating its authority to the Company's Board of Directors or until the end of the term of the delegated Board of Directors, whichever is sooner. 5.3 Board members are prohibited from voting on the delegation and revocation of delegation items at the Ordinary General Assembly.

	<p>5.4 Board members are prohibited from voting on the General Assembly or delegated Board of Directors resolution regarding a Board member's engagement in any work that competes with the Company or competes with it in any of its activities.</p>
<p>N/A</p>	<p>Article (6) License from the General Assembly</p> <p>If the Ordinary General Assembly does not delegate licensing authority to the Board of Directors, or if the licensing grant conditions stipulated in paragraph (1) of Article Five of this Policy do not apply, the license must be obtained from the Ordinary General Assembly.</p> <p>6.2 <u>Disclosure by the Nominee of Competing Businesses</u></p> <p>Anyone wishing to nominate themselves for Board membership must disclose to the Board and the General Assembly any conflicts of interest, including:</p> <p>6.1.3 Any direct or indirect interest in the contracts and business of the Company for which they wish to be nominated to its Board of Directors.</p> <p>6.1.4 Their engagement in any work that competes with the Company or competes with it in any of the activities it conducts.</p>
<p>Duties of Directors Engaging in a Competing Business</p> <ol style="list-style-type: none"> 1. The Director shall perform its duties with faithfulness and integrity and shall prioritize the interests of the Company above its own interest. The Director not utilize its position to achieve personal interests; 2. Director shall maintain confidentiality of the information relevant to the Company and its activities, and shall not disclose such information to any third party; 3. Directors avoid conflicts of interest and shall advise the board of the conflicts that might affect its impartiality when considering the questions 	<p>Article (7) Duties of Board Members Engaging in Competing Businesses</p> <p>7.5 A Board member must carry out their duties honestly and with integrity, prioritize the Company's interests over their personal interests, and not exploit their position to achieve private gains.</p> <p>7.6 Maintain the confidentiality of information relevant to the Company, its activities and not disclose it to any person.</p> <p>7.7 Avoid situations of conflicts of interest and notify the Board of situations of conflict which may affect his/her neutrality when looking into matters presented before the Board. The Board shall not allow such member to be involved in deliberations</p>

before the Board. Thence, the Board shall not engage such Director in the deliberations and shall not count its voice when voting on such questions in meetings of the Board of Directors and Shareholders' Meetings;

4. The Director shall not:

- Vote on resolution of BOD or General Meeting with regard to the business and contracts concluded for the interest of the Company in case of having a direct or indirect interest therein;
- Misuse or benefit, directly or indirectly, from any of the Company's assets, information or investment opportunities presented to it in its capacity as a Director or the Company, including investment opportunities which are within the activities of the Company, or which the Company wishes to make use of. Such prohibition shall apply to the Director who resign to, directly or indirectly, use investment opportunities that the Company wishes to utilize, which came to its knowledge during its term of service in the Board.

and shall not count his/her vote when voting on such matters in the Board and the Shareholders Assemblies meetings; and

7.8 A Board member is prohibited from:

- 7.4.3 Voting on a Board or General Assembly resolution regarding contracts and business carried out for the Company's account if they have a direct or indirect interest therein.
- 7.4.4 Exploiting or benefiting, directly or indirectly, from any of the Company's assets, information, or investment opportunities presented to them in their capacity as a Board member, or opportunities presented to the Company, including investment opportunities that fall within the Company's activities or that the Company wishes to take advantage of. The prohibition also applies to a Board member who resigns in order to exploit investment opportunities, directly or indirectly, that the Company wishes to take advantage of and that they became aware of during their membership on the Board of Directors.

Refusal to Grant the Authorization

If the Ordinary General Meeting refuses to grant the authorization pursuant to Article 72 of Companies Law and Article 46 of the Corporate Governance Regulations, the Director shall resign within the period specified by the General Meeting; otherwise, its membership in the Board shall be deemed terminated, unless such Director decides to refrain from competing the Company or to regularize the situation in accordance with Companies Law and the Implementing Regulations thereof prior to the end of the period set by the General Meeting.

Article (8) Refusal to Grant License

- 8.1 If the Board of Directors authorized to grant the license refuses to license the member to compete with the Company, the Board member must submit their resignation within a period specified by the Board of Directors, otherwise their Board membership shall be deemed terminated, unless they decide to refrain from the competing contract, transaction or business, or reconcile their status in accordance with the Companies Law and its Implementing Regulations before the deadline specified by the Board of Directors expires.

If the Ordinary General Assembly has the authority to grant the license and it refuses to license the member, the Board member must submit their resignation within a period specified by the General Assembly, otherwise their

	<p>Board membership shall be deemed terminated, unless they decide to refrain from the competing contract, transaction or business, or reconcile their status in accordance with the Companies Law and its Implementing Regulations before the deadline specified by the General Assembly expires.</p>
<p>Standards Governance</p> <p>Remuneration and Nomination Committee shall periodically review these Standards as well as assessing their effectiveness in achieving their objectives pursuant to Article 65(7) of the Corporate Governance Regulations.</p>	<p>N/A</p>
<p>Publication and Amendment</p> <p>The Company shall abide by and comply with these Standards as of the date when being approved by the Shareholders' Ordinary General Meeting and shall be published on the Company's website to enable Shareholders, stakeholders and the general public to have access to.</p> <p>The content of these Standards shall be reviewed and amended as and when needed based on the recommendation of the Board, and such amendments shall be approved by the Ordinary General Meeting of Shareholders.</p>	<p>Article (9) Publication and Amendment</p> <p>This Policy shall be implemented and complied with by the Company, effective from the date of their adoption by the Ordinary General Assembly of Shareholders. They shall also be published on the Company's website to enable shareholders, stakeholders and the general public to view them.</p> <p>This Policy shall be reviewed as needed based on a Board recommendation and amendments shall be approved by the Ordinary General Assembly of Shareholders.</p>

Nomination and Remuneration Committee Regulations

Amendments

Before the Amendments	After the Amendments
N/A	<p>Article (1): Definitions</p> <p>The following terms and phrases shall have the meanings assigned thereto unless the context requires otherwise: Companies Regulations The Companies Law issued by Royal Decree No. M/132 dated 1/12/1443H and any amendments thereto. Governance Regulations: The Corporate Governance Regulations issued by the Capital Market Authority Board Resolution No. 8-5-2022 dated 18/01/2023H corresponding to 25/06/1444H and any amendments thereto.</p> <p>Authority: The Saudi Capital Market Authority. Company: Leejam Sports Company General Assembly: The General Assembly of Leejam Sports Company. Board/Board of Directors: The Board of Directors of Leejam Sports Company. Board Member: A Board Member of Leejam Sports Company.</p>

	<p>Executive Member: A member who works full time to manage the company and engages in its daily affairs.</p> <p>Non-Executive Member: A board member who does not work full-time to manage the company, nor engage in its daily affairs.</p> <p>Independent Member: A non-executive board member who is fully independent in his/her position and decisions and not having any independence conflicts stipulated in Article (19) of the Governance Regulations.</p> <p>Committee: The Nomination and Remuneration Committee.</p> <p>Regulations: The Nomination and Remuneration Committee Work Regulations.</p> <p>Chairman: Chairman of the Nomination and Remuneration Committee.</p> <p>Member: A member of the Nomination and Remuneration Committee.</p> <p>Secretary: Secretary of the Nomination and Remuneration Committee.</p> <p>Modern Technology Means: Any means of communication that allows exchange of views and discussion between members, including telephone calls, audiovisual communication.</p>
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	Resolution by Circulation: Issuance of a decision by the Board without holding a meeting - for approval in writing by presenting it to the members, individually,.
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1 Purpose and Role

The purpose of the Committee is to assist the board of directors (the “Board” and each member of the Board, a “Director”) of the Company in fulfilling its oversight responsibilities and to perform the duties, responsibilities and authorities described in this Charter.

The primary role of the Committee is to: (i) lead the process of nominating and evaluating the Directors and senior executives of the Company; (ii) ensure the effectiveness and soundness of the Company’s Board and executive management structures and the relevant internal policies and procedures; and (iii) assist the Board in the review and determination of the remuneration of Directors, members of the committees of the Board, and senior executives of the Company.

Article (2): Purpose of the Regulations:

These Regulations aim to regulate the work of the Nomination and Remuneration Committee by defining its tasks, work controls, authorities, member selection rules, nomination methods, membership duration, remuneration, mechanism for interim appointment of Committee members in case a Committee seat becomes vacant, pursuant to the Law, the Company Bylaws, the Corporate Governance Regulations issued by the Capital Market Authority, other related regulations and bylaws, and sound governance principles and practices.

2 Organization and Membership

The Committee shall be composed of at least three and no more than five members (each a “Member” and collectively, the “Members”), who shall be appointed by [the Board] for a term not exceeding [three years].

The term of service of the Members who are also Directors shall not exceed their respective terms of service as Directors.

Executive Directors may not be appointed as Members, and at least one Member shall be an independent Director.

The Committee shall appoint, from amongst the Members who are independent Directors, a chairman of the Committee (the “Chairman”) who shall preside over the meetings of the Committee. The Chairman of the Board, if a Member, may not be appointed as the Chairman. The Chairman (or his/her delegate from amongst the Members) shall attend all meetings of the General Assembly to address any questions raised by the Company’s shareholders. The term of service of the Chairman shall coincide with his/her term of service as a Member. The Chairman shall be subject to removal at any time by the Members.

The Committee shall appoint, from amongst the Members or others, a secretary to the Committee (the “Secretary”) who shall attend all meetings of the Committee and record the minutes and resolutions of the Committee. The term of service of the Secretary shall be specified by the Members. If the Secretary is also a Member, his/her term of service shall not exceed his/her term of service as a Member. The Secretary shall be subject to removal at any time by the Members.

All Members shall be subject to removal at any time by the Board. In the event that the membership of any Member is

Article (3): Committee Formation:

3.4 First: Committee Formation

3.1.4 The Committee shall be formed by a resolution of the Company's Board of Directors, consisting of at least three and not more than five members from among the non-Executive Board Members, provided it includes at least one Independent Member, and the Committee composition meets the stipulations and rules in these Regulations.

3.1.5 The Committee shall appoint one of its members as Chairman ("Chairman"), provided he is one of the Independent Board Members. If the Chairman of the Board is a member of the Committee, he may not be appointed as its Chairman. The Chairman shall chair the Committee meetings and shall attend—or appoint a member to attend on his behalf—all General Assembly meetings to answer shareholders' questions. The Chairman tenure shall not exceed his/her membership term on the Committee.

3.1.6 The Committee shall appoint one of its members or others as Secretary ("Secretary"). The Secretary shall attend all Committee meetings, prepare its meeting minutes, and document its resolutions. The Committee shall determine the appointment duration of the Secretary, and if the Secretary is a member on the Committee, his appointment duration shall be his

terminated for any reason prior to the expiry of that Member's term, the Board shall appoint a replacement Member as soon as practicable. The term of service of such replacement Member shall extend to the term of service of his/her predecessor.

