

**Membership Procedures Policy Amendments on the
Board of Directors of- Al-Andalus Property Company**

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Property Company**

Article	Previous Regulation	New Regulation
	This policy was adopted by the resolution of the Tenth Ordinary General Assembly of the company held on December 31, 2017 AD, in accordance with the recommendations of the Board of Directors pursuant to its resolution issued on December 11, 2017 AD.	This policy was adopted by the resolution of the Ordinary General Assembly for the company held on --/--/2024 AD According to the recommendation of the Board of Directors pursuant to its resolution issued on 21/04/2024 AD
<u>Preamble</u>	<p>According to the Board of Directors of Al-Andalus Property Company's confirmation of the importance of adhering to the regulations of the relevant supervisory authorities, and the importance of applying good governance principles that enhance the company's ability to grow and develop its performance, including appointing members to the Board of Directors who possess qualifications, leadership competencies and diverse experiences, whereas the requirements contained in the Corporate Governance Regulations issued by the Capital Market Authority, in its Article Twenty-Second, Paragraph No. (3), stipulate that: "One of the most important basic duties of the Board of Directors is: "Prepare clear and specific policies, standards and procedures for membership in the Board of Directors that do not conflict with the mandatory provisions and put them into effect after their approval by the General Assembly."</p> <p>This policy has set out the general guidelines for the policies, standards, and procedures for the membership in the Board of Directors, their conditions, how they end, and the policies that guarantee the rights of shareholders to run for the Board of Directors.</p>	<p>According to the Board of Directors of Al-Andalus Property Company's confirmation of the importance of adhering to the regulations of the relevant supervisory authorities, and the importance of applying good governance principles that enhance the company's ability to grow and develop its performance, including appointing members to the Board of Directors who possess qualifications, leadership competencies and diverse experiences, whereas the requirements contained in the Corporate Governance Regulations issued by the Capital Market Authority by Resolution No. (8-16-2017) and dated 16/05/1438 AH corresponding to 13/02/2017 AD, based on the Companies Law issued by Royal Decree No. M/3 and dated 28/01/1437 AH, as amended by Resolution of the Capital Market Authority No. 8-5-2023 and dated 25/06/1444 AH corresponding to 18/01/2023 AD, based on Corporate Governance Regulations issued by Capital Market Authority, specifying one of the most important basic functions of the Board of Directors which stipulates in its article No (Twenty-First) Paragraph No (3): "to prepare clear and specific policies, standards, and procedures for the membership in the Board of Directors that do not conflict with the mandatory provisions in this regulation and put them into effect after their approval by the General Assembly."</p> <p>This policy has set out the general guidelines for the policies, standards, and procedures for the membership in the Board of Directors, their conditions, how they end, and the policies that guarantee the rights of shareholders to run for the Board of Directors.</p>
<u>Article One: The Objectives of the Regulation</u>	New Article	This regulation aims to set clear and specific standards and procedures for membership in the company's board of directors and announce them to all for review, as this regulation includes policies, rules and standards for candidacy for membership and the procedures that the company shall follow in selecting the members of the board of directors and the provisions related

		thereto and cases of termination of membership in the board of directors.
<u>Article Two: Definitions</u>	New Article	<p>For applying the provisions of this regulation, the words and phrases mentioned below shall have the meanings indicated before each of them, unless the context requires otherwise:</p> <p>Regulations: Membership Regulations of the Board of Directors of Alandalus Property. Company: Alandalus Property Company (Saudi joint stock Company). Board: Alandalus Property Company Board of Directors. Members: Executive, non-executive, and independent members of the company's board of directors.</p> <p>Executive Member: A board member who is dedicated to managing the company and participates in its daily work and receiving its compensation from the company.</p> <p>Non-Executive Member: A board member who is not dedicated to managing the company and does not participate in its daily work.</p> <p>Independent Member: A non-executive board member who enjoys complete independence in his position and decisions and the obstacles of independence cannot be processed for him.</p> <p>Authority: Saudi Capital Market Authority</p> <p>Commission: Nominations and Remuneration Committee of Alandalus Property Company. Controlling shares: The ability of influence to decisions by owning 30% or more of the company's voting rights. Relatives: - Father, mother, grandfather, grandmother and above. -Sons, and below. -Brothers and sisters or half brothers. -Husband and wife</p>
<u>Article Three: Formation of the Board of Directors</u>	<u>The Board of Directors consists of nine (9) and its formation takes into account the following:</u> <ol style="list-style-type: none"> The number of its members shall be proportional to the size of the company and the nature of its activity. The majority shall be non-executive members. The number of its independent members shall not be less than two or one-third of 	<p>No amendments have been implemented This article has no amendments from the previous company policy, taking into account its conformity with the bylaws in case of amendment.</p>

	the Board of Directors' members, whichever is more.	
<u>Article Four: Standards and Conditions for Candidacy for Membership in the Board of Directors</u>	<ul style="list-style-type: none"> • The following standards shall be taken into account when selecting members of the Board of Directors: <ol style="list-style-type: none"> 1) The candidate shall have morals, integrity, honesty and credibility. 2) He shall not have had any decision issued against him by the Board of Directors of the Capital Market Authority related to any manipulation of the shares of listed companies or behavior involving deception and fraud. 3) The candidate shall not have been previously convicted of a crime against honor or trust, or been ruled bankrupt, or made arrangements or reconciliation with his creditors, or be unfit for membership in the board of directors in accordance with any law or instructions in force in the Kingdom. 4) The candidate shall not be a member of the boards of directors of more than five (5) joint stock companies at the same time. 5) The candidate shall not be a civil employee. 6) He shall be committed to the provisions of the applicable laws, regulations and instructions. 7) Diversity in academic qualifications and practical experience shall be taken into account, and priority must be given in nomination to the needs required of those with the appropriate skills for membership in the Board of Directors. 8) The number of independent members shall not be less than one-third of the Board of Directors' members. 9) In the case of an independent member, the independent member shall not have any conditions that contradict independence. 10) A member of the Board of Directors shall represent all shareholders, and shall commit to what is in the interest of the company in general and not what is in the interests of the group that he represents or that voted to appoint him to the Board of Directors. 11) <u>He shall adhere to the principles of honesty, loyalty, diligence, and concern for the interests of the company and shareholders, prioritizing them over his personal interests, and this includes in particular the following:</u> <ol style="list-style-type: none"> a- Honesty: The Board member's relationship with the company shall be 	<ul style="list-style-type: none"> • The following standards shall be taken into account when selecting members of the Board: <ol style="list-style-type: none"> 1) The advantage shall be given to those who have one of the following terms: <ul style="list-style-type: none"> • Possessing potential experience in the field of investment and real estate development. • Possessing potential experience in the field of economic and banking consultancy. • Possessing potential experience in the field of engineering development. • Possessing potential experience in the field of marketing and leadership consulting. • Possessing potential legal experience in discussing various real estate issues and providing legal consultations regarding them. • Possessing potential experience in the field of governance, compliance, and risk. 2) Candidates shall exemplify moral integrity, honesty and unwavering credibility. 3) Candidate shall have no sanctions imposed by the Capital Market Authority's Board of Directors, in relation to manipulative practices involving shares of listed companies or any activities entailing deception and fraud. 4) Candidate shall not be a former CEO or general manager of a company that was liquidated due to losses. 5) Candidates shall have no record of previous convictions for offenses that compromise honor or trust, bankruptcy declaration, creditor arrangements, or any disqualifications from Board membership in accordance with the applicable Laws and Regulations in the Kingdom of Saudi Arabia. 6) Candidate shall not concurrently serve on the Boards of Directors of more than five (5) listed joint-stock companies in the same time. 7) Candidate shall not hold civil positions. 8) Candidate shall fully commit to the provisions of applicable laws, rules, and regulations and directives. 9) In selecting members, diversity in academic qualifications and practical experience shall be considered, with a focus on nominating those possessing the required skills for Board Membership. 10) At least one-third of the Board's members shall be independent.

