



شركة الحسن غازي ابراهيم شاکر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

THE EXTRAORDINARY  
GENERAL ASSEMBLY MEETING  
FOR AL HASSAN GHAZI  
IBRAHIM SHAKER COMPANY  
by means of modern technology



شركة الحسن غازي ابراهيم شاكِر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## Agenda of the Extraordinary General Assembly for Al Hassan Ghazi Ibrahim Shaker company

which is scheduled to be held at the company's headquarters in Riyadh (through modern technology) at 08:30 pm on Sunday 11/11/1445 AH corresponding to 19/05/2024 AD.

#	Subject
1.	<p>Voting on the Board of Directors recommendation to increase the company's capital by way of issuing bonus shares as follows:</p> <ul style="list-style-type: none"><li>- Capital before increase: SAR 482,334,000. Capital after increase: SAR 555,000,000. Increase percentage: 15,065494%.</li><li>- Number of shares before increase: 48,233,400 shares, Number of shares after increase: 55,500,000 shares.</li><li>- The recommendation aims to support the financial position and future growth plans of the company.</li><li>- The capital increase will be made through the capitalization of SAR (72,666,000) from the statutory reserve account, by granting one share for every (6,637685) shares.</li><li>- In the event of stock fractures, the fractions will be grouped into a single portfolio for all shareholders and sold at the market price and then distributed to the shareholders entitled to the grant each according to their share within 30 days of the date of the determination of the shares due to each shareholder.</li><li>- The entitlement to the bonus shares will be to the company's shareholders who own the shares at the end of the day of the extraordinary general assembly and who are registered in the company's shareholder registry with the Securities</li></ul>

	<p>Depository Center Company (Depository Center) at the end of the second trading day following the extraordinary general assembly.</p> <ul style="list-style-type: none"> <li>- Amend Article No. 6 relating to Capital, of the Articles of Association of the company. (Attached)</li> <li>- Amend Article No. 7 relating subscription to shares, of the Articles of Association of the company. (Attached)</li> </ul>
2.	Voting to amend Article No. (3) in the Company's Articles of Association related to the Company's purposes. (Attached)
3.	Voting on the amendment of the Audit Committee Bylaws. (Attached)
4.	Voting on the amendment of the Nomination and Remuneration Committee Bylaws (Attached).
5.	Voting on the amendment of the remuneration policy for the members of the Board of Directors and the committees. (Attached)
6.	Voting on the amendment of the policy and criteria of membership of the Board of Directors. (Attached)
7.	Voting on transferring the amount of (71,682,000) Saudi riyals from the statutory reserve amounting to (144,384,000) as in the financial statements for the year ending 31 December 2023 to the retained earnings.
8.	Voting on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly basis for the fiscal year 2024.
9.	Review and discuss the Board of Directors' report for the financial year ended 31/12/2023.
10.	Review and discuss the financial statements for the fiscal year ended 31/12/2023.
11.	Voting on the auditor's report for the financial year ended 31/12/2023 after discussing it.
12.	Voting on the appointment of the External Auditor of the Company among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2024 and the first quarter of the fiscal year 2025, and determine their fees.

13.	Voting on the discharge of the members of the Board of Directors from liability for the financial year ended 31/12/2023.
14.	Voting on the business and contracts concluded between the company and Lafana Holding Company, in which the Chairman of the Board of Directors, Mr. Abdulelah bin Abdullah Abunayyan, has an indirect interest, which is a preventive maintenance contract for the air conditioners of Lafana Holding Company, the amount of the transactions is (24,840) thousand Saudi riyals, the duration of the contract is one year, and this contract was made without preferential conditions or benefits.
15.	Voting on the delegation of the Board of Directors with the authority of the Ordinary General Assembly with the license mentioned in paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of approval of the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier, in accordance with the conditions contained in the Executive Bylaws of the Companies Law for Listed Joint Stock Companies.



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# Audit committee annual report

Annual Audit Committee Report  
2023

Al Hassan Ghazi Ibrahim Shaker





## Audit Committee

The role of the Audit Committee (the Committee) in Al Hassan Ghazi Ibrahim Shaker Company (the Company) is to supervise and review the financial reporting procedures in accordance with the Committee's Terms of Reference approved by the General Assembly on 29/05/2023.

In addition to supervising the risk management activities. The Committee relies in its work on the financial statements prepared by the company's management and periodic meetings with the auditors and the periodic and annual reports that are presented to and approved by the Committee.

## Statement of meetings and attendance of members of the audit committee

During the fiscal year 2023, the Audit Committee held (5) meetings, and the attendance of the members was as follows:

Name	01/02/2023	15/05/2023	25/07/2023	30/07/2023	01/11/2023	Total
<b>Eid Falih Al-Shamri (Committee Chairman)</b>	√	√	√	√	√	5/5
<b>Ahmed Zaki Al-Fraih</b>	√	√	√	√	√	5/5
<b>Mohammed Al-greenees</b>	√	√	√	√	√	5/5



## The Scope of work of the Audit Committee during 2023 as follow:

### A- Financial reports and auditor reports through the following:

- 1) Reviewing the initial and annual financial statements before presenting the same to the Board of Directors. Expressing opinions and recommendations accordingly.
- 2) Reviewing the audit plan with the external auditor and verifying that he does not submit technical or administrative work that is outside the scope