The Capital Market Authority shall be notified of the name, position and independence status of each Member, and any changes thereto, within a period of five business days from the date on which a Member is appointed or removed, or a change in any of the foregoing occurs.

membership term on the Committee. The Committee may also dismiss him at any time.

3.5 Second: Member Selection Rules

3.2.6 The Nomination and Remuneration Committee must include at least one Independent Member.

3.2.7 Committee members shall be adequately qualified for the nature of tasks that fall under the Committee's specialty.

3.2.8 They shall have the appropriate expertise and knowledge for the nature of tasks that fall under the Committee's specialty.

3.2.9 They shall fulfill all qualification and eligibility requirements set out in the relevant regulations, and remain so throughout the membership term.

3.2.10 No judgment shall have been issued against the nominee for committing an act in breach of honor or trust or in violation of the systems and regulations in Saudi Arabia or any other country.

3.6 Third: Membership Duration, Termination, and Vacant Position Procedures

3.3.4 The membership term shall not exceed the Board term, and the Board of Directors may dismiss all or some members at any time. If the membership of any member ends for any reason before the end of their term, the Board shall appoint another member for the vacant position who shall complete the previous member's term.

3.3.5 Committee membership shall expire in the following cases:

3.3.2.9 Member passing away.

3.3.2.10 Member becoming medically unable to perform their Committee duties.

3.3.2.11 Member losing one of the membership requirements stipulated in approved regulations and policies.

3.3.2.12 Expiry of Board term.

3.3.2.13 Member resignation from the Committee without prejudice to the Company's right for compensation if the resignation occurs at an improper time.

3.3.2.14 Member losing any Committee membership requirement referred to in these Regulations or approved policies.

3.3.2.15 The Board of Directors may – based on a Committee recommendation – terminate the membership of any member absent without legitimate excuse accepted by the Committee from attending three consecutive meetings or five separate meetings during their membership term.

3.3.2.16 Issuance of a Board resolution dismissing the member for any reason deemed appropriate by the Board.

3.3.6 The Company shall notify the Capital Market Authority of the name of each member, their position, independence status, and membership capacity within five business days of their appointment or dismissal,

	and any changes thereto within five business days of the change occurring.
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4 Duties and Responsibilities

The Committee shall perform its primary role described in Section 1 above by undertaking at least the following duties and responsibilities:

Nomination:

prepare, recommend to the Board, and oversee policies and criteria in relation to the appointment of Directors and members of the Company's executive management;

interview all Board candidates and ensure that all necessary and appropriate inquiries are made into the backgrounds and qualifications of such candidates before recommending them to the Board for nomination;

recommend to the Board candidates for nomination (or re-nomination) to the Board in accordance with the applicable laws, regulations, rules and policies (including this Charter);

at least annually review, assess, and recommend to the Board the skills, qualifications, and credentials required for membership in the Board and the Company's executive management, including setting the time commitment required for such membership and the job specifications for executive, non-executive, and independent Directors and members of the Company's executive management;

verify on an annual basis the independence of each independent Director in accordance with the applicable laws, regulations, and rules and the absence of any conflict of interest in case a Director also serves as a member of the board of directors of another company;

periodically review and make recommendations to the Board concerning the succession plans for Directors and senior executives, taking into account the challenges and

Article (4) Competencies of the Committee:

Committee Specializations and Tasks

4.6 First: Nominations

- 4.1.12 Proposing clear nomination and appointment policies and criteria regarding Board Members, Sub-Committees and executive management members, proposing them to the Board of Directors and overseeing their implementation.
- 4.1.13 Interviewing all Board member nominees, making necessary and appropriate inquiries about them, reviewing their qualifications before providing a nomination recommendation to the Board of Directors.
- 4.1.14 Recommending to the Board of Directors nomination and renomination of Board Members pursuant to applicable regulations, bylaws, policies and criteria, ensuring no one is nominated who lacks requirements stipulated in relevant regulations.
- 4.1.15 Preparing a job description for required capabilities for Board membership and executive management positions.
- 4.1.16 Specifying the time a member needs to allocate for Board tasks.
- 4.1.17 Annually reviewing required skills or appropriate expertise for Board membership and executive management positions.

opportunities facing the Company, as well as the skills and expertise required in the future with executive management and on the Board;

evaluate and recommend to the Board potential candidates for executive management positions in the Company and, in particular, assist the Board in selecting, developing, and evaluating potential candidates for the position of Chief Executive Officer; and

develop, and periodically review, procedures for filling vacancies in the Board and the Company's executive management, and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancies.

Review and Assessment:

regularly review the structure, size, composition, strengths, and weaknesses of the Board (including the skills, knowledge, and experience) and the Company's executive management; make appropriate recommendations to the Board that are compatible with the interests of the Company;

develop and oversee an induction program for new Directors and a continuing education program for current Directors; periodically review these programs and update them as necessary; and

develop, recommend to the Board, and oversee an annual self-evaluation process for the Directors and certain senior executives of the Company.

Remuneration:

prepare, recommend to the Board, and oversee the implementation and disclosure of a policy for the remuneration of Directors, executives of the Company, and

4.1.18 Preparing job descriptions for executive members, non-executive members, independent members and senior executives.

4.1.19 Annually verifying the independence of Independent Board Members pursuant to applicable regulations, bylaws and rules, and absence of any conflict of interest if the member holds board membership of another company.

4.1.20 Periodically reviewing succession plans for Board Members and senior executives and making recommendations to the Board of Directors in this regard, taking into account the challenges and opportunities facing the Company alongside required capabilities, skills and appropriate expertise for Board membership and executive management positions

4.1.21 Evaluating potential candidates for executive management positions in the Company and making recommendations to the Board of Directors about them, especially assisting the Board of Directors in selecting, developing and evaluating potential candidates for the CEO position.

4.1.22 Developing special procedures in case of vacancy in the position of a Board Member or executive management member, periodically reviewing them, and making recommendations to the Board of Directors regarding selecting and approving candidates to fill those positions.

4.7 Second: Review and Evaluation

members of the committees of the Board (the “Remuneration Policy”), which shall be presented before the General Assembly for approval;

prepare an annual report on the remuneration and other payments (in cash or in kind) received by Directors, executive management and members of the Board committees, and the relation between the remuneration received and the Remuneration Policy (including a description of any significant departures from the Remuneration Policy) (the “Annual Report on Remuneration”), for presentation before the Board for consideration;

regularly review and assess the effectiveness and appropriateness of the Remuneration Policy and make recommendations to the Board in relation to the same;

recommend to the Board the form and amount of remuneration to be granted to the Directors, senior executives of the Company, and members of the Board committees, in accordance with the approved Remuneration Policy;

review and make recommendations to the Board regarding the Company’s incentive plans for Directors and employees, including in relation to adopting, amending, and terminating such plans; and

prepare any disclosures required under the policies of the Company and any laws, regulations, or rules to which the Company is subject, including, at a minimum, disclosures relating to the Remuneration Policy and the Annual Report on Remuneration, and disclosures regarding remuneration in the annual report of the Board.

Corporate Governance

Overseeing and reviewing the Company’s governance policies, rules, practices and procedures and making

4.2.4 Periodically reviewing the structure, size, composition, strengths and weaknesses (including skills, knowledge and expertise) of the Company’s Board of Directors and executive management, and making recommendations and proposing appropriate solutions to the Board of Directors in line with the Company's interests.

4.2.5 Developing an orientation program for new Board Members, and an ongoing education program for current Board Members, overseeing these programs, reviewing them and updating them periodically as needed.

4.2.6 Developing an annual self-assessment process for some Board Members and senior company executives, making recommendations to the Board of Directors in this regard, and overseeing this process.

4.8 Third: Remuneration:

4.3.7 Developing a clear policy for the remuneration of Board Members, Board Sub-Committees and executive management of the Company, elevating it to the Board of Directors ahead of adoption by the General Assembly, disclosing it, and overseeing and verifying its implementation.

4.3.8 Preparing an annual report on remuneration and other payments (cash or in-kind) granted to Board Members, Board Sub-Committees and executive management, clarifying the relationship between granted remuneration and the remuneration policy

recommendations thereon to the Board of Directors, including identifying best practices, and making recommendations of any amendments thereto to the Board of Directors, including the Company's Articles of Association and the Company's Internal Governance Regulations, on an annual basis at least.

Monitoring and verifying the company's compliance with the company's internal governance regulations, internal governance policies, and applicable governance requirements under the relevant laws, regulations, and rules.

Developing and reviewing rules of professional conduct that represent the company's values, and other internal policies and procedures to meet the company's needs and consistent with the statutory requirements and best practices, and making recommendations to the Board of Directors in this regard.

Informing the members of the Board of Directors regularly of the essential changes in the applicable governance requirements and developments in the field of corporate governance and best practices.

Miscellaneous:

perform such other related activities as requested by the Board.

While performing the Committee's oversight role, the Committee will be mindful of the division of responsibilities between the Committee, the Board, and the Company's management. [In the event of a conflict between the Committee's recommendations and the resolutions of the Board, the Board must include in its report a summary of the relevant recommendations of the Committee and the reasons for not adopting such recommendations.]

(including a statement of any substantive deviation from this policy), for presentation to the Board of Directors for consideration.

4.3.9 Periodically reviewing the remuneration policy, evaluating its suitability and effectiveness in achieving its intended objectives, and making recommendations to the Board of Directors in this regard.

4.3.10 Recommending to the Board of Directors the remuneration of Board Members, Board Sub-Committees and executive management (including nature and amount of remuneration) pursuant to the approved remuneration policy.

4.3.11 Reviewing the Company's incentive plans for Board Members and employees and making recommendations to the Board of Directors regarding them, including with respect to adopting, amending and terminating these plans.

4.3.12 Preparing required disclosures pursuant to Company policies and any systems, regulations or rules the Company is subject to, including at a minimum, disclosures related to the remuneration policy and annual remuneration report, and remuneration disclosures in the Board of Directors annual report.