	<p>honest and professional, and he shall disclose any influential information to it before executing any deal or contract with the company or one of its subsidiaries.</p> <p>b- Loyalty: A member of the Board of Directors shall avoid transactions that involve a conflict of interest, while ensuring the fairness of the dealing, and taking into account the provisions regarding conflicts of interest in these regulations.</p> <p>c- Diligence and Concern: by performing the duties and responsibilities stipulated in the Companies Law, the Capital Market Law, their executive regulations, the Company's Articles of Association, and other relevant regulations.</p> <p>12) <u>He shall be of professional competence and possess the necessary experience, knowledge, skill and independence, enabling him to carry out his duties efficiently and competently. In particular, he shall possess the following:</u></p> <p>a- Leadership Ability: He shall have leadership skills that qualify him to grant powers that lead to promoting performance, applying best practices in the field of effective management, and adhering to professional values and ethics.</p> <p>b- Competence: He shall have academic qualifications, appropriate professional and personal skills, level of training, and practical experiences related to the company's current and future activities, management, economics, accounting, law, or governance, as well as the desire to learn and train.</p> <p>c- The Ability to guide: he shall have technical, leadership, and administrative capabilities, speed in decision-making, and understand the technical requirements related to the workflow, and be able to provide strategic guidance, planning, and a clear future vision.</p> <p>d- Financial Knowledge: Must be able to read and understand financial statements and reports.</p> <p>e- Health Fitness: He shall not have a health condition that prevents him from exercising his duties and specializations.</p> <ul style="list-style-type: none"> The General Assembly, when electing members of the Board of Directors, shall take into account the recommendations of the Remuneration and Nominations Committee and the availability of the personal and professional capabilities 	<p>11) The independent member shall not have any conditions that contradict with the independence mentioned in the Corporate Governance Regulations issued by the Capital Market Authority.</p> <p>12) Board Members shall represent all shareholders in the Company and commit to the interest of the Company and the interest of shareholders and take into account the rights of other stakeholders, and not limited to taking into account the interests of any specific group that voted for their appointment.</p> <p>13) Board Members shall be of natural character.</p> <p>14) Board members shall adhere to principles of due diligence, loyalty, particularly through:</p> <ul style="list-style-type: none"> Exercising duties within the prescribed powers: A member of the Board of Directors shall exercise his duties and powers in managing the company and directing its work within the limits of his prescribed powers in accordance with the provisions of the Companies Law, its executive regulations, the company's Bylaws and other relevant regulations, in order to achieve the purposes for which he was granted those powers. Working for the company's interest and enhancing its success: A member of the Board of Directors shall adhere to the following: <ol style="list-style-type: none"> Act in good faith in a way that serves the interests of the company and all shareholders and not to put his personal interest above the interests of the company and its shareholders, while taking into account the rights of other stakeholders. Making every effort to enhance the success of the company, its development, and maximize its value for its shareholders in the long term. Making decisions or vote thereon independently: A member of the Board of Directors shall exercise his duties in an objective and independent manner with regard to the management of the company and the making of decisions therein, and shall avoid situations that affect his independence in making decisions or when voting thereon. Exercising reasonable and expected care, attention, diligence, and skill: A member of the Board of Directors shall perform his duties and responsibilities in accordance
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	<p>necessary to perform their duties effectively in accordance with what is stated in this article.</p>	<p>with the Companies Law, the Capital Market Law, their executive regulations, the company's Bylaws and other related regulations, and in accordance with the care and diligence that a prudent person shall exercise with the general knowledge, skills, and experience that the board member himself possesses, and those expected skills for those who perform the same functions as that member.</p> <p>5- Avoiding conflict of interests: A member of the Board of Directors shall avoid transactions and situations in which he has or may have a direct or indirect interest that conflicts or could conflict with the interest of the company, and shall comply with the provisions on conflicts of interest contained in the Companies Law and its executive regulations.</p> <p>6- Disclosing any interest he has, directly or indirectly, in the works and contracts that are done on behalf of the company: A member of the board of directors shall be committed to disclosing any interest he has, directly or indirectly, in the works and contracts that are done on behalf of the company immediately upon his knowledge of it, and he shall be committed to the provisions on disclosure of interest in works and contracts contained in the Companies Law and its executive regulations.</p> <p>7- Accept not any benefit granted thereto by third parties in relation to his role in the company: A member shall not exploit his position and the duties and powers he has as a member of the Board of Directors in any way to obtain benefits from third parties or accept any benefit granted to him by third parties in return for performing a specific duty or refraining from performing a specific duty.</p> <p>8- <u>Board Member shall adhere to the principles of honesty, integrity, loyalty, diligence, and attention to the interests of the company and its shareholders and place them over his personal interest.</u></p> <p>9- <u>Board members shall exhibit professional competence, possessing the necessary experience, knowledge, skills, and independence required to perform their duties efficiently and effectively. This includes, in particular:</u></p> <p>a) Leadership Competence: The candidate shall possess exceptional leadership skills, enabling him to delegate powers effectively, drive performance, implement best</p>
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		<p>management practices, and uphold professional values and ethical standards.</p> <p>b) Competency: This entails the possession of the appropriate academic qualifications, professional and personal skills, level of training, and practical experience related to the company's current and future activities or to management, economics, accounting, law, or governance, as well as the desire to learn and train.</p> <p>c) Ability to Guide: This entails the possession of technical, leadership, and administrative capabilities. He shall demonstrate the ability to make prompt decisions, a comprehensive understanding of technical workflow requirements, and the capacity to provide strategic guidance, planning, and a clear vision for the Company's future.</p> <p>d) Financial Knowledge: The ability to read and comprehend financial statements and reports.</p> <p>e) Physical Fitness: Board members shall not have any health conditions that hinder their ability to fulfill their duties and exercise their powers effectively.</p> <ul style="list-style-type: none"> • When appointing members to the Board of Directors, the General Assembly shall consider the recommendations put forth by the Remuneration and Nominations Committee and the availability of the personal and professional qualities necessary to perform their duties effectively in accordance with what is mentioned in this article.
<p><u>Article Five: Conditions and Standards for Selecting Independent Board Of Directors Members</u></p>	<p>New Article</p>	<ol style="list-style-type: none"> 1) In addition to the standards and conditions of membership in the board of directors mentioned above, the following are required for Board Member: 2) Board Member shall not own (5%) of the company's shares or the shares of another company in its group or more, or be related to someone who owns this percentage. 3) Board Member shall not be related to any member of the board of directors of the company or another company in its group. 4) Board Member shall not be related to any of the senior executives of the company or another company in its group. 5) Board Member shall not be a member of the board of directors of another company in the company group that the member is nominated to join.

		<ol style="list-style-type: none">6) Board Member shall not have worked or have been employed by the company or another company in its group during the past two years, or be the owner of controlling shares in the company or any party dealing with the company or another company in its group, such as auditors and major suppliers during the past two years.7) Board Member shall not have a direct or indirect interest in the works and contracts that are done on behalf of the company.8) Board Member shall not receive from the company any financial sums in addition to the remuneration for membership of the board of directors or any of its committees that exceed (200,000) riyals or 50% of his remuneration in the previous year that he receives for membership of the board of directors or any of its committees, whichever is less.9) Board Member shall not engage in any work that would compete with the company, or trade in any of the branches of the activity that the company engages in.10) Board Member shall not have served for more than nine consecutive or separate years as a member of the board of directors of the company. <ul style="list-style-type: none">• Businesses and contracts that are concluded to meet personal needs are not considered to be of the nature that negates the independence of the board member, which requires the approval of the Ordinary General Assembly, if these businesses and contracts were concluded under the same conditions and terms that the company follows with all contractors and suppliers and were within the company's normal activity, unless the nominations committee decides otherwise.• The board of directors shall conduct an annual evaluation to assess the independence of board members and ensures that there are no relationships or circumstances that could affect or could affect to them.
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<p>Article Six: <u>Procedures for Membership in the Board of Directors</u></p>	<ol style="list-style-type: none"> 1) Every shareholder in the company shall be entitled to nominate himself or one or more other persons for membership in the Board of Directors in accordance with the provisions of the Companies Law and its executive regulations. 2) The company is responsible for publicly announcing the nomination for Board of Directors membership on the Saudi Stock Exchange "Tadawul" website, its own website, and through any other means specified by the Capital Market Authority. This announcement shall occur well in advance of the conclusion of the Board of Directors' term to invite candidates wishing to be members in the Board of Directors. The nomination opportunity remains open for at least one month from the date of the announcement. 3) Anyone who wishes to nominate himself for membership in the company's board of directors shall notify the company's management at least thirty days before the date of the General Assembly, this notification includes an introduction to the candidate in terms of his biography information, including information about his profession, the primary job he currently holds, his qualifications, and his experiences. 4) A candidate who has previously served as a member of the board of directors of a joint stock company shall attach a statement of the number and dates of the boards of directors of the companies of which he served, If he has previously served as a member of the board of directors of the same company, he shall attach to the nomination notification a statement from the company's management for the last term of office in which he served as a member of the board, including the following information: <ul style="list-style-type: none"> ▪ The number of Board of Directors meetings that took place during each year of the term, the number of meetings that the member attended in person, and his attendance percentage to the total number of meetings. ▪ The permanent committees in which the member participated, the number of meetings held by each of those committees during each year of the term, the number of meetings he attended and the percentage of his attendance to the total number of meetings. 	<ol style="list-style-type: none"> 1) Every shareholder within the company possesses the right to nominate themselves or another person or more persons for membership in the Board of Directors. 2) The Company is responsible for publicly announcing the nomination for Board of Directors membership on the Saudi Stock Exchange "Tadawul" website, its own website, and through any other means specified by the Capital Market Authority. This announcement shall occur well in advance of the conclusion of the Board of Directors' term to invite candidates wishing to be members in the Board of Directors. The nomination opportunity remains open for at least one month from the date of the announcement. 3) The company shall publish information on the candidates for the board of directors on the market's website when issuing or directing the invitation to convene the General Assembly, provided that such information includes a description of the candidates' experiences, qualifications, skills, positions, and previous and current memberships. The company shall provide a copy of this information at its head office and on its website. 4) Voting in the General Assembly shall be limited to candidates for the board of directors for whom the company has published information in accordance with paragraph (3) of this article. 5) The General Assembly shall elect members of the board of directors for the period specified in the company's bylaws, provided that it does not exceed four years, and they may be re-elected unless the company's bylaws provides otherwise. 6) Individuals interested in running for the Company's Board of Directors shall notify the company's management at least thirty days before the date of the General Assembly meeting. This notification shall include the information of the candidate in terms of his CV, including information about his profession, the main position he currently holds, and his qualifications and experience, following the Capital Market Authority's template for the candidate's CV.
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	<ul style="list-style-type: none"> ▪ A summary of the financial results achieved by the company during each year of the term. 5) The membership status shall be clarified, i.e. whether the member is an executive member, a non-executive member, or an independent member. 6) The nature of membership shall be clarified, i.e. whether the member is running in his personal capacity or is a representative of a legal person. 7) The Nominations and Remuneration Committee shall discuss all nomination applications for Board membership and examines the CVs of applicants in accordance with the aforementioned policies and standards. 8) The Nominations and Remuneration Committee shall provide recommendations to the Board of Directors, endorsing candidates for Board membership who possess the capacity to fortify the Board's competence in effectively managing and guiding the Company's works, in accordance with the stipulated policies and standards. 9) The company shall publish the names of the candidates for voting by the assembly. 10) The Capital Market Authority shall be provided with the CVs of the candidates for membership in the company's board of directors according to the "CV format for a candidate for membership in the board of directors of a joint-stock company listed on the Saudi Stock Exchange (Tadawul)". 11) The company's management shall deposit the nomination notice and its attachments at its head office at the disposal of the shareholders 15 days before the date set for selecting board members. 12) Voting in the General Assembly shall be limited to those who nominated themselves in accordance with the aforementioned policies, standards and procedures. 13) Cumulative voting shall be used to elect the nominated members of the Board, as the right to vote per share may not be used more than one time. 14) The company shall announce the names of the members selected by the assembly, indicating the capacity of their membership. 15) The Board of Directors shall appoint a Chairman and Vice-Chairman from among its elected members. 	<ul style="list-style-type: none"> 7) Candidate with prior board membership in joint-stock companies shall provide a statement indicating the number and dates of the board memberships he served on. If he was previously on the Board of Directors of the same Company, he shall attach with the nomination letter a statement from the Company Management for the last term he served. This statement shall include the following: <ul style="list-style-type: none"> ▪ The number of board meetings held in each year of the term, the candidate's attendance at these meetings in person, along with the percentage of their attendance in relation to the total meetings. ▪ The permanent committees in which the member participated, the number of meetings held in each year of the term, the candidate's attendance at these meetings in person, along with the percentage of their attendance in relation to the total meetings. ▪ A summary of the financial results achieved by the company during each year of the term. 8) The status of the membership shall be clarified, i.e., whether the member is an executive, a non-executive, or an independent member. 9) The nature of membership shall be clarified, distinguishing whether the member is running in a personal capacity or as a representative of a legal entity. 10) The Nominations and Remuneration Committee shall evaluate all nomination applications for Board membership and scrutinize the candidates' CVs in accordance with the stipulated policies and standards. 11) The Nominations and Remuneration Committee shall provide recommendations to the Board of Directors, endorsing candidates for Board membership who possess the capacity to fortify the Board's competence in effectively managing and guiding the Company's works, in accordance with the stipulated policies and standards. 12) The Company shall announce the names of the candidates, allowing the Assembly to vote. 13) The Capital Market Authority shall be provided with the CVs of the candidates
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	<p>16) The company shall notify the Capital Market Authority's by the names of the members of the Board of Directors who were elected in accordance with the above conditions, and their membership capacity within five working days from the date of the beginning of the Board of Directors term or from the date of their appointment - whichever is earlier - and any changes that occur to their membership within five working days from the date of the changes occurring.</p>	<p>for membership in the Company's Board of Directors, following the "CV Form for the candidate for membership in the board of directors of a joint stock company listed on the Saudi Stock Exchange (Tadawul)."</p> <p>14) The Company's Management shall provide the nomination notification along with its associated documents at the Company's head office, and make them available for shareholders to review. This shall be accomplished at least 15 days before the scheduled date for selecting board members.</p> <p>15) Voting in the General Assembly shall be restricted to those who have nominated themselves in accordance with the aforementioned policies, standards, and procedures.</p> <p>16) Cumulative voting is adopted for the election of nominated members to the Board, to ensure that the right to vote per share is exercised only one time.</p> <p>17) The Company shall announce the names of the members elected by the Assembly, indicating into their respective membership attributes.</p> <p>18) The Board of Directors shall appoint a Chairman and Vice-Chairman from among its elected members.</p> <p>19) Within five working days from the commencement of the Board of Directors term or from the date of their appointment, whichever is earlier, the Company shall promptly inform the Capital Market Authority of the names of the elected Board of Directors members and their membership attributes. Any changes occurring to their membership shall be reported within five working days from the date of such changes.</p>
<p>Article Seven: Vacant Position in the Board of Directors</p>	<p>1- If the position of a member of the Board of Directors becomes vacant during the term of membership, the board of directors shall be entitled to appoint a temporary member to the vacant position, provided that he was one of those who had experience and competence, and the Ministry of Trade and Investment and the Capital Market Authority were informed of this according to the prescribed statutory period, the appointment shall be submitted to the Ordinary General Assembly at its first meeting for approval, and the new member completes the term</p>	<p>1- In the event that a position of the Board of Directors to the joint-stock company becomes vacant due to the death or resignation of a member, and this vacancy does not result in a violation of the conditions necessary for the validity of the meeting of the board due to a decrease in the number of its members below the minimum limit stipulated in the law or the company's bylaws, then the board may appoint temporarily to the vacant position someone who has the experience and competence, provided that it notifies the commercial register and the authority if the company is listed</p>

	<p>of his predecessor in light of what is stated in the company's articles of association.</p> <p>2- If the necessary conditions shall not met for the Board of Directors to convene due to the number of its members being less than the minimum stipulated in the Companies Law or the Company's Articles of Association, the remaining members shall convene the Ordinary General Assembly within sixty days to elect the necessary number of members.</p>	<p>on the financial market within (fifteen days from the date of appointment), and the appointment is presented to the Ordinary General Assembly at its first meeting. The appointed member shall complete the term of his predecessor.</p> <p>2- In circumstances where the Board of Directors is unable to convene due to the number of its members falling below the minimum threshold defined in the Companies Law or the Company's Bylaws, the existing members shall call for the Ordinary General Assembly to convene within sixty days to elect the required number of members.</p>
<p><u>Article Eight: Introducing the Company's Activities to the members</u></p>	<p>New Article</p>	<p>1. The company shall provide new board members with an orientation program on the company's business, its strategies, organizational and functional structure, regulatory policies, internal and external governance framework, and senior executives.</p> <p>2. Based on the recommendation of the Nominations and Remuneration committee, board members shall participate in quality training programs to maintain the necessary level of skills to perform their duties to the fullest.</p> <p>3. Board members shall make periodic visits to the company and its subsidiaries to monitor their activities and the extent of their commitment to implementing the strategy and achieving targets.</p>
<p><u>Article Nine: Termination of Board of Directors Membership</u></p>	<p>1) Board of Directors membership terminates at the termination of his term, his resignation, his death, or if he is convicted of any crime against honor or trust, or is ruled bankrupt, or the expiration of a member's authority in accordance with any law or instructions in force in the Kingdom.</p> <p>2) The Ordinary General Assembly may, at any time, dismiss all or some of the members of the Board, even if the company's bylaws stipulate otherwise, without prejudice to the right of the dismissed person to compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time, a member of the Board of Directors shall be entitled to retire provided that this is appropriate, otherwise he will be responsible to the company for the damages resulting from his resignation.</p>	<p>1) Board Membership shall be terminated at the conclusion of the member's term, upon their resignation, in the event of their death, incapacity</p> <p>2) upon convictions for offenses that compromise honor or trust, a declaration of bankruptcy, or upon the expiration of a member's authority in accordance with applicable laws or regulations within the Kingdom of Saudi Arabia.</p> <p>3) The Ordinary General Assembly may at any time dismiss all or some of the members of the board, even if the company's articles of association provide otherwise, without prejudice to the right of the person who was dismissed to compensation if the dismissing was for an unacceptable reason or at an inappropriate time. A board member may also resign, provided that this is appropriate, otherwise he/she shall be</p>