4.9 Fourth: Corporate Governance

4.4.5 Overseeing, reviewing and making recommendations to the Board of Directors regarding corporate governance regulations, policies, rules, practices and

	<p>procedures of the Company, including identifying best practices and proposing any amendments to the Board of Directors, including the Company Bylaws and Internal Governance Regulations, at least annually.</p> <p>4.4.6 Monitoring and verifying the Company's compliance with its Internal Governance Regulations and internal governance policies, and applicable governance requirements pursuant to relevant regulations, bylaws and rules.</p> <p>4.4.7 Developing and reviewing the professional conduct rules representing the Company's values, and other internal policies and procedures to meet the Company's needs and comply with regulatory requirements and best practices, and making recommendations to the Board of Directors in this regard.</p> <p>4.4.8 Regularly informing Board Members of substantive changes in applicable governance requirements and developments in corporate governance and best practices.</p> <p>4.10 <u>Fifth: Other Tasks</u></p> <p>4.5.2 Carrying out other relevant tasks at the Board of Directors' request.</p>
N/A	Article (5): Conflict Between Nomination and Remuneration Committee and Board of Directors

	<p>The Committee shall exercise its role cautiously taking into account the division of responsibilities and specializations between it and the Board of Directors and Company management. If there is a conflict between the Committee's recommendations and Board decisions, the Board of Directors' report shall include a summary of the relevant Committee recommendations and justifications and reasons for the Board not adopting them.</p>
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Authorities

The Committee shall have the authority necessary to perform its duties and responsibilities. In particular, the Committee shall have:

- (a) unrestricted access to all documents and records of the Company that are necessary for the Committee to perform its duties and responsibilities;
- (b) unrestricted access to the management and employees of the Company (including Directors and executive officers), all of whom shall cooperate fully with the Committee and shall answer promptly and fully any questions raised by the Committee;
- (c) the right to establish subcommittees consisting of one or more Members to carry out such duties as the Committee may delegate and as are permitted pursuant to this Charter;
- (d) the right to appoint, retain, and terminate outside counsel, advisors, or other specialists to advise or assist the Committee, as necessary (which appointment, including the name of the retained party and any relations it has with the Company or its executive management, shall be recorded in the relevant minutes of meeting of the Committee); and
- (e) the right to undertake any other actions that the Committee reasonably considers necessary to satisfactorily perform its duties and

Article (6) Powers of the Committee:

The Committee shall have the necessary powers to perform its specializations and tasks, in particular:

- 6.1** The right to access Company records and documents necessary for the Committee to perform its tasks and responsibilities without restriction.
- 6.2** The right to meet with Company management and employees (including Board Members and executive officers) and request any clarification or statement from them, and they must fully cooperate with the Committee and respond as soon as possible and comprehensively to any questions raised by the Committee.
- 6.3** The right to form a working group of one or more members to serve any purpose it deems appropriate and fulfilling its objectives, and it may grant any of its powers and authorities to the working group emanating from it whenever it deems suitable.
- 6.4** The right to appoint and seek assistance from whoever it deems suitable of external consultants or other specialists and experts to provide advice to the Committee or assist it when required, and the right to terminate contracting with them (provided the relevant Committee meeting minutes document such appointment, stating the name of the appointed person and any relationship with the Company or executive management).
- 6.5** The right to take any other actions the Committee reasonably deems necessary to duly perform its specializations and tasks and fulfill its responsibilities under these Regulations.

<p>responsibilities and satisfy its obligations under this Charter.</p>	
<p>N/A</p>	<p>Article (7) Powers of the Chairman and Secretary:</p> <p>7.4 <u>First: : Duties of the Committee Chairman</u></p> <p>The Committee Chairman shall undertake the following tasks:</p> <ul style="list-style-type: none"> 7.1.9 Calling the Committee to convene through approved means including modern technology, specifying the time, date and location of the meeting, after coordinating with Committee members. 7.1.10 Managing Committee meetings and promoting their effectiveness. 7.1.11 Preparing the meeting agenda taking into account matters any Committee member wishes to include. 7.1.12 Ensuring adequate time to discuss agenda items of Committee meetings. 7.1.13 Promoting effective participation of members in Committee meetings by studying agenda items and discussing them, and expressing their views in a manner that contributes to achieving Committee objectives. 7.1.14 Preparing periodic reports on Committee activities, recommendations and outputs for the Board. 7.1.15 Following up implementation of Committee resolutions. 7.1.16 Representing the Committee before the General Assembly and Board. The Committee Chairman or

their delegate from among its members shall attend General Assembly meetings to answer shareholders' questions.

7.5 Second: Duties and Obligations of a Committee Member

7.2.16 Complying with the Companies Law and its implementing regulations, related regulations and Company Bylaws when carrying out their duties, and refraining from any act that may harm the Company's interests.

7.2.17 Being aware of the Committee's tasks and responsibilities, dedicating sufficient time to fulfill their role in achieving its objectives.

7.2.18 Carrying out their duties free of any external influence whether from within or outside the Company, and they must not prioritize their personal interests over the Company's interests.

7.2.19 Not accepting gifts from any person with dealings with the Company pursuant to the controls stipulated in the Professional Conduct Policy.

7.2.20 Preparing for meetings, attending them and not being absent except for objective reasons the Committee Chairman is notified of in advance and accepted by the Committee.

7.2.21 Actively participating in Committee meetings by studying and discussing agenda items.

7.2.22 Working to enhance knowledge of regulatory developments in areas and topics related to the Committee's tasks and responsibilities.

7.2.23 Making suggestions regarding developing the Committee's work.

7.2.24 Reviewing, studying and discussing in Committee meetings reports submitted to the Committee.

7.2.25 Participating in recommending appropriate remuneration levels for executive management members.

7.2.26 Participating in recommending appointment of executive management members.

7.2.27 Participating in developing the succession and replacement plan in the Company.

7.2.28 Studying and analyzing information relevant to matters examined by the Committee before opining on them.

7.2.29 Recognizing his/her duties, roles and responsibilities arising from the membership.

7.2.30 Developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields.

7.6 Duties of the Committee Secretary

7.3.7 Coordinating the Committee meeting schedules annually and proposing agendas in coordination with the Committee Chairman.

7.3.8 Notifying the Committee members of meeting times and providing them with the agenda and documents required to study the meeting agenda items.

	<p>7.3.9 Attending and documenting the committee's meetings, preparing its minutes including the discussions and deliberations, stating the meeting venue, date, start and end time, documenting the committee's decisions and voting results and keeping them in a special register.</p> <p>7.3.10 Maintaining documents, records and reports presented to or issued by the Committee, whether hard copies or electronically.</p> <p>7.3.11 Performing all administrative tasks related to the Committee and any other tasks that may be assigned by the Committee from time to time.</p> <p>7.3.12 Providing assistance and advice to the Committee in matters that fall under its competence.</p>
N/A	<p>Article (8) Confidentiality of Committee Work</p> <p>The committee member shall maintain the confidentiality of the information available to him/her and the documents he/she has accessed, and shall not in any way, even after the end his/her membership, disclose it to any unauthorized person or entity unless authorized to do so by the Board of Directors, nor use any of this information for personal benefits or his/her relatives or others, and the company has the right to claim compensation in the event of a breach of what is stated in this Article, as it applies to the Secretary of the Committee.</p>

N/A

Article (9) Conflict of Interests:

The member shall take care of the interests of the company and the public interests and give them priority over any personal interest, and avoid cases that lead to a conflict of interests, and shall abide by the provisions stipulated in the conflict of interest policy.

3 Meetings and Proceedings

The Committee shall meet at least once each fiscal year. Additional meetings may be held from time to time and may be convened at the request of the Board or any of the Members.

A meeting of the Committee shall be convened by written notice being given by the Secretary at the request of the Chairman to each Member (and invitee, as appropriate) not less than [five business days] prior to the date set for the meeting, except in cases of urgency, when a meeting may be convened on shorter notice upon approval by a majority of the Members. The notice shall include the date, time and location of the meeting and shall be accompanied by a meeting agenda and appropriate briefing materials. The Committee shall meet at such times and places as it deems necessary to fulfill its responsibilities.

The meetings of the Committee may be convened in person, by telephone or video teleconference, or by any other method approved by the Committee and which allows the Members to hear each other.

Only the Members and the Secretary will be entitled to attend meetings of the Committee. However, others may attend such meetings at the invitation of the Members.

In order for meetings of the Committee to reach quorum, it shall be necessary for a majority of the Members to be present. All decisions and actions of the Committee shall be approved by a resolution passed by the affirmative vote of the majority of the Members attending the meeting of the Committee at which the resolution is approved. The Chairman shall have a casting vote in the event of a tie. No Member

Article (10) Committee Meetings

10,4 First: Committee Meeting Procedures

10.1.8 The Committee shall meet at least four times during each fiscal year. In addition, additional meetings may be held from time to time upon request by the Board of Directors or any member.

10.1.9 The Committee shall approve the dates and agendas of meetings for the fiscal year before its start, and meeting invitations must be sent in writing or by email to each Committee member promptly upon the Committee Chairman's instructions to call the meeting, at least five (5) days prior to the meeting date, specifying in the invitation the time, date and venue of the meeting, agenda and documents to be discussed at the meeting.

10.1.10 The Committee shall hold its meetings at the Company's head office, and may meet outside the head office.

10.1.11 In the absence of the Chairman – and without a deputy appointed by him from among the members – the remaining attending members shall elect from among themselves a member to chair the meeting, from those qualified to hold this position pursuant to these Regulations.

10.1.12 The Committee may – when necessary in urgent cases as determined by the Committee

shall be entitled to vote on any matter in which he/she has a direct or indirect interest.

In the absence of the Chairman, and an appointed deputy, the remaining Members present shall elect, from amongst themselves, a Member to chair the meeting from those who would qualify under this Charter to be appointed to that position.

The Committee may adopt resolutions by circulating the proposed resolutions in writing or in electronic format to all the Members for their approval and signature (and a scanned copy of the Member's signature will be deemed to constitute an acceptable form thereof). Written resolutions shall be passed with the approval of the majority of the Members, with the Chairman having a casting vote in the event of a tie.

Promptly following the conclusion of each meeting of the Committee or the adoption of a written resolution, the Secretary shall distribute the meeting minutes and/or the resolutions of the Committee to the Board and to each Member. Minutes of meeting shall be signed by the Secretary and all Members present at the relevant meeting

Chairman – hold remote meetings and vote on them using modern technology.

10.1.13 In exceptional emergency cases requiring an urgent decision, the Committee Chairman may make the Committee recommendations and decisions by circulating them to the members for signature indicating all members have reviewed them, unless a member requests in writing that a meeting be held to deliberate on them. Such decisions shall only be valid if signed by a majority of members, provided the decision is documented in the minutes of the Committee's first meeting held after issuing the decision.

10.1.14 No Board or executive management member other than the Committee Secretary may attend its meetings without an invitation from the Committee, to listen to their opinion or obtain their advice without voting rights or accessing confidential information except to the extent achieving the purpose of their attendance.

10,5 Second: Quorum and Voting:

10.2.4 The meeting shall only be validly held if attended by the majority of its members. The Committee resolutions shall be passed by the majority of the present members. In case of votes tie, the Chairman shall have the casting vote.

10.2.5 Members may not abstain from voting, and objecting members may record their objection and grounds in the meeting minutes.

10.2.6 No Committee member (attending in person) may represent more than one absent member at the same meeting.

10,6 Third: Documentation of the Committee Meetings:

The Committee Secretary shall prepare minutes documenting the Committee meetings, containing the following:

10.3.13 Meeting venue, date, start and end times.

10.3.14 Names of attending and absent members, including guests invited to attend the meeting from non-Committee members.

10.3.15 Deliberations and decisions of the Committee including voting results and grounds for objections if any.

10.3.16 Recommendations and decisions issued in the meeting, including their dates, texts and factual and regulatory reasoning – if any – with reference to the documents and records relied upon when issuing the recommendation or decision.

10.3.17 Determining the authority responsible for implementing the decisions taken, determining the time frame for their implementation, and the follow-up mechanism.

10.3.18 A scanned copy of the decision signed by the member shall be an acceptable model for this purpose.

10.3.19 The Secretary of the Committee shall send the draft minutes of the meeting to the members who shall

present their feedback on it, if any, within a maximum period of five (5) working days.