	<p><u>The General Assembly upon a recommendation from the Board of Directors, may also terminate the membership of any member who is absent from attending three consecutive meetings without submitting an acceptable reason.</u></p> <p>3) In the event that a member's membership in the Board of Directors terminates through one of the termination methods, the company shall notify the Authority and the Market immediately, stating the reasons for this.</p> <p>4) If a member of the Board of Directors resigns, and he has observations on the company's performance, he shall submit a written statement thereof to the Chairman of the Board of Directors, and this statement shall be submitted to the members of the Board of Directors.</p>	<p>liable before the company for any damages resulting from the resignation.</p> <p>4) When a member of the board of directors terminates his membership by one of the methods of termination of membership, the company shall notify the Authority and Market immediately, stating the reasons therefore.</p> <p>5) If a Board member opts to resign and possesses observations concerning the Company's performance, they shall submit a written statement to the Chairman of the Board of Directors. This statement is then to be presented to all Board members.</p> <p>6) The General Assembly may, upon the recommendation of the board of directors, terminate the membership of a member who fails to attend (three) consecutive or (five) separate meetings during his term of office without a valid excuse accepted by the board of directors.</p> <p>7) If it is impossible to hold the election and the current board term has ended, its members shall continue to perform their duties until the election of a new board for a new term, provided that the period of continuation of the members of the board whose term has ended shall not exceed the period specified in the regulations.</p> <p>8) If the chairman and members of the board of directors resign, they shall convene the Ordinary General Assembly to elect a new Board of Directors, and the resignation shall not take into effect until the election of the new Board is processed, provided that the term of continuation of the resigned Board shall not exceed the period specified by the regulations.</p>
<p><u>Article Ten: Procedures for Amending the Policy</u></p>	<p>The Board of Directors may approve any amendments to this policy at any time if it deems appropriate upon the recommendation of the Nominations and Remuneration Committee, provided that they are approved by the General Assembly of Shareholders.</p>	<p>1. This regulations shall be applied and complied with by the company as of the date of its approval by the General Assembly of shareholders.</p> <p>2. This policy shall be published on the company's website to enable shareholders, the public, and stakeholders to review it.</p> <p>3. This policy shall be reviewed on a regular basis - as needed - by the Nominations and Remuneration committee. Any proposed amendments</p>

		<p>by the committee shall be presented to the Board of Directors, in which the Board of Directors shall study and review the proposed amendments and recommend them to the General Assembly of shareholders for approval.</p> <ol style="list-style-type: none">4. This policy is considered complementary to what is stated in the regulations and rules of the regulatory authorities in the Kingdom of Saudi Arabia and is not a substitute for them. In the event of any conflict between what is stated in this policy and the regulations and rules of the regulatory authorities, the regulations and rules of the regulatory authorities shall prevail.5. The Board of Directors may approve any amendments to this policy at any time it deems appropriate based on the recommendation of the Nominations and Remuneration Committee, provided that they shall be approved by the General Assembly of Shareholders6. The Board of Directors may approve any amendments to this policy at any time it deems appropriate, based on the recommendation of the Nominations and Remuneration Committee, provided that they are approved by the General Assembly of shareholders.7. This regulations shall be communicated to all members of the Board of Directors, committees emanating from the board, and all relevant employees in the company.
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**Amendments to the Remuneration and compensation Policy
for the Board of Directors, Committees and Executive
Management - Al Andalus Property Company**

**Amendments to the Remuneration and compensation Policy for the Board of Directors,
Committees and Executive Management - Al-Andalus Property Company**

Article	Pervious Regulation	New Regulation
The Adoption of Regulation	This regulation was adopted by the resolution of the company's Fourth Extraordinary General Assembly held on April 28, 2019, based on the recommendation of the Board of Directors pursuant to its resolution issued on March 14, 2019.	This regulation was adopted by the resolution of the Ordinary General Assembly.... For the company held on --/--/2024 AD According to the recommendation of the Board of Directors pursuant to its resolution issued on 21/04/2024 AD
Preamble	<p>This policy includes determining the procedures and standards for remuneration for members of the Board of Directors, the committees emanating from it, and the executive management of Al-Axndalus Property Company, in accordance with the provisions stipulated in the Companies Law and the regulatory controls issued in implementation thereof relating to listed joint stock companies, in accordance with the provisions of the Corporate Governance Regulations in this regard, with the aim of attracting the best qualified elements to membership in the Board of Directors and to ensure promoting the efficiency at the level of the Board of Directors, its committees and the company.</p> <p>This regulation shall be adopted by the resolution of the General Assembly, based on the proposal of the Board of Directors, in implementation of the statutory provisions in this regard, the same procedures shall be followed when making any amendment thereto.</p>	<p>Remuneration Policy of the Board of Directors, its Committees, and the Executive Management of Alandalus Property was prepared by the Nominations and Remuneration Committee pursuant to the provision Paragraph (1) of Article No. 58 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority under Resolution No. (8-16-2017) dated 16/05/1438 AH, corresponding to 13/02/2017 AD, based on the Companies Law issued by Royal Decree No. M/3, dated 28/01/1437 AH, amended by Board of the Capital Market Authority Resolution No. 8-5-2023, dated 25/06/1444 AH, corresponding to 18/01/2023 AD, based on the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443 AH. Accordingly, after reviewing the Saudi Companies Law and its Executive Regulations, after reviewing the Financial Market Law and its Regulations, after reviewing the Corporate Governance Regulations, and after reviewing the Company's Articles of Association, the Board of Directors of Alandalus Property, with its powers, decided to issue Remuneration Policy of the Board of Directors, its Committees, and the Executive Management, provided that this policy shall be presented to the General Assembly of Shareholders at its first meeting for approval. This regulation shall be approved by the General Assembly's resolution, based on the proposal of the Board of Directors, in implementation of the statutory provisions in this regard. The same procedures shall be followed when making any amendment to it.</p>
Article One: Definitions	New Article	For applying the provisions of this regulation, the words and phrases mentioned below shall have the meanings indicated before each of them, unless the context requires otherwise: Policy: Remuneration Policy of the Board of Directors, its emanating Committees, and the Executive Management.

		<p>Company: Alandalus Property Company. Board of Directors: Company's Board of Directors. Director: A member of the company's board of directors. Non-Executive Director: A member of the Board of Directors who is not full-time member to manage the company and does not participate in its daily work. Independent Director: A Non-Executive Board member who is fully independent in its position and resolutions, and none of the circumstances of independence stipulated in the Corporate Governance Regulations shall apply to it. Executive Management or Senior Executives: The people who are responsible for managing the company's daily operations, proposing and implementing strategic resolutions, such as the CEO, its Deputies, Financial Director, and Executive Directors. Remuneration: Amounts, allowances, profits and its equivalent, periodic or annual remunerations related to performance, short-term or long-term incentive plans, and any other in-kind benefits, excluding actual reasonable expenses and costs incurred by the Company on behalf of a director for the purpose of performing the work. The regular remuneration includes salaries, allowances, and benefits in kind. It also includes variable remuneration, periodic bonuses, profits, short-term and long-term incentive plans, and granted shares. General Assembly: The Company's General Assembly (ordinary or extraordinary). Corporate Governance Regulations: Governance regulations for joint stock companies listed on the market issued by the Board of the Capital Market Authority. Law: Companies Law and its Executive Regulations. Articles of Association: The Articles of Association of Alandalus Property. Executive Management: Executive Chairman and senior executives which are directly related to CEO in the organizational structure. Secretary of the Board or Committee: The person appointed by the (Board of Directors/Committee) to carry out the task of writing down, recording, and keeping minutes of meetings and any other tasks assigned to it by the Board in this regard. Day: A calendar day, whether it is a working day or not.</p>
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		Actual days: Number of days of membership during the general fiscal year.
Article Two: Policy Objectives	New Article	<p>1. Setting clear and fair standards for the remuneration of members of the Board of Directors, its committees, and Senior Executives, organizing remuneration in order to contribute to attracting members of the Board of Directors with scientific, technical, and administrative competence and experience in the field of the company's business, enabling them to perform their tasks and duties with professionalism and high efficiency through adopting plans and programs that motivate getting the remuneration and are related to performance, which contributes to improving the Company's performance and achieving the interests of its Shareholders.</p> <p>2. Ensuring the Company's compliance with applying and adhering to the highest standards.</p> <p>3. Compliance with achieving the most important governance principles related to transparency and disclosure in accordance with the applicable regulations and the provisions of this policy.</p>
Article Three: Scope of Implementation	New Article	This Policy shall be applied to all members of the Board of Directors, members of its emanating permanent committees, and the Executive Management.
Article Four: Responsibility for implementation	New Article	The Nominations and Remuneration Committee, in coordination with the Company's Executive Management, shall follow up the implementation of this Policy, verify the soundness of the procedures taken, evaluate any deviations that may occur in the implementation, and report to the Board any matter that requires it for the purpose of guidance.
Article Five: Remuneration Policy Standards	Taking into account other relevant laws and regulations issued by the relevant regulatory authorities, the Board of Directors shall take into account, in determining and disbursing the remuneration received by each of its members, members of the committees affiliated with the Board, or the executive management of the company, the relevant provisions contained in the Companies Law and Regulatory Controls, and the Corporate Governance Regulations issued by the Capital Market Authority, in addition to the following standards:	Subject to other relevant laws and regulations issued by the relevant regulatory authorities, the Board of Directors, in determining and disbursing the remuneration received by each of its members or members of the committees affiliated with the Board or the executive management of the company, shall take into account the relevant provisions contained in the Companies Law and its Executive Regulations, and the Corporate Governance Regulations issued by the Capital Markets Authority and the following shall be maintained:

	<ol style="list-style-type: none"> 1) Its consistency with the company's strategy and objectives and the size, nature and degree of risks. 2) The remunerations shall be based on the recommendation of the Nominations and Remuneration Committee. 3) The remuneration shall be reasonably potential to attract, motivate and keep board members working with appropriate qualifications and experience. 4) Remunerations shall be provided for the purpose of supporting members of the Board of Directors and Executive Management to make the company successful and develop it in the long term, taking into account linking the variable part of the Remunerations to long-term performance. 5) The fairness of the remuneration and its proportionality with the member's competencies shall be taken into considered, in addition to the responsibilities and duties assigned to him and the members of the Board of Directors, and the objectives specified by the Board and intended to be achieved during the financial year 6) It is required to be prepared in coordination with the Nominations and Remuneration Committee regarding new appointments. 7) The practices of other companies shall take into account in determining remuneration, while avoiding any unjustified increase in remuneration and compensation that may appear. 8) If a program shall be developed to grant shares in the company to members of the board, executive management and its employees, whether it is a new issue or shares purchased by the company, this will be performed in coordination with the Nominations and Remuneration Committee and in accordance with the relevant regulations. 9) The remunerations will be disbursed or refunded if the General Assembly does not approve its disbursement. 	<ol style="list-style-type: none"> 1- Alignment with the Company's Strategy and its Objectives. 2- The remuneration shall be provided for urging the members of the Board of Directors and Executive Management to ensure the success of the company and its long-term development, taking into account the variable portion of the Remuneration to long-term performance. 3- Remuneration shall be determined based on the level of the job, the tasks and responsibilities assigned to its holder, academic qualifications, practical experience, skills, and level of performance. 4- Alignment with the size, nature and degree of risks of the Company. 5- Taking into account the practices of other companies in determining remuneration, while avoiding what may result from an unjustified increase in remuneration and compensation. 6- Aiming to attract, maintain and motivate professional competencies, without exaggerating them. 7- The policy shall be prepared by coordinating with the Nominations Committee upon new appointments. This policy is to be applied in any new appointments by coordinating with the Nominations and Remuneration Committee and the Executive Management of the company. 8- Taking into account the issue of stopping the payment of remuneration or recovering it if it is found to have been determined on the basis of inaccurate information provided by a member of the Board of Directors or Executive Management; to prevent the abuse of position for undue remuneration. 9- Organizing the granting of shares in the company to members of the Board of Directors and Executive Management, whether it will be a new issue or shares purchased by the Company.
<p>Article Six: Remuneration Policies</p>	<p>Regulatory controls related to determining and disbursing the remuneration received by a member of the Board of Directors</p> <ol style="list-style-type: none"> 1- A member of the Board of Directors may receive a remuneration in exchange for his 	<p>First: Remuneration of Board of Directors</p> <p>A. Subject to other relevant laws and regulations issued by the other regulatory authorities, the Board of Directors, in determining and disbursing the</p>

	<p>membership in the audit committee formed by the General Assembly, or in exchange for any additional executive, administrative or advisory role or positions assigned to him in the company by a (professional license) in accordance with the companies law, the remuneration that can be obtained as a member of the board of directors and the committees formed by the board, in accordance with the company's bylaws.</p> <p>2- The remuneration of members of the Board of Directors may be of varying amounts to reflect the extent of the member's experience, its major, the duties assigned to it, its independence, the number of meetings it attends, and other considerations.</p> <p>3- The remuneration of independent members of the Board of Directors shall not be a percentage of the profits achieved by the Company or be based directly or indirectly on the company's profitability.</p> <p>4- If the Audit Committee or the Authority knows that the remuneration paid to any member of the Board of Directors is based on inaccurate or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors, he shall refund this remuneration to the Company. Also, the Company shall be entitled to ask him to refund.</p> <p>5- The annual remuneration or any financial or in kind rewards received by a board member as a board member or member of committees emanating by the board shall not exceed 500,000 SAR at all cases.</p> <p>6- The total amount of remuneration shall not exceed 5% of the company's annual profits.</p>	<p>remuneration received by each of its members, shall take into account the relevant provisions contained in the Companies Law and its Executive Regulations, and the Corporate Governance Regulations and shall take into account the following according to the law:</p> <p>1- Remuneration shall be fair and proportionate to the member's duties, works and responsibilities carried out and borne by the members of the Board of Directors, in addition to the objectives set by the Board of Directors to be achieved during the financial year.</p> <p>2- Remuneration will be based on the recommendation of the Remuneration Committee.</p> <p>3- Remuneration shall be proportionate to the Company's Activity and the skill required to manage it.</p> <p>4- The sector in which the company operates, its size, and the experience of the Board of Directors shall be taken into account.</p> <p>5- Remuneration shall be reasonably sufficient to attract, motivate and retain Board of Directors with appropriate competence and experience.</p> <p>6- Board of Directors may not vote on the remuneration item for Board of Directors at the General Assembly meeting.</p> <p>7- A member of the Board of Directors may obtain a remuneration for any additional role or executive, technical, administrative, or advisory positions, under a professional license, assigned to it in the company, in addition to the remuneration it may obtain in its capacity as a member of the Board of Directors and in the Committees formed by Board of Directors, in accordance with the Companies Law and the Company's Articles of Association.</p> <p>8- Remuneration of the Board of Directors may be of varying amounts to reflect the extent of the member's experience, its specializations, tasks assigned to it, its independence, the number of meetings it attends, and other considerations.</p> <p>9- Remuneration of Independent Directors shall not be a percentage of</p>
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		<p>the profits achieved by the Company or be based directly or indirectly on the Company's Profitability.</p> <p>10- If the General Assembly decides to terminate the membership of a Board Member who is absent due to its failure to attend three consecutive meetings or five separate meetings of the Board during the term of its membership without a legitimate excuse accepted by the Board, then this member is not entitled to any remuneration for the period following the last meeting it attended, and shall return all remuneration that were disbursed to it for that period.</p> <p>11- If it was found to the Audit Committee or the Authority that the remuneration paid to any member of the Board of Directors is based on incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors, it shall return them to the Company, and the Company shall be entitled to ask him to refund.</p> <p>Second: Remuneration of members of committees of the Board</p> <p>1- The Nominations and Remuneration Committee shall make a recommendation to the Board of Directors regarding the remuneration of members of the committees of the Board of Directors.</p> <p>2- The Company's General Assembly shall determine the remuneration of the members of the Audit Committee, and the Board of Directors shall determine the remuneration of the members of the remaining board committees in exchange for their attendance at committee sessions and any other allowances.</p> <p>3- Members of the committees of the Board of Directors who reside outside the cities where the committee meetings are held shall be entitled to be paid for all expenses they incurred to attend the meetings, provided that these expenses shall be reasonable and customarily acceptable in accordance with business standards, such as travel, meals,</p>
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		<p>accommodations and other expenses they incurred.</p> <p>4- Remuneration shall be fair and proportionate to the member's duties, works and responsibilities carried out and borne by the members of the committees of the Board of Directors. The remuneration shall also be proportionate to the Company's Activity and the necessary skill of the Members.</p> <p>Third: Remuneration for members of the Executive Management</p> <p>1- The Nominations and Remuneration Committee shall make a recommendation to the Board of Directors regarding the remuneration of Members of the Company's Executive Management.</p> <p>2- One of the tasks and duties of the Members of the Board of Directors is to determine the appropriate levels of remuneration for members of the Executive Management.</p> <p>3- The annual remuneration of members of the Company's Executive Management shall be approved by the Board of Directors.</p> <p>4- The Company shall provide standard, fair pay and job benefits that will attract and bonus qualified executives.</p>
<p>Article Seven: Determining the remuneration and compensation of the Board of Directors and its committees</p>	<p>Members of the Board of Directors and members of the committees of the Board shall be entitled the following remuneration:</p> <ol style="list-style-type: none"> 1- The Chairman of the Board of Directors shall be entitled to an annual remuneration of 200 thousand SAR. 2- A member of the Board of Directors shall be entitled to an annual remuneration of 200 thousand SAR. 3- The Chairman of any committee of Board of Directors shall be entitled to an annual remuneration of 100 thousand SAR in an annual basis. 4- A member of any committee of Board of Directors shall be entitled to an annual remuneration of 50 thousand SAR in an annual basis. <p>Members of the Board of Directors and members of the committees of the Board shall be entitled to an attendance allowance as follows:</p> <ol style="list-style-type: none"> 1- Any member of the Board, including the Chairman of the Board, shall be entitled to 	<p>Members of the Board of Directors and members of the committees of the Board shall be entitled the following remuneration:</p> <p>1) Remuneration for members of the Board of Directors and committees emanating from the Board:</p> <p>1.1 The remuneration of the Chairman and members of the Company's Board of Directors consists of annual remuneration (a lump sum) and an attendance allowance for meetings according to the following:</p> <p>A- The Chairman of the Board of Directors is entitled to an annual bonus of 300,000 Saudi riyals.</p> <p>B- A member of the Board of Directors is entitled to an annual bonus of 250,000 Saudi riyals.</p> <p>T - Any member of the Board, including the Chairman of the Board of Directors, is entitled to an attendance allowance (for one meeting) of 5,000 Saudi riyals, with a maximum of 30,000 Saudi riyals per year.</p>