10.3.20 A Committee member may object to any decision made by the Committee provided their objection is explicitly recorded in the meeting minutes along with grounds for objection. Absence from attending the meeting where the decision is issued shall not exempt the member from responsibility unless it is proven they were unaware of the decision or unable to object immediately upon learning of it.

10.3.21 After addressing members' comments on the draft minutes, and upon approval of the Chairman, the Secretary shall send the amended draft to the members. The minutes shall be official once signed by all members and the Committee Secretary.

10.3.22 The meeting minutes shall be maintained in a special register signed by the Committee Chairman and Secretary, attached with the meeting agenda and all accompanying documents.

10.3.23 The Committee shall follow up on implementing its resolutions and any other matters discussed in previous meetings.

10.3.24 The Committee Chairman shall elevate its recommendations and outcomes to the Board, in the first subsequent Board meeting after the Committee's meeting.

<p>6 Remuneration</p> <p>Any remuneration to be granted to the Members shall be in the form and amount in accordance with the laws, regulations, resolutions, and instructions to which the Company is subject.</p>	<p>Article (11) Article Twelve: Committee Member Remuneration</p> <p>11.1 Any remuneration granted to members shall be pursuant to the relevant regulations, bylaws, resolutions and instructions, and the Remuneration Policy for Board Members and Sub-Committees approved by the Company’s General Assembly and any amendments thereto from time to time.</p> <p>11.2 The report of the Board shall disclose remuneration, allowances or benefits received by Committee members.</p>
<p>N/A</p>	<p>Article (12) General Provisions</p> <p>12.1 These Regulations are supplementary to the Company Bylaws, Governance Policy and the Board and Sub-Committee Work Regulations.</p> <p>12.2 These Regulations shall supersede any conflicting procedures, decisions or company bylaws.</p> <p>Anything not covered herein shall be subject to the applicable laws and regulations issued by the competent authorities.</p>
<p>7 Entry into Effect and Review</p> <p>This Charter shall be adopted by a resolution of the General Assembly, following a recommendation by the Board, and shall enter into effect from the date on which it is approved by the General Assembly.</p> <p>The Committee shall periodically review the provisions of this Charter and recommend any amendments thereto to the Board.</p>	<p>Article (13) Effectiveness and Review</p> <p>13.1 These Regulations shall be approved by General Assembly resolution based on a Board of Directors proposal, and shall be effective from the date of approval by the General Assembly.</p> <p>13.2 The Committee shall periodically review provisions of these Regulations and make recommendations to the Board of Directors regarding any amendments.</p>

Any amendments to this Charter shall be adopted in the same manner in which this Charter was adopted.

13.3 Any amendments to these Regulations shall be approved in the same manner as their approval.

Nomination Policy Amendments

Before the Amendments	After the Amendments
<p>Part 1: Introductory Provisions</p> <p>1. Introduction and Purpose</p> <p>1.1. The purpose of this Nomination Policy (this “Policy”) is to regulate the nomination of:</p> <p>(a) the Directors of Leejam Sports Company (the “Company”);</p> <p>(b) the members of the Committees; and</p> <p>(c) The Senior Executives.</p>	<p>Article (1): Introductory Provisions</p> <p><u>Purpose of the Policy:</u></p> <p>This policy aims to set out the organized criteria and procedures for Board membership in order to enhance the Company's ability to achieve its objectives, grow its business and ensure sustainability, and achieve compliance with regulatory requirements and instructions issued by official authorities.</p> <p>Definitions and Terminology</p> <p>The terms and phrases used in this Policy shall have the meanings assigned to them in the Company’s Internal Governance Regulations, unless the context requires otherwise.</p>

<p>1.2. This Policy is intended to implement and supplement the relevant provisions of the Bylaws. In case of conflict between this Policy and the Bylaws, the Bylaws shall prevail.</p> <p>1.3. The provisions of this Policy are mandatory. The Board shall oversee the implementation of the measures required to ensure the Company’s compliance with this Policy.</p> <p>2. Definitions and Abbreviations</p> <p>2.1. The terms and expressions used in this Policy shall have the meanings assigned to them in the Company’s Corporate Governance Manual, unless otherwise required by the context.</p>	
<p>Part 2: Nomination of Directors</p> <p>1. General Rules</p> <p>1.1. The Directors shall be appointed by the Ordinary General Assembly using the cumulative voting method for a term not exceeding three (3) years. Directors can always be reappointed.</p> <p>1.2. Any Shareholder may nominate him/herself or others to the membership of the Board in accordance with applicable laws and regulations, the Bylaws, and this Policy.</p> <p>2. Conditions and Qualifications</p>	<p>Article (2): Nomination of Board Members</p> <p>2.8 <u>General Rules</u></p> <p>2.1.3 The Ordinary General Assembly shall elect the Board Members through cumulative voting for a period not exceeding four (4) years, and Board Members may always be re-elected.</p> <p>2.1.4 Any shareholder may nominate themselves or others for Board membership in accordance with applicable regulations, by laws and this policy.</p>

2.1. Directors are required to be professionally capable and have the required experience, knowledge, skill, and independence which enable them to perform their duties efficiently. Directors shall have the following qualifications, in particular:¹

2.9 Board Formation Rules:

The Board formation shall observe the following:

- 2.2.4 Its number of members is commensurate with the size and nature of the Company's activity.
- 2.2.5 The majority are non-executive members.
- 2.2.6 The number of independent members is no less than two or one third of the Board members, whichever is greater.

2.10 Requirements and Qualifications

A board member shall have the necessary professional competence with the experience, knowledge, skills and independence required to enable him to perform his duties efficiently and effectively. In particular, the following should be satisfied:

- 2.3.6 Leadership Ability: A board member shall have leadership skills that qualify him to delegate powers in a manner that stimulates performance and applies best practices in effective management and adherence to professional values and ethics.
- 2.3.7 Competence: A board member shall have the appropriate scientific qualifications, professional and personal skills, training level, and relevant practical experience in the company's current and future activities or in

- (a) Ability to Lead: Directors shall enjoy leadership skills which enable them to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional standards, ethics and values.
- (b) Competency: Directors shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training. The Directors shall have practical experience related to the current and future businesses of the Company or management, economics, accounting, law, or governance, as well as the desire to learn and receive training.
- (c) Ability to Guide: Directors shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions and understand technical requirements and developments related to the workflow. The Directors shall also be able to provide strategic guidance and long-term planning and have a clear future vision.
- (d) Financial Knowledge: Directors shall have the ability to read and understand financial statements and reports.
- (e) Physical Fitness: Directors shall be physically and mentally fit to perform their duties and responsibilities and shall not suffer from any

management, economics, accounting, law, governance, as well as the desire to learn and train.

2.3.8 Guidance Ability: A board member shall have the technical, leadership, administrative abilities, decisiveness, and comprehension of technical requirements related to the workflow. He shall also be able to provide strategic guidance, planning, and a clear vision for the future.

2.3.9 Financial Knowledge: A board member shall be able to read and understand financial data and reports.

2.3.10 Health Fitness: A board member shall be medically and psychologically fit and shall not have any health impediment that prevents him from performing his duties and powers.

2.11 Membership Criteria for the Company's Board of Directors

A nominee for board membership must meet the following criteria at the time of nomination:

2.4.9 The nominee for board membership shall not have been previously convicted of a crime involving honor or honesty, nor shall he be insolvent, bankrupt, or otherwise unfit for board membership in accordance with any applicable regulations or instructions in the Kingdom.

2.4.10 A board member shall not be a member of more than five listed joint stock companies in the stock market at the same time.

health issues that may hinder them from performing their duties and responsibilities.

2.2. Candidates for Board membership shall satisfy the following conditions at the time of their nomination:

they shall not have been convicted of a crime involving moral turpitude or dishonesty;

they shall not be members of the board of directors of more than five joint stock companies at the same time; and

they shall have no interest or be engaged in a business or activity that is competing with businesses or activities of the Company (except as otherwise permitted under applicable laws and regulations, the Bylaws, or the Conflict of Interest Policy).

2.3. In addition to the conditions and qualifications set out in Paragraphs 2.1 and 2.2 above, the Board may, based on the recommendation of the Nomination and Remuneration Committee, issue supplemental conditions, qualifications, and criteria for Board membership.

2.4.11 The nominee shall not be a government employee.

2.4.12 The nominee shall have the necessary professional competence with the experience, knowledge, skills and independence required to enable him to perform his duties efficiently and effectively.

2.4.13 The nominee for board membership shall be committed to the principles of honesty, loyalty, care and attention to the interests of the company and its shareholders, placing them above his personal interest. Honesty is established by having a professional relationship between the board member and the company, disclosing any influential information to the company before executing any transaction or contract with the company or any of its subsidiaries. Loyalty is achieved by avoiding transactions involving a conflict of interest, ensuring fairness of dealing, and observing the relevant provisions on conflict of interest in the Governance Regulations. Care and attention are exercised by performing the duties and responsibilities stipulated in the Companies Law, Capital Market Law, the company's Articles of Association and other relevant regulations.

2.4.14 He shall not have an interest in or engage in any business that competes with the operations or activities of the company (except as permitted by applicable regulations, instructions, Articles of Association and Conflict of Interest Policy).

2.4.15 A nominee for the position of independent board member shall have complete independence in his position and decisions, and none of the impediments to independence stipulated in Article 20 of the Governance Regulations shall apply to him.

2.4.16 In addition to the terms and qualifications outlined in this section, the Board of Directors may, based on the recommendation of the Nomination and Remuneration Committee, determine additional terms, qualifications and criteria for board membership.

2.12 Impediments to Independence

The independence required for an independent board member is incompatible with the following:

2.5.11 To own 5% or more of the shares of the company or its subsidiaries or to has a relationship with anyone owns such percentage.

2.5.12 To be an immediate relative of one of the board members in the company or its subsidiaries.

2.5.13 To be an immediate relative of a senior executive in the company or its subsidiaries.

2.5.14 To be a board member of a subsidiaries, and is nominated for membership in board of directors of the holding company.

2.5.15 Working or having worked as an employee during the past two years at the company or any other company within its group, or being an owner of controlling interests

or any counterparty dealing with the company or any other company within its group such as auditors and major suppliers during the past two years.

2.5.16 To have a direct or indirect interest in the business and contracts made for the company's benefit.

2.5.17 To receive financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its Committees; exceeding an amount of (SAR 200.000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less.

2.5.18 To engage in a business that would compete with the company or one of its activities.

2.5.19 To have spent more than nine (9) consecutive or intermittent years as a member of the Board of Directors.
(Guidance paragraph)

2.5.20 Works and contracts executed to meet personal needs shall not be deemed an interest that precludes independence if such works and contracts are executed under the same conditions followed by the company with the general contractors and dealers and within the company's regular activity, provided that the General Assembly approves them.

2.13 Nomination Procedures:

2.6.15 The Board of Directors shall issue a resolution allowing nomination procedures to commence at least 90 days prior to the end of the current Board's term.