	<p>an attendance allowance of 3,000 SAR for each meeting that the member attends.</p> <p>2- Any member of any committee, including the Chairman of the Committee, shall be entitled to an attendance allowance of 3,000 SAR for each meeting the member attends.</p> <p>3- The members of the Executive Committee, including the Chairman of the Committee, shall be entitled to an attendance allowance of 5,000 thousand SAR for each meeting that the member attends.</p> <p>4- The remuneration shall be disbursed at the beginning of each calendar year, while the attendance allowance shall be paid every six months of the calendar year.</p> <p>5- The eligibility for getting the annual remuneration, when the member can attend at least two-thirds of the meetings convened during the year.</p> <p>6- The amount of the annual remuneration shall be estimated upon the date of seniority and departing date, provided that the attendance at the minimum of two-thirds of the meetings convened between the date of seniority and departing during the period is met.</p> <p>7- It is permissible to combine the remuneration for membership in the Board, and the remuneration for chairing or membership of one of the committees of the Board or the Audit Committee.</p> <p>8- The fixed annual remuneration shall not include travel and related expenses and shall be compensated as mentioned below:</p> <p>A. Travel expenses and flight tickets (business class).</p> <p>B. Hotel accommodation and regular business expenses.</p> <p>C. The mentioned expenses shall be compensated after receiving the actual invoices.</p>	<p>2.1 The company's Audit Committee remuneration consists of annual remuneration (a lump sum) and an attendance allowance for meetings according to the following:</p> <p>A- The Chairman of the Audit Committee is entitled to an annual bonus of 150,000 Saudi riyals.</p> <p>B- A member of the Audit Committee member from inside the board is entitled to an annual bonus 100,000 Saudi riyals.</p> <p>T- A member of the Audit Committee from outside the Board is entitled to an annual bonus 150,000 Saudi riyals.</p> <p>D - Any member of the Audit Committee, including the Chairman of the Committee, is entitled to an attendance allowance (for one meeting) of 5,000 Saudi riyals, with a maximum of 30,000 Saudi riyals per year.</p> <p>3.1 The company's Nominations and Remunerations Committee's remuneration consists of an annual bonus (lump sum) according to the following:</p> <p>A- The Chairman of the Nominations and Remuneration Committee is entitled to an annual bonus of 150,000 Saudi riyals.</p> <p>B- A member of the Nominations and Remuneration Committee member from inside the board is entitled to an annual bonus of 100,000 Saudi riyals.</p> <p>T- A member of the Nominations and Remuneration Committee from outside the Board is entitled to an annual bonus of 150,000 Saudi riyals.</p> <p>C - Any member of the Nominations and Remuneration Committee, including the Chairman of the Committee, is entitled to an attendance allowance (for one meeting) of 5,000 Saudi riyals, with a maximum of 30,000 Saudi riyals per year.</p> <p>4.1 The company's Executive Committee remuneration consists of an annual bonus (lump sum) according to the following:</p> <p>A- The Chairman of the Executive Committee is entitled to an annual bonus of 150,000 Saudi riyals.</p> <p>B- A member of the Executive Committee from member from inside the board entitled to an annual bonus of 100,000 Saudi riyals.</p> <p>D- A member of the Executive Committee from outside the Board is entitled to an annual bonus of 150,000 Saudi riyals.</p> <p>D - Any member of the Executive Committee, including the Chairman of the Committee, is entitled to an attendance allowance (for one meeting) of 5,000 Saudi</p>
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		<p>Riyals, with a maximum of 30,000 Saudi Riyals per year.</p> <p>2) In order to be eligible for the annual bonus, the member must attend at least two-thirds of the meetings held during the year.</p> <p>3) The remuneration of members of the Board and its committees, and the allowance for attending sessions, shall be paid in two installments every six months of the fiscal year, after their approval by the Board of Directors.</p> <p>4) It is permissible to combine the remuneration for membership in the Board, and the remuneration for chairing or membership of one of the committees of the Board or the Audit Committee.</p> <p>5) The fixed annual bonus amount does not include travel and related costs and will be compensated as follows: A- Travel costs and airline tickets (business class). B- Hotel accommodation and standard work costs. T- The mentioned costs will be compensated after receiving the actual invoices.</p>
<p>Article Eight: Mechanism for calculating annual bonuses.</p>	<p>New Article</p>	<p>The annual remuneration for members of the Board of Directors and its committees is calculated during the term of their membership and in the event of their joining or termination of membership during the relevant fiscal year, as follows:</p> <p>The value of the member's annual bonus ÷ the number of days in the calendar year (365) x the number of actual days.</p> <p>*Actual days: are the number of days of the membership period during the relevant fiscal year.</p>
<p>Article Nine: Determining the Remuneration of Executive Management</p>	<p>1. The Nominations and Remuneration Committee shall review the functional benefits of the Executive Management and the bonuses programs and plans on a regular basis. After obtaining the recommendations of the Executive Management, the Committee shall review them and submit its final recommendations to the Board of Directors for approval, taking into account the annual budget, the company's liabilities, and the available cash liquidity. The Executive Management's Remuneration shall include the following:</p>	<p>No amendments have been implemented This article has no amendments from the previous company policy, taking into account its conformity with the bylaws in case of amendment.</p>

	<ol style="list-style-type: none"> 2. (Basic salary) that shall be paid at the end of each calendar month on a monthly basis. 3. Housing allowance, transportation allowance, and any other allowances that shall be adopted by the Board of Directors. 4. Medical insurance benefits for the employee and its family. 5. The annual remuneration, if adopted by the Board of Directors, shall be related to performance, assessment, and key performance indicators. 6. End of service gratuity. 	
<p>Article Ten: Disclosure of the remuneration of members of the Board of Directors</p>	<p>In its annual report, the Board of Directors shall disclose the details of policies related to remuneration, the mechanisms for determining them, the amounts and financial and in-kind benefits paid to each member of the Board of Directors in exchange for any work, or executive, technical, administrative, or advisory roles.</p>	<ol style="list-style-type: none"> 1- The Board of Directors shall disclose the remuneration policy and how to determine the remuneration of its members and members of the Company's Executive Management. 2- The Board of Directors shall disclose in its annual report the details of policies related to remuneration, the mechanisms for determining them, the amounts, and financial and in-kind benefits paid to each member of the Board of Directors for any executive, technical, administrative, or advisory roles or positions.
<p>Article Eleven: Final Provisions (Publication, Enforcement and Amendment)</p>	<p>The Board of Directors may approve any amendments to this policy at any time it deems appropriate based on the recommendation of the Nominations and Remuneration Committee, provided that they shall be approved by the General Assembly of Shareholders.</p>	<ol style="list-style-type: none"> 1. This Regulation shall be applied, adhered to and implemented by the Company as of the date of its approval by the General Assembly of Shareholders. 2. This Policy shall be reviewed periodically - when needed - by the Nominations and Remuneration Committee, any amendments proposed by the Committee shall be presented to the Board of Directors. Board of Directors shall investigate and review the proposed amendments, then recommend them to the General Assembly of Shareholders for approval. 3. The committee is working to share with the Executive Management any amendments or proposals to this Policy and to explore its views and observations in order to achieve the objective behind it. 4. This Policy shall be considered complementary to what is stated in the Laws and Regulations of the regulatory authorities in the Kingdom of Saudi Arabia and shall not be a substitute for it. In the event

		<p>of any conflict between what is stated in the Regulation and the Laws and Regulations of the regulatory authorities, the Laws and Regulations of the regulatory authorities shall be considered.</p> <p>5. This policy is adopted in both Arabic and English languages, and in case of any inconsistency between the two languages, the Arabic text shall prevail .</p> <p>6. This Policy shall be published after its approval by the General Assembly of Shareholders on the Company's Website or through any other means to enable Shareholders, the public and Stakeholders to view it.</p>
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Social Liability policy





الأندلس العقارية
Alandalus Property

Social Liability Policy





Adoption of the Charter

This policy was adopted by the resolution of the Ordinary General Assembly.....
For the company held on --/--/2024 AD
According to the recommendation of the Board of Directors pursuant to its
resolution issued on 21/04/2024 AD

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Preamble:

Social liability is duly considered as one of the core pillars of community life. It is a way for individual and social progress. Therefore, the true meaning of an individual in their community is measured by the extent of their responsibility for themselves and others. Social liability is the permanent compliance by companies and institutions to contribute for economic development and working for improving the living conditions of manpower and their families, as well as the community.

Social liability is not considered as a charitable work; it is a moral obligation contributing to the development of community. The modernity of communities shall be given by the growth and social maturity of individuals and their sense of liability in which requires cooperation, obligation, consortium, passion, good treatment, and active participation.

The company's compliance of its role in social liability ensures respect and support from all community groups for achieving its developmental objectives and duties. The company believes in the importance of contributing to serving the community and assisting in the process of social development. The company adopts a social duty aimed at enriching its contributions to serving the community, recognizing that community has rights and duties for its members, whether individuals or companies.

The Andalus property Company aims to contribute effectively to social responsibility in line with the Saudis Vision 2030AD, by committing to transparency in its practices related to social responsibility. Therefore, Andalus Real Estate Company discloses the social responsibility objectives it adopts and the plans outlined in its relevant reports.

Definitions:

Company: Alandalus Property Company

Board of Directors: The Board of Directors (Alandalus Property Company)

Social Liability Team: Every year, a selection is performed of several employees from various departments of the company to contribute for achieving the expected objectives by the Company's Board of Directors via the execution of activities, initiatives, and previous programs by virtue of our belief in the importance of fulfilling its moral and social duties, the company has been working for apply these values to its employees

Stakeholders: Anyone who has an interest with the company, such as employees, creditors, customers, suppliers, and the community in general.

Social Liability: Corporate voluntary commitment to creating a sustainable impact on community, economy, and the environment by integrating this commitment into its strategy and internal and external activities.

First clause: The concept of social liability and its importance

The concept of liability is represented by the company's contribution to achieving a balance among multiple but interconnected parties, including its employees, shareholders, the external circumstances, and community. The company disposes responsibly with religious and ethical motivations to enhance its competitive situation in its field of activity. Consequently, the company is abided by applying the sustainable development for the community in general and its employees in particular, via working on improving living, social, and economic conditions for the manpower and their families, contributing to reducing unemployment in community, and optimizing the use of available resources.

According to this, the success and growth of companies and economic institutions are closely related to the importance and awareness of social liability, which is associated with various ethical and humanitarian values and standards. These values include solidarity and a sense of national liability towards to the company relationships, whether they are employees, shareholders, customers, or an individual of the community. Therefore, as the company increases its understanding and importance of this social liability process, its development, success also improve, positively impacting its profitability and reputation.

The Second Clause: The purpose of the policy

The company's social liability policy intends to achieve the below points:

- 1- The company shall be at the frontline of major contributors to social liability towards the community.
- 2- Compliance by approved and local standards, representing in the appropriate implementation of social liability as a long-term investment that benefits the company and stakeholders.
- 3- Maintaining the sustainable development for the community in general and employees in particular.
- 4- Achieving the balance between the company's objectives and the objectives designated by community.
- 5- Enabling the company to recruit, employ, and develop its human resources.
- 6- Increasing the loyalty conception between employees and customers, especially as customers desire to prefer companies committed to social liability.
- 7- Contributing to the continuity of the company by enhancing the sustainability of natural resources and environmental services.
- 8- Enhancing transparency in the company's social liability activities by approving a matrix of authorities, preparing non-financial statements, and disclosing in accordance with international standards, while monitoring the effectiveness of the company's social liability.
- 9- Supporting and encouraging various social projects.

The Third Clause: The general framework of social liability

The company's Board of Directors has issued its instructions to the executive management, that the company to be at the frontline of entities leading in the adopting of best corporate social liability practices and approving the professional and ethical behavior in all its dealings with stakeholders. The company believes that these aspects are an integral part of its strategy to enhance competitiveness, regardless of social liability as a fundamental element in achieving the company's interests and objectives.

The company's social liability policy is based on the following principles:

- 1- The company's continuous compliance to ethical behavior in accordance with regulations and instructions, respecting customs and traditions.
- 2- Providing all method of support to programs and initiatives of non-profit organizations in the Kingdom of Saudi Arabia.
- 3- Expanding of cooperation and integration with universities and research centers to support educational programs, quality programs, studies, and research seeking to achieve a core value to the company and community.
- 4- Participation in the establishing and supporting and operating of social, charitable, or health centers.
- 5- Sustainable contributing to achieving economic and social development and environmental conservation by **applying the following points:**
 - Giving more attention for the company's employees and develop their technical capabilities by implementing training and induction programs to keep their technical abilities and skills improved.
 - Supporting and training national graduates, facilitating their employment opportunities in various institutions and national companies.
 - Protecting the environment by reducing pollution, optimal and fairly utilizing of natural resources, and promoting environmental awareness within the community groups.

The Fourth Clause: The applicable scope of this policy

The provisions of this policy shall apply to all stakeholders in Alandalus Property Company, including those who have direct interests with the company's activities, all employees, customers, suppliers, the local community, and work environment.

The Fifth Clause: The compliance by social liability

With reference to the core values of the company, namely the value of participation and focusing on three main elements:

1. Respect and liability.
2. Providing Support for the community.
3. Environmental protection.

In consequence of that, The company continues its efforts to adopt and implement various community service programs that align with the company's duty, objectives, and values. These efforts reflect its absolute obligations to improving social and living conditions for the most needy groups. The company prepares to promote specific programs, policies, and a dedicated team for social liability activities to assist the largest possible segment of community. The company seeks to develop strong relationships with different groups of community to contribute to the comprehensive development of this country. The driving objective behind the company's adoption of these programs and policies is its continuous pursuit of making a significant difference, not only through providing assistance but also by encouraging and enabling the people of this country to make use of their skills and experiences in developing their community.