2.6.16 Upon issuance of the aforementioned Board resolution, the Company shall promptly announce the start of nomination procedures on the Company's website, the Market's website, and through any other means specified by the Capital Market Authority ("Authority"), inviting nomination requests for Board membership ("Nomination Announcement") for a period of no less than one month from the announcement date.

2.6.17 Any person wishing to nominate himself for Board membership shall declare his nomination by notifying the Company management within the periods and deadlines stipulated in the applicable regulations, instructions and decisions. Such notification shall include the nominee's biography, qualifications, practical experience, and any forms issued by the Capital Market Authority.

2.6.18 Any person nominating himself for Board membership must disclose to the Board and General Assembly any conflicts of interest, including:

2.6.4.3 Any direct or indirect interest in the contracts and business of the Company for which he is being nominated.

2.6.4.4 Engagement in any competing businesses or activities.

2.6.19 A nominee who previously held board membership at a joint stock company must provide the number and dates of boards of directors of companies in which he held membership.

2.6.20 A nominee who previously held board membership at the Company must attach to the nomination notice a statement from the Company management for the last term during which he held board membership, including the following information:

2.6.6.4 Number of Board meetings held each year during the term.

2.6.6.5 Number of meetings attended by the member, and attendance percentage out of total meetings.

2.6.6.6 Permanent committees in which the member participated, number of meetings held by each such committee each year during the term, number of meetings attended, and attendance percentage out of total meetings.

2.6.21 Clarification of membership capacity, i.e. whether the member is executive, non-executive or independent.

2.6.22 Clarification of the nature of membership, i.e. whether the member is nominated in his personal capacity or as a representative of a corporate person.

2.6.23 The Nomination and Remuneration Committee shall review the nomination application submitted by each nominee along with supporting documents in accordance with applicable policies and criteria.

2.6.24 The Nomination and Remuneration Committee shall provide the Board with recommendations including names of Board membership nominees (or re-nominees) pursuant to applicable regulations, rules, policies (including this Policy).

2.6.25 The Board shall review the recommendations of the Nomination and Remuneration Committee regarding nominees for Board membership and issue a resolution thereon.

2.6.26 The number of Board membership nominees put forth to the General Assembly must exceed the number of available seats.

2.6.27 The Company shall announce nominee information for Board membership on its website and the Market's website upon publishing or directing the invitation to convene the General Assembly meeting during which members of the Board will be elected from among the Board membership nominees. The Company must provide a copy of such information at its head office.

2.6.28 The General Assembly shall take into consideration the recommendations of the Nomination and Remuneration Committee and the personal and professional qualifications necessary for nominees to effectively carry out their duties when electing Board members.

2.14 Termination of Membership and Vacant Seats

	<p>2.7.4 The process of termination of Board membership and appointment of replacements in case of vacant seats shall be subject to applicable regulations, Articles of Association, Company Governance Regulations, and applicable policies.</p> <p>2.7.5 The Ordinary General Assembly may dismiss all or some Board members at any time without prejudice to the right of the dismissed member to compensation if the dismissal occurred for unacceptable reason or at improper time. Also, the General Assembly may, based on a Board recommendation, terminate the membership of any member who fails to attend three consecutive Board meetings without legitimate excuse.</p> <p>2.7.6 If a Board member resigns and has feedback on the performance of the Company, he/she shall submit a written statement elaborating on his/her feedback to the Chairman of the Board. This statement shall be presented to the Board members.</p>
<p>Part 3: Nomination and Appointment of Committee Members</p> <p>1. Rules of Nomination and Appointment</p> <p>1.1. The members of the Committees shall be nominated and appointed in accordance with the charter of the relevant Committee.</p>	<p>Article (3): Nomination and Appointment of Committee Members</p> <p>3.1 <u>Nomination and Appointment Rules</u></p> <p>Committee members shall be nominated and appointed pursuant to the Charter of the relevant committee.</p>

<p>Part 4: Nomination and Appointment of Senior Executives</p> <p>1. Rules of Nomination and Appointment</p> <p>1.1. The Board shall appoint the Company’s Senior Executives and regulate, monitor and oversee their operations and ensure their effectiveness in performing the tasks and duties assigned them. The Nomination and Remuneration Committee shall recommend to the Board potential candidates for Senior Executive positions in the Company including the position of Chief Executive Officer.</p> <p>1.2. The nomination, screening, and annual evaluation criteria for executive positions shall be adopted by a resolution of the Board, following a recommendation by the Nomination and Remuneration Committee, and shall enter into effect and be amended, as necessary, in accordance with its provisions.</p>	<p>Article (4) Nomination and Appointment of Senior Executives</p> <p>4.2 <u>Nomination and Appointment Rules</u></p> <p>4.1.3 The Board shall appoint and dismiss executive management of the Company, organize their work, and supervise and monitor them and ensure efficient performance of assigned tasks. The Nomination and Remuneration Committee shall recommend to the Board potential nominees for executive management positions in the Company, including the position of Chief Executive Officer.</p> <p>4.1.4 Nomination, screening and annual evaluation criteria for executive management positions shall be approved by a Board resolution based on recommendation of the Nomination and Remuneration Committee, and shall become effective and amended (as needed) pursuant to its provisions.</p>
<p>N/A</p>	<p>Article (5): Termination of Board Membership and Vacant Seats</p> <p>5.1 The process of termination of Board membership and appointment of replacements in case of vacant seats shall be subject to applicable regulations, Articles of Association, Company Governance Regulations, and applicable policies.</p>

	<p>5.2 The Company's Bylaws shall specify how Board membership is terminated or ended upon Board request. However, the Ordinary General Assembly may dismiss all or some Board members even if the Articles of Association state otherwise, subject to any restrictions placed by the Authority. In such case, the Ordinary General Assembly must elect a new Board of Directors or replacements for dismissed members, as applicable, pursuant to the Companies Law and its Implementing Regulations. Also, the General Assembly may, based on a Board recommendation, terminate the membership of any member who is absent from attending three consecutive or five separate Board meetings during his membership term without legitimate excuse accepted by the Board.</p> <p>5.3 Upon termination of any Board member, the Company must promptly notify the Authority and Market with reasons warranting such termination.</p> <p>5.4 Upon receiving a request from one or more shareholders representing 10% of Company shares with voting rights to dismiss all or some Board members pursuant to Article 90 of the Companies Law, the Board must include in the invitation for the Ordinary General Assembly meeting the name of the requestor and justifications for the request. The concerned member shall have the right to provide a statement regarding the request at the related Ordinary General Assembly meeting.</p>
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	<p>5.5 If a Board member resigns and has feedback on the performance of the Company, he/she shall submit a written statement elaborating on his/her feedback to the Chairman of the Board. This statement shall be presented to the Board members.</p> <p>5.6 If a new Board is unable to be elected for a new term upon expiry of the existing Board's term, the existing members shall continue to carry out their duties until a new Board is elected, provided that the continuation of existing members does not exceed 90 days from the end of the Board's term. The Board must take necessary measures to elect a new Board to replace it prior to the end of the continuation period specified herein.</p>
<p>Part 5: Closing Provisions</p> <p>1. Entry into Effect and Review</p> <p>1.1. This Policy shall be adopted by a resolution of the General Assembly, following a recommendation by the Board (which recommendation shall be based on the recommendation of the Nomination and Remuneration Committee), and shall enter into effect from the date on which it is approved by the General Assembly.</p> <p>1.2. The Nomination and Remuneration Committee shall oversee the implementation of this Policy and shall periodically review its provisions and recommend any amendments thereto to the Board.</p>	<p>Article (6) Final Provisions</p> <p>6.3 <u>Effective Date and Review</u></p> <p>6.1.5 This Policy shall be adopted by General Assembly resolution based on a Board recommendation (such recommendation being based on the Nomination and Remuneration Committee recommendation), and shall be effective from the date of its adoption by the General Assembly.</p> <p>6.1.6 This policy replaces the Nominations Policy adopted on 04/04/2018 and the Standards and Procedures for the Membership of the Board of Directors Policy approved on 29/04/2021.</p>

<p>1.3. Any amendments to this Policy shall be adopted in the same manner in which this Policy was adopted.</p> <p>2. Disclosure</p> <p>2.1. The Board shall comply with the relevant disclosure obligations and requirements under the Disclosure Policy and the applicable laws and regulations in respect of this Policy.</p>	<p>6.1.7 The Nomination and Remuneration Committee shall oversee implementation of this Policy and periodically review its provisions, providing its recommendations on any amendments thereto to the Board.</p> <p>6.1.8 Any amendments to this Policy shall be adopted in the same manner in which this Policy was adopted.</p> <p>6.4 <u>Disclosure</u></p> <p>The Board shall, in relation to this Policy, comply with relevant disclosure requirements and obligations under the Disclosure Policy and applicable regulations and rules.</p>
<p>N/A</p>	<p>Article (7) (Publication and Amendment)</p> <p>7.1 The provisions of this policy shall apply and be complied with by the Company effective from the date of approval by the General Assembly of Shareholders. It shall also be published on the Company's website to enable shareholders, public and stakeholders to view it.</p> <p>7.2 The content of this policy shall be reviewed as needed based on a Board recommendation, provided that these amendments are presented to the General Assembly of Shareholders for adoption at the earliest meeting.</p>

Remuneration Policy for Board of Directors, Sub-Committees and Senior Executives Amendments

Before the Amendments	After the Amendments
<p><u>First: Preliminary provisions:</u></p> <ol style="list-style-type: none"> 1. The purpose of this document (Remuneration Policy) (hereinafter called "the Policy") is to regulate the Remuneration of the following: - <ol style="list-style-type: none"> a. Members of the Board of Directors of Leejam Sports Company "Company". b. Special Committee members. c. senior executives. 2. This policy aims to implement and complete the provisions of Remuneration written in the Articles of Association of Leejam company. And In case of any contradiction between this policy and the Articles of Association, the latest shall prevail. 	<p>Article (1): Purpose of the Policy:</p> <p>This policy aims to set clear criteria for the remuneration of Board Members, Board Sub-Committees and Senior Executives of the Company in line with the provisions of the Bylaws and requirements of the Companies Law and Corporate Governance Regulations for Unlisted Companies issued by the Ministry of Commerce. It also helps attract individuals with sufficient competence, ability and talent to work on the Board of Directors, Sub-Committees and Executive Management, and retain them by adopting incentive remuneration plans and programs linked to performance, which contributes to improving</p>

<p>The provisions of this policy are binding, therefor the Board of Directors and the Remuneration Committee shall be responsible for the implementation of its provisions, to ensure that the company's management adheres to this policy.</p>	<p>the Company's performance and achieving the interests and aspirations of its shareholders.</p>
<p>N/A</p>	<p>Article (2): Scope</p> <p>Subject to applicable laws and regulations in Saudi Arabia, and the provisions stipulated in the Company's Articles of Association and internal regulations and policies, these rules are supplementary without replacing them. This policy shall apply to:</p> <ol style="list-style-type: none"> 1 Members of the Company's Board of Directors. 2.2 Members of Sub-Committees stemming from the Board of Directors. 2.3 Senior executives of the Company.
<p><u>Second: Policy Objectives and Principles:</u></p> <ol style="list-style-type: none"> 1. The Remuneration of the Board of Directors, special committees' members, and the senior executives shall be determined as to achieve the following objectives: <ol style="list-style-type: none"> a. To Enable the company to maintain the board members, and the committee members, and the senior executives. who have the compatible level of experience and qualifications. b. To achieve the success and development of the company in the long term, and to achieve the best interest to the shareholders. And to attract the talented people needed by the company in order to achieve its commercial goals, as well as retaining and motivating those talents. 	<p>Article (3): Objectives and Controls for Determining Remuneration</p> <p>3.3 <u>Remuneration Objectives</u></p> <p>The remuneration of Board Members, Committee Members and Senior Executives shall be determined to achieve the following objectives:</p> <ol style="list-style-type: none"> 3.1.4 Enabling the Company to retain Board Members, Committee Members and Senior Executives with the required level of expertise and qualifications. 3.1.5 Ensuring the Company's long-term success and development to serve the interests of its shareholders, while attracting the talent needed by

c. Supporting the company in the process of adapting the competitive pressures of the sectors.

2. The Remuneration of Board of Directors, committees' members, and senior executives shall be determined according to the following principles:

a. The Remunerations shall be compatible and in-line with the company's objectives and strategy, in respect to the size, nature and degree of risk to the company.

b. To determine the Remuneration of the Board members, committee members and senior executives the company shall take into consideration all of their; Career level, tasks, responsibilities, academic qualifications, experience, skills, efforts, scope of work and level of performance.

c. To determine the Remuneration of the Board of Directors, committee members, and senior executives; the company shall take in consideration the commercial customs and similar companies and the size of the company in addition to the degree of risks.

The Remuneration's shall be fair, appropriate and reasonably sufficient to attract, retain and motivate the directors, committee members and senior executives with the appropriate level of experience and qualifications.

the Company to achieve its business objectives, retaining this talent and motivating it.

3.1.6 Supporting the Company in adapting to the competitive pressures of the sectors in which it operates.

3.4 **Remuneration Determination Controls**

Without prejudice to the provisions of the Companies Law and Capital Market Law and their Implementing Regulations, the following shall be observed in the remuneration policy:

3.2.10 Alignment with the Company's strategy and objectives.

3.2.11 Remuneration shall be provided to motivate Board Members and Executive Management to ensure the Company's long-term success and development, such as linking the variable part of remuneration to long-term performance.

3.2.12 Remuneration shall be determined based on the level of position and assigned tasks and responsibilities, academic qualifications, practical experience, skills, performance level.

3.2.13 Alignment with the size, nature and degree of risks at the Company.

3.2.14 Taking into account the practices of other companies in determining remuneration, while

	<p>avoiding unjustified increases in remuneration and compensation.</p> <p>3.2.15 Aiming to attract, retain and motivate professional competencies, without excess.</p> <p>3.2.16 Preparation shall be coordinated with the Nomination Committee for new appointments.</p> <p>3.2.17 Cases of suspending or recovering remuneration if it is found to have been decided based on inaccurate information provided by a Board Member or Executive Management member; to prevent abuse of position to obtain undue remuneration.</p> <p>3.2.18 Organizing the granting of company shares to Board Members and Executive Management, whether a new issuance or shares purchased by the Company.</p>
<p><u>Third: Board members' remuneration:</u></p> <p>1. Remuneration determination rules:</p> <p>1.1. The Remuneration of the Board of Directors shall be as follows:</p> <p>a. The annual Remuneration for the Chairman of the Board of Directors (350,000)</p>	<p>Article (4) Remuneration of the Board Members:</p> <p>4.6 <u>Remuneration Rules</u></p> <p>4.1.14 Board Member remuneration shall be as follows:</p> <p>4.1.15 Annual remuneration for the Chairman of the Board (350,000).</p> <p>4.1.16 Annual remuneration for the Vice Chairman of the Board (300,000).</p>

<ul style="list-style-type: none"> b. The annual Remuneration of the Vice Chairman of the Board of Directors (300,000) c. Annual Remuneration for the board member (250,000) d. The allowance for attending the Board sessions is (3000) for each session attended. And shall Not exceed twelve sessions per each year, not including travel and accommodation expenses. e. In case of assigns the Board member to carry out an official mission outside Riyadh city, the member shall be compensated according to the actual travel cost and expenses, and in accordance with the company's travel rules policy. f. Medical insurance shall be provided to all Board members and their families as part of the non-financial benefits. g. The professional risk insurance service shall be provided to all Board members as part of the non-financial benefits. h. Board members and one of their family members shall be entitled for an annual subscription Leejam sports centers as part of the non-financial benefits. <p>1.2. The Remuneration of the Board members might be an amount of money, non-financial benefits, allowance for</p>	<ul style="list-style-type: none"> 4.1.17 Annual remuneration for a Board Member (250,000). 4.1.18 Meeting attendance allowance shall be (3,000) per meeting attended by the member; not to exceed twelve meetings annually, excluding travel and accommodation expenses. 4.1.19 If the Board assigns any of its members with an official mission outside Riyadh city, the member shall be compensated for the actual cost, according to the Company's policy for travel rules. 4.1.20 Health insurance shall be provided to all Board Members and their families as part of in-kind benefits, in accordance with regulatory controls. 4.1.21 Professional liability insurance shall be provided to all Board Members as part of in-kind benefits, including liability lawsuit risks. 4.1.22 Board Members and one of their family members shall be granted an annual subscription for admission to sports clubs as part of in-kind benefits. 4.1.23 Board Member remuneration may be a fixed amount, in-kind benefits or meeting attendance allowance, or a certain percentage of the Company's annual net profits. Two or more of these benefits may be combined. 4.1.24 Independent Board Members are excluded from the provisions of the previous article, and the
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attendance, and/or certain percentage of the company's annual net profits, and it is allowed to be a combine two or more of these benefits.

- 1.3. If the Remuneration is a percentage of the company's profits, the total annual Remuneration shall not exceed (10%) of the net profit and shall be given after deducting the company's reserve amount, and after distributing the profit to the company's shareholders, and shall not be less than (5%) of the company's paid capital.
- 1.4. In all cases, the sum amount of the relevant Remuneration whether its financial or non-Financial Remuneration shall not exceed the sum amount of (500,000) five hundred thousand Saudi riyals per year.
- 1.5. In regard to the independent members of the Board, they shall be treated as an exception from article third, (1-2) and (1-3) above mentioned, and their Remuneration shall not be calculated -directly or indirectly- from the percentage of the company's profits.
- 1.6. The Remuneration of the Board of Directors might be deferent from one another, and shall reflect the member experience, competence, responsibilities, independence status, number of sessions he attends, and other relatable considerations.
- 1.7. The annual Remuneration shall be divided and paid to the member on a quarterly basis (each 3 months). In addition to the allowance of attending the sessions And shall be

remuneration of Independent Board Members may not be a percentage of the profits made by the Company or directly or indirectly based on the Company's profitability.

- 4.1.25 Board Member remuneration may vary in amount to reflect the member's experience, specializations, assigned tasks, independence, number of meetings attended and other considerations.
- 4.1.26 Annual remuneration distribution and payment shall be on a quarterly basis (every 3 months). Including the value of remuneration or meeting attendance allowances for Board meetings as per the attendance register allocated to each member.

4.7 Additional Remuneration

- 4.2.4 The Chairman of the Board may receive additional remuneration besides the remuneration they are entitled to as a Board Member. The Board of Directors shall determine this additional remuneration (if any) annually based on the Nomination and Remuneration Committee recommendation.
- 4.2.5 Board Members may receive additional remuneration for their membership in other committees besides the remuneration they are entitled to as Board Members. This additional

applied according to the attendance record of each member.

2. Additional Remuneration:

- 2.1. Chairman of the Board of Directors shall obtain additional Remuneration rather than the Remuneration granted as a member of Board. The Board of Directors shall determine the additional Remuneration (if any) on annual basis based on the recommendation of the Remuneration Committee.
- 2.2. The Members of Board of Directors may obtain additional Remuneration for their membership in the other committees in addition to the entitled Remuneration that granted a member of the Board (if any) and shall be determined in accordance to Part fourth of this Policy.
- 2.3. The Members of the Board of Directors might obtain additional Remuneration for their positions as senior executives other than the Remuneration granted as a member of the Board. Such additional Remuneration (if any) shall be determined in accordance to Part Fifth of this Policy.
- 2.4. In case the Secretary of Board of Directors is one of the Board members, they might obtain additional Remuneration other than the Remuneration granted as a member of the Board. The Board of Directors shall determine such additional Remuneration (if any)

remuneration (if any) shall be determined according to the specific controls for it in this policy.

4.2.6 Board Members may receive additional remuneration for their positions as senior executives besides the remuneration they are entitled to as Board Members. This additional remuneration (if any) shall be determined according to the specific controls for it in this policy.

4.2.2 If the Board Secretary is a Board Member, they may receive additional remuneration besides the remuneration they are entitled to as a Board Member. The Board of Directors shall determine this additional remuneration (if any) annually based on the Nomination and Remuneration Committee recommendation.

4.8 **Restricted Benefits**

The Company may not provide a loan of any kind to any Board Member or shareholder, or guarantee any loan they contract with others. Excluded are loans and guarantees provided by the Company under employee incentive programs that have been approved pursuant to the Bylaws provisions or by resolution of the Ordinary General Assembly.

4.9 **Non-Entitlement to Remuneration and Obligation to Refund**

on annual basis, based on the recommendation of the Nominations and Remuneration Committee.

3. Restricted Advantages:

The company shall not provide any loan of any kind to any of its board members or shareholders and shall not guarantee any loan with any third party. Except for the loans and guarantees granted by the incentive programs which approved in accordance with the provisions of the Articles of Association or by a decision of the Ordinary General Assembly.

4. Compensation upon termination:

4.1. In case the membership of the Board of Directors is terminated due to misconduct, material breach, fraudulent actions, dishonesty or material negligence, the member shall not be entitled to any Remuneration relating the remaining period of the financial year in which the membership was terminated.

4.2. Without prejudice to part third, clause (3-1) above-mentioned, and in the case of termination of Board membership due to failure to attend three consecutive Board meetings without legitimate reasons, the member shall not be entitled to any Remuneration for the period following to the last meeting attended.

In case of termination of Board membership of any member - not mentioned herein-, the member shall be entitled to the Remunerations equal to the period between the date of

If the General Assembly decides to terminate the membership of any Board Member absent without legitimate excuse accepted by the Board from attending three consecutive meetings or five separate Board meetings during their membership term, this member shall not be entitled to any remuneration after the last meeting they attended, and must refund all remuneration paid to them for that period.

4.10 **Remuneration Based on Incorrect or Misleading Information**

If the Audit Committee or the Authority finds that the remuneration paid to any Board Member is based on incorrect or misleading information presented to the General Assembly or included in the Board of Directors annual report, they must refund it to the Company, which has the right to claim its refund.

commencement of the financial year up-to the date of termination with-in the financial year in-subject.