The Sixth Clause: Company's social liability towards stakeholders

- 1- Providing all individuals and concerned parties with accurate, credible, and reliable information, considering the timing of its presentation in accordance with applicable professional regulations and laws.
- 2- Abiding by applying of all governance practices with integrity and transparency and documenting them by writing down relevant reports.
- 3- Working to participate all concerned parties and beneficiary groups, including investors,

employees, suppliers, customers, and community members, in decisions, work programs, and studies that concern them.

4- Stating the supervisory systems and procedures that stipulate the relationship with stakeholders and ensuring compliance and continuity in applying these systems and procedures.

5- Working in according to the principle of full transparency, ensuring the company respects its obligations, adheres to regulations and rules, and discloses integral information to shareholders and stakeholders in accordance with the company's disclosure policy and the instructions of the Capital Market Authority.

The Seventh Clause: Company's Social liability towards Employees

1-Ensuring a safe and motivating workplace for duties performance, contributing to improving the health and well-being of employees and their families without compromising their obligations to their families.

2- Encouraging the freedom of expression of disciplined ideas and opinions within recognized ethical standards, listening to them with respect and appreciation.

3- Encouraging all employees without discrimination to participate in training and development programs, contributing to improving their professional and personal skills.

4- Building relationships with employees based on responsibility and common success.

5- Applying the principle of fairness among all employees and avoiding discrimination based on racial or personal considerations.

6- Encouraging all employees and facilitating their duties to participate in activities that contribute to supporting the local community of the company.

7- Abiding by and adhering to all laws, regulations, and rules applicable in the Kingdom of Saudi Arabia.

The Eighth Clause: Company's social liability towards the Community

1- The company commits itself to investing in the community in which it works by executing long-term developmental projects and initiatives that align with the nature of the community and will be stated by long-term discussions.

2- Working to provide direct and indirect assistance to charitable, social, and developmental institutions as much as possible to improve the living standards of the community in which it works.

3- Contributing to supporting job opportunities for members of the community through programs and training courses offered by the company to the residents of this community.

4- Investing in building of commercial and residential complexes to contribute in the development and improvement of the quality of life at the local community.

The Ninth Clause: Company's Social liability towards the Environment

1- Identifying all positive and negative direct and indirect impacts on the local environment resulting from the company's operations.

2- Working to achieve future objectives and continuous positive outcomes that align with international environmental standards, documented periodically within social liability reports and stated in the company's annual report.

3- Contributing to support direct and indirect efforts aimed at developing clean or environmentally friendly methods and programs.

4- Permanent assessment of trading and developmental projects to address any negative environmental impacts.

The Tenth Clause: Company's social liability towards Customers

1- Providing all rental units, real estate products, and services with high quality and

reasonable prices, truthfully advertised, environmentally friendly, and safe, with a commitment to continuous improvement of products and real estate projects.

2- Establishing a good relationship with customers to achieve mutual benefits.

3- Taking due diligence to establish communication means with customers and conduct surveys that contribute to improving the services provided to them.

The Eleventh Clause: Company's social liability towards suppliers

1- Abiding by purchasing from local suppliers, as continuously as possible, to support the economies of small and medium-sized enterprises, as regard to common principles of liability and success.

2- Establishing communication channels with all company suppliers to improve the level of services provided for customers.

3- Working to state and apply social liability standards on all company suppliers, to the extent possible.

4- Providing all forms of educational and professional support to contribute to the success of social liability programs for supplier companies.

5- Maintaining continuous communication with suppliers, conducting regular meetings, and discussing ways of fruitful collaboration for both parties.

The Twelfth Clause: Company's social liability towards Opposing Interest

1- Adhering to apply fair competition rules.

2- Refraining from engaging in any form of corruption or bribery with the aim of gaining undue advantages when submitting bids or delivering real estate products or projects.

3- Complying with all applicable legislation, regulations, and laws, particularly those related to the company's practices and, specifically, the competition laws.

4- Adhering to the ethics, code of conduct, and accepted practices in the field of work.

The Thirteenth Clause: Company's social liability towards Shareholders

1- Multiplying the share value and achieving maximum possible profit.

2- Securing the company's assets, the right to access sufficient information about the company's performance, and treating shareholders fairly without any discrimination.

3- Receiving and addressing shareholder complaints, engaging shareholders in important company decisions by calling upon the ordinary general assembly of shareholders.

4- Fair and orderly disclosure of information relevant to shareholders.

The Fourteenth Clause: Community Communication and Charitable Issues

We are committed to managing our works ethically and sustainably by applying the following elements:

1- Committing to the highest standards of integrity and transparency in our dealings and business relationships.

2- Implementing sustainable business practices and reducing our impact on the environment.

3- Promoting a culture of diversity, equality, and inclusivity in our workplace and supply chain.

4- Engaging in community awareness and supporting charitable causes.

5- Ensuring the health, safety, and well-being of our employees and stakeholders.

6- Complying with all applicable laws and regulations, as well as real estate activity standards.

7- Collaborating with educational and community institutions to train students and give opportunities for participation and contribution to social liability activities, emphasizing their importance and impact on individuals and the community.

The Fifteenth Clause: Social Liability Team

Pursuant to the company's obligation and national dedication to contribute serving and meeting the needs of the community, and effectively promoting the development process in the Kingdom, the company continues its efforts in adopting and executing various social liability programs and activities by the Social liability Team. This team is formed annually by the decision of the Board of Directors to prepare plans for the concept of social liability and the company's duty for the community. These plans align with the company's message and values, reflecting its absolute obligation to improving social and living conditions for the needy groups and meeting their needs. The Board may delegate the authority to those deemed necessary to carry out all duties and works.

The Purpose of Forming the Social Liability Team:

- 1- Establish the appropriate plans and strategies for the company's social liability activities.
- 2- Encourage company employees and its partners to adopt social liability programs.
- 3- Share experiences and highlight successful social liability programs of the company as a good example to follow.
- 4- Propose and adopt innovative (new) programs to serve the community.
- 5- Communicate with the community, stakeholders, and organizations interested in social liability.
- 6- Provide advisory services in the part of social liability for the company's employees and its partners.

Social Liability Team Duties:

- 1- Supervising all social liability activities within the company and providing recommendations on diversifying social liability programs and activities.
- 2- Promoting the company's role in adopting social liability policies and initiatives towards its shareholders, customers, suppliers, employees, and the community in general.
- 3- Declaring the social liability objectives adopted by the company to its employees, in addition to raising their awareness, educating, and engaging them in these objectives.
- 4- Disclosing plans for achieving social liability in periodic reports which are related to the company's activities.
- 5- Promoting communication channels for the company and utilizing them as effective means to enhance the company's efforts in the field of social liability.
- 6- Reviewing and approving charitable donations associated with social liability activities.
- 7- Communicating with authorities sponsoring social liability programs and activities to knowledge their needs for supporting the company's objectives.
- 8- Adopting programs to promote and disseminate the concept of social liability within the company and its associated environment.
- 9- Promoting the participation of company employees in social activities and volunteer work, a Team members must understand the team's tasks and responsibilities, prioritize the tasks assigned to them, and allocate sufficient time to do their part in completing them.
- 10- Submitting periodic reports to the Board of Directors with reference to the procedures made and actions implemented in the field of social liability within the company.

The Sixteen Clause: Financial Allocations for the Social Liability Team:

The executive management annually submits a recommendation regarding the proposed budget for the social responsibility program

The Seventeen Clause: General Provisions

- 1- This policy has been developed to complete the updating process of the general governance framework and in accordance with the requirements of the Corporate Governance Regulation issued by the Capital Market Authority on 18/01/2023 AD, and based on the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443 AH.
- 2- This policy shall be subjected to periodic review by the Board of Directors as part of the impact review of the company's governance or upon the issuance of new instructions or regulations related to this policy. Any change or amendment to the policy shall be approved by the General Assembly.
- 3- All departments working in the company are required to provide the needed support to the Social Liability Team to carry out its duties.
- 4- The Board of Directors adheres to disclose, in its annual report, all details related to social liability activities and the expenses associated with implementing the social liability policy.
- 5- This policy shall be continuously reviewed (at least once a year) by the Board of Directors to ensure its comprehensiveness and completeness.
- 6- This policy comes into effect and is binding from the date of its adoption.
- 7- This policy is adopted in both Arabic and English languages, and in case of any inconsistency between the two languages, the Arabic text shall prevail.
- 8- A summary of the main provisions of this policy will be published on the company's website to enable shareholders, the public, company employees, and all stakeholders to access and work accordingly.