Fourth: Remuneration of special committee members:

1. Rules for determining Remuneration:

- a. The annual Remuneration: for the chairmen of the special committee arise from the Board of Directors, shall be an amount of (120,000)
- b. The annual Remuneration: for a committee member arises from the board, shall be an amount of (100,000)
- c. The Remuneration for attending a session of special committee arises from the Board: An amount of (2,500) per each session according to the member's attendance record.
- d. If the Board assigns any of the committee members to carry out an official mission outside the city of Riyadh, the member shall be compensated according to the actual cost of travel, and in accordance with the company's policy for travel approved by the board.
- e. Professional risk insurance shall be provided to all committee members as part of the non-financial benefits.
- f. Committee members and one of their family members are granted an annual subscription to enter sports clubs as part of the non-financial benefits.

Article (5): Sub-Committee Member Remuneration

- 1 The annual remuneration shall be: For heads of sub-committees stemming from the Board of Directors: 120,000.
- 5.2 The annual remuneration shall be: For members of sub-committees stemming from the Board: 100,000.
- 5.3 Meeting attendance allowance for sub-committee meetings stemming from the Board shall be: 2,500 for each member who attended the relevant meeting as per the member's attendance register.
- 5.4 If the Board assigns any committee member with an official mission outside Riyadh city, the member shall be compensated for the actual travel cost, according to the Company's approved travel policy and rules.
- 5.5 Professional liability insurance shall be provided to all Committee Members as part of in-kind benefits.
- 5.6 Committee Members and one of their family members shall be granted an annual subscription for admission to sports clubs as part of in-kind benefits.
- 5.7 Annual remuneration distribution and payment shall be on a quarterly basis (every 3 months), including the value of remuneration or meeting attendance allowances for sub-committee meetings stemming from the Board of Directors as per the attendance register allocated to each member.
- 5.8 The Nomination and Remuneration Committee shall review sub-committee member remuneration and make recommendations to the Board of Directors in this regard.

<p>g. The division and delivery of the annual Remuneration shall be done on a quarterly basis (every 3 months). Including the value of Remuneration or allowances for attending committee sessions arises from the Board of Directors, according to the attendance record for each member.</p> <p>The Nominations and Remunerations Committee shall review the Remuneration of the committee’s members and shall submit their recommendations to the Board of Directors.</p>	
<p><u>Fifth: Senior Executives Rewards:</u></p> <p>1. Rules for determining Remuneration:</p> <p>1.1. The Board of Directors shall determine -based on the recommendations of the Nominations and Remuneration Committee- the Remuneration of all senior executives in accordance with their contracts, company policies, Remunerations plans and relevant internal compensations.</p> <p>1.2. The Nominations and Remuneration Committee shall review and approve the employment contracts of the senior executives, including contracts to be concluded with new employees. they shall also review and approve any employment contract of a wage or Remuneration equivalent to the wages of the senior executives.</p> <p>2. Benefits and Incentive Plans:</p> <p>2.1. Senior executives shall be entitled to the benefits provided by the company, which are the pensions benefits, health insurance, use of company's gaming facilities, housing</p>	<p>Article (6) Senior Executive Remuneration</p> <p>1 The Board of Directors shall determine, based on Nomination and Remuneration Committee recommendations, the remuneration of all senior executives pursuant to employment contracts and relevant internal remuneration policies, plans and schemes.</p> <p>6.2 The Nomination and Remuneration Committee shall review and approve employment contracts with senior executives, including contracts to be concluded with new appointees. It shall also review and approve any contract concluded with an employee for a salary or remuneration equaling those of senior executives.</p> <p>6.3 Senior executives shall be entitled to benefits provided by the Company, namely pension plans, health insurance services, use of the Company's recreational facilities, housing allowances (or equivalent) and transportation allowances (or equivalent).</p> <p>6.4 The nature and levels of benefits provided to senior executives shall be subject to periodic review by the Nomination and Remuneration Committee in addition to Board approval.</p>

<p>allowances (or their equivalent), and transportation allowances (or their equivalent).</p> <p>2.2. The nature and level of the benefits provided to the senior executives are subject to periodic review by the Nominations and Remuneration Committee, in addition to the approval of the Board of Directors.</p> <p>2.3. The company may offer the senior executives some variable Remuneration that shall be determined according to market evaluations and they shall be subject to achieving the business goals and performance. These Remuneration plans are subject to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors.</p> <p>2.4. The Company may offer to the senior executives and other employees shareholdings opportunities as per the employee's shareholdings plan. These plans and programs are subject to the recommendation of the Nominations and Remuneration Committee and shall be subject to the approval of the Board of Directors and shall be in accordance to the applicable laws, regulations and instructions of the company.</p>	<p>6.5 The Company may provide variable remuneration for senior executives determined according to market dynamics and subject to achieving predefined objectives related to performance. Variable remuneration plans shall be subject to Nomination and Remuneration Committee recommendation as well as Board approval.</p> <p>6.6 The Company may provide senior executives and other employees with stock ownership opportunities through employee stock ownership plans. These plans and programs shall be subject to Nomination and Remuneration Committee recommendation as well as Board approval, and shall be in accordance with applicable regulations, laws and instructions.</p>
<p><u>Sixth: Final Provisions:</u></p> <p>1. This policy shall be approved by General Assembly decision, based on the Board of Directors recommendation, such recommendation shall be issued upon the recommendation</p>	<p>Article (7) Final Provisions</p> <p>1 This policy shall be approved by General Assembly resolution based on a Board of Directors recommendation, provided the recommendation is based on a Nomination and</p>

<p>of the Remuneration and Nominations Committee, and shall be effective from the date of its approval by the General Assembly.</p> <p>2. The responsibility of enforcing this policy shall be held by the Nominations and Remuneration Committee, which shall review it periodically and to submit its recommendations regarding any amendments to the Board of Directors to be approved later by the company's general assembly.</p> <p>In relation to this policy, the Board of Directors shall comply with the relevant disclosure requirements and obligations under the disclosure policy and applicable laws and regulations.</p>	<p>Remuneration Committee recommendation. It shall be effective from the date of approval by the General Assembly.</p> <p>7.2 The Nomination and Remuneration Committee shall be responsible for overseeing implementation of this policy. It shall periodically review it and make recommendations to the Board of Directors regarding any amendments, to be subsequently approved by the Company's General Assembly.</p> <p>7.3 The Board of Directors shall disclose in its annual report details of policies related to remuneration and mechanisms for determining it, and financial and in-kind amounts and benefits paid to each Board Member in return for any executive, technical, administrative or advisory work or positions.</p>
<p>N/A</p>	<p>Article (8) Publication and Amendment</p> <p>1 The provisions of this policy shall apply and be complied with by the Company effective from the date of approval by the General Assembly of Shareholders. It shall also be published on the Company's website to enable shareholders, public and stakeholders to view it.</p> <p>8.2 The content of this policy shall be reviewed as needed based on a Board recommendation, provided that these amendments are presented to the General Assembly of Shareholders for adoption at the earliest meeting.</p>

Social Responsibility Policy Amendments

Before the Amendments	After the Amendments
<p>Purpose</p> <p>Leejam Sports Company (the “Company”) aims to contribute to socially responsible activities and socially worthy causes. The purpose of this corporate social responsibility policy (this “Policy”) is to set out the following:</p> <p>the Company’s philosophy for delineating its responsibility as a good corporate citizen; and</p> <p>the guidelines and mechanisms for the Company’s social responsibility activities and contributions with the aim of striking a balance between the Company’s objectives and those of the local community for developing the social and economic conditions of the local community.</p> <p>The Company’s Corporate Social Responsibility Committee (the “CSRC”) oversees the implementation of the measures required to ensure the Company’s compliance with this Policy.</p> <p>The terms and expressions used in this Policy have the meanings assigned to them in the Company’s Corporate Governance Manual, unless otherwise defined in this Policy.</p>	<p>Article (1): Purpose of the Policy:</p> <p>This Policy aims to set out the rules governing corporate social responsibility within the Company and developing programs with direct or indirect social impact commensurate with its capabilities without conflicting with the interests of its shareholders, pursuant to the rules stipulated in the Company's Articles of Association and the Corporate Governance Regulations issued by the Capital Market Authority, and best practices of similar companies.</p>

Objectives

The Company is committed to have a significant positive impact on society's wellbeing, culture and livelihood by working responsibly with the local community whilst maintaining the unique national heritage and culture. Local community service is a key value for the Company to integrate with its business objectives. The Company recognizes ISO 26000 as a reference document that provides guidance only on social responsibility matters. In case of conflict between this Policy and ISO 26000, this Policy shall prevail.

The Company aims to achieve the following objectives:

Article (2): Goals

The Company's social objective is to contribute to the development of the community in which it operates and meet some of its needs through its various activities, commensurate with its capabilities without conflicting with the interests of its shareholders. The Company's social objectives are focused on several areas, most notably:

- 2.1 Achieving a balance between Leejam Company objectives and the objectives that society aspires to achieve.
- 2.2 Achieving sustainable development for the community in general and company employees in particular.
- 2.3 Instilling noble values to contribute to building and developing society and future generations.
- 2.4 Adopting local and international standards and best practices in applying corporate social responsibility.
- 2.5 Disclosing the objectives, plans, programs and initiatives of corporate social responsibility adopted by the Company through periodic and annual reports.
- 2.6 Undertaking responsibility for the Company's actions and encouraging a positive impact through its activities on the environment, consumers, employees, communities and stakeholders.
- 2.7 Providing the Company and its employees with effective participation opportunities in the community where the Company operates, as well as the people it serves, through volunteering

<p>providing an opportunity for the Company and its staff to engage actively in the community in which it operates and with the people it serves through volunteering to build on local cultural and social traditions to facilitate greater economic opportunities;</p> <p>protecting and preserving natural environment for future generations by focusing on environmental protection and sustainability through the efficient use of resources and a proper waste management system based on environment friendly technologies.</p> <p>generating commercial opportunities for local businesses and employment prospects for Saudi Arabian citizens;</p> <p>consistently with the Vision 2030, enabling Saudi Arabian citizens, particularly Saudi youth, to fulfill their ambitions, ensuring a brighter future for themselves, their community, and the Kingdom of Saudi Arabia as a whole;</p> <p>raising safety awareness to further advance the value and practice of safety in the workplace and homes of the Company’s employees and their families;</p> <p>supporting the educational sector by way of sponsoring universities, schools and students; and</p> <p>improving the health and well-being of the Company’s employees and their families.</p>	<p>aligned with local cultural and social traditions to gain more economic opportunities.</p> <p>2.8 Creating business opportunities for local companies and employment opportunities for Saudi citizens.</p> <p>2.9 Enabling Saudi citizens, especially Saudi youth, to achieve their ambitions and ensure a better future for them, their community and the Kingdom as a whole in line with the objectives of Vision 2030.</p> <p>2.10 Raising safety awareness to continue promoting safety values and practices in the workplace, employees' homes and their families.</p> <p>2.11 Supporting the education sector through initiatives commensurate with its capabilities and improving the health and well-being of the Company's employees and their families.</p>
<p>Corporate Social Responsibility Activities</p> <p>The Company consistently undertakes supports and explores corporate social responsibility (“CSR”) activities, including adopting, sponsoring and supporting programs and projects (“CSR Projects”) which are in line</p>	<p>Article (3): Corporate Social Responsibility Activities</p> <p>The Company has always been committed to supporting corporate social responsibility activities, including adopting and supporting programs and projects ("CSR Projects")</p>

with the Company's objectives and interests and which at all times comply with rules and regulations in the Kingdom of Saudi Arabia. The Company's guiding principles in creating CSR campaigns are outreach, accountability and transparency and the CSR Projects focus on the following areas:

Communities

- To build relationships with subscribers and the Company's products and service users as well as the local communities (e.g., educational and social visits of the Company).
- To support local businesses and service providers who share the Company's social objectives and values (e.g., through holding forums and workshops, etc.)
- To encourage the Company's staff and those acting on its behalf, to consider the needs of others in their day-to-day business.
- To encourage feedback from the community on the CSR Projects and programs.
- To strive to support the community charitable and humanitarian causes by actively supporting and promoting volunteering.

Relationships

- To develop strong relationships and honor the Company's commitments with its stakeholders.

implemented by the Executive Management after approval by the Board of Directors, which are in line with the Company's objectives and interests and are always fully compliant with applicable regulations in the Kingdom of Saudi Arabia. The guiding principles embodied by the Company in launching corporate social responsibility campaigns focus on awareness, accountability and transparency, while corporate social responsibility projects focus on the following areas:

3.4 Local Communities

- 3.1.6 Building relationships with subscribers, users of the Company's products and services, as well as local communities.
- 3.1.7 Supporting local companies and service providers who share the Company's social objectives and values.
- 3.1.8 Encouraging the Company's employees and those working on its behalf to be mindful of others' needs in their daily work.
- 3.1.9 Encouraging the local community to provide feedback on corporate social responsibility projects and programs.
- 3.1.10 Seeking to support charitable and communal political causes by encouraging and supporting volunteer work.

3.5 Relationships

- 3.2.4 Establishing strong relationships with stakeholders and fulfilling the Company's commitments to them.

<ul style="list-style-type: none"> • To work with the Company’s contractors and suppliers to implement socially and environmentally sensitive procurement. • To punctually develop a partnership approach with government and or civil society organizations for the delivery of the Company’s strategies and services. <p>Environment</p> <ul style="list-style-type: none"> • To recognize the need to develop the Company’s business and the Saudi society in an environmentally sustainable way and to include concerns for the environment in all of the Company’s activities. • To address impacts arising from the Company’s energy, water and resource use, transport needs and waste generation of its services and activities through awareness campaigns involving citizens and society (e.g., recycling programs, etc.). 	<p>3.2.5 Working with the Company's contractors and suppliers to implement socially and environmentally responsible procurement laws.</p> <p>3.2.6 Adopting a partnership approach with the government and/or civil society organizations on a regular basis to implement the Company's strategies and provide its services.</p> <p>3.6 Environment</p> <p>3.3.3 Recognizing the need to develop the Company's and Saudi society's operations in an environmentally sustainable manner and incorporating environmental considerations into all of the Company's activities.</p> <p>3.3.4 Addressing the impacts of energy, water and resource use in the Company, transportation and waste requirements of the Company's services and activities through awareness campaigns involving citizens and the community.</p>
<p>Corporate Principles</p> <p>While the Company implements CSR activities to serve the community within which it operates, it continues to safeguard all the stakeholders’ rights by ensuring the following:</p>	<p>Article (4) Controls for Implementing CSR Projects</p> <p>The Company is committed to carrying out community service activities for the community in which it operates, and also works to protect the rights of all stakeholders by ensuring:</p> <ul style="list-style-type: none"> 4.1 CSR projects are implemented in an ethical manner with great attention to the local

<p>implementation of the CSR Projects ethically and with great interest to the local community while considering social, economic and environmental aspects;</p> <p>implementation of the CSR Projects in full consideration all regulatory laws and regulations related to such projects;</p> <p>implementation of the CSR Projects within the aim of achieving sustainable development;</p> <p>ensuring that there is no conflict of interest with any related party including major shareholders; the board of directors and senior executives;</p> <p>ensuring transparency regarding CSR Projects by disclosing information relating to such projects in its annual Board of Directors Report; and</p> <p>ensuring that the Board of Directors of the Company evaluates and approves annual CSR programs.</p>	<p>community, taking into account social, economic and environmental aspects.</p> <p>4.2 CSR projects are implemented in full compliance with all applicable regulations relating to such projects.</p> <p>4.3 CSR projects are implemented within the framework of achieving sustainable development.</p> <p>4.4 Ensuring no conflict of interest exists with any related party, including major shareholders, the Board of Directors and senior executives.</p> <p>4.5 Ensuring transparency regarding CSR projects by disclosing information about these projects in the Company's annual Board report.</p> <p>4.6 The Company's Board of Directors evaluates and approves the annual corporate social responsibility programs.</p>
<p>Organization</p> <p>The CSRC is appointed, organized, and has powers and authorities as per the separate CSRC Charter, as may be amended from time to time.</p> <p>The CSRC appoints adequate personnel for each CSR Project after approval of each such CSR Project by the Board and issues instructions (as may be amended and/or supplemented from time-to-time) to such personnel in respect of each assigned CSR Project. The appointed personnel are responsible for:</p>	<p>Article (5): Organization</p> <p>The Company's Executive Management, or a non-profit organization established by a Board resolution, shall be responsible for implementing CSR projects and programs provided the following controls are observed:</p> <p>5.1 Ensuring each assigned CSR project is implemented and overseeing progress.</p> <p>5.2 Ensuring CSR projects comply with instructions issued by the Board of Directors.</p> <p>5.3 Preparing reports on the progress of each CSR project for submission to the Board of Directors.</p>

ensuring the progress and implementation of each CSR Project for which they were appointed;

ensuring compliance of the CSR Project with the instructions of the CSRC (as amended and/or supplemented from time-to-time); and

preparing periodic status reports for the CSRC indicating the progress of each CSR Project.

In consultation with the relevant personnel appointed for each CSR Project, the CSRC also recommends to the Board for its approval the period over which each such CSR Project must be implemented, including any relevant milestones, depending on its nature, extent of coverage and the intended impact of such CSR Project.

A “Volunteering Team” consisting of Company employees supports the appointed personnel in carrying out CSR activities and programs. The Corporate Affairs Department is responsible for CSR management in a support role as further requested by the CSRC.

The CSRC monitors the progress and compliance of the CSR activities and periodically conducts review of the outstanding CSR Projects. The CSRC sends a quarterly compliance report to the Board in respect of each approved CSR Project specifying the progress of each such CSR Project and any issues in connection with its implementation.

Funding

Article (6) Funding

<p>At the beginning of each financial year, the CSRC recommends for approval by the Board the proposed CSR Projects within the framework of the CSR areas mentioned in Section 2 above and recommends for approval by the Board the proposed overall annual budget for the CSR Projects and the specific allocations from such budget to each CSR Project.</p> <p>The Board shall include within its annual report to the General Assembly details of the Company's social contributions, including a description of the CSR Projects approved by the Board as recommended by the CSRC with the Board approved expenditures for each proposed CSR Project.</p> <p>Any surplus arising out of a CSR Project shall be deposited in an account monitored by the CSRC and solely designated for future expenditures on CSR activities of the Company.</p>	<p>6.1 The Board of Directors shall approve the annual CSR plan and implementation methods provided they are within the areas mentioned in this Policy, and shall also approve the proposed total annual budget for CSR projects and specific appropriations from this budget for each project.</p> <p>6.2 The proposed total annual budget for CSR projects must not exceed 1% of the previous year's net profit.</p> <p>6.3 The Board of Directors shall include in its annual report submitted to the General Assembly details of the Company's social contributions, including descriptions of CSR projects along with expenditures approved by the Board of Directors for each proposed CSR project.</p>
<p>Closing Provisions</p> <p>Implementation</p> <p>The CSR Projects may be implemented as follows:</p> <p>internally by the Company and its personnel;</p> <p>through institutions and organizations, groups and/or trusts registered with relevant authorities in the Kingdom of Saudi Arabia for purposes of undertaking socially responsible activities;</p>	<p>Article (7) Final Provisions</p> <p>7.4 <u>Implementation</u></p> <p>CSR projects may be implemented as follows:</p> <p>7.1.6 Internally by the Company and its employees.</p> <p>7.1.7 Through a non-profit organization established by a Board resolution.</p> <p>7.1.8 Through institutions, organizations, groups and/or funds registered with the competent authorities in</p>

through Government and semi/government organizations; and/or from time-to-time by the Company in cooperation with other companies duly registered in the Kingdom of Saudi Arabia.

Awareness and knowledge of the Company's CSR initiatives

The CSRC should establish internal development programs designed to raise the Company employees' awareness and knowledge of the Company's CSR initiatives.

Disclosure and Engagement with Shareholders

Disclosure obligations and requirements under the Disclosure Policy and the applicable laws and regulations in respect of this Policy must be complied with. Among other things, the contents of this Policy and the annual report on CSR activities must be included in the report of the Board and shall also be placed on the Company's website.

To align with shareholder interests and take into account shareholder views, the Company engages with its shareholders on CSR activities. Where shareholder approval is required by law or regulation in respect of any aspect of the CSR matters, the Company follows such processes and procedures, subject to the Company's Bylaws.

Saudi Arabia for the purpose of implementing CSR activities.

7.1.9 Through governmental and quasi-governmental organizations.

7.1.10 By the Company from time to time in cooperation with other companies duly registered in Saudi Arabia.

7.5 **Awareness of CSR Initiatives Organized by the Company**

The Executive Management shall develop internal development programs aimed at increasing employee awareness and knowledge of the Company's CSR initiatives.

7.6 **Disclosure and Engagement with Shareholders**

7.3.3 Disclosure requirements arising under the Disclosure Policy, as well as applicable regulations, shall be complied with in relation to this Policy. The contents of this Policy and the annual report on CSR activities shall be included in the Board report, among other matters, and published on the Company's website.

7.3.4 The Company engages with its shareholders on CSR activities to achieve alignment with the interests of those shareholders, taking their views into account. If any regulation or policy requires shareholder approval in relation to any aspect of

	corporate social responsibility, the Company shall comply with that in view of the Company's Bylaws.
<p>Entry into Effect and Review</p> <p>This Policy and any amendments thereto shall be adopted by a resolution of the General Assembly, following a recommendation by the Board, and shall enter into effect from the date on which it is approved by the General Assembly.</p> <p>The CSRC conducts an annual evaluation of the performance of its duties under this Policy, as well as of the effectiveness of this Policy, in a manner it deems appropriate, and presents the results to the Board.</p>	<p>Article (8) Effectiveness and Review</p> <p>This Policy and any amendments thereto shall be adopted by a resolution of the General Assembly based on a recommendation from the Board of Directors, and shall be effective from the date of its approval by the General Assembly.</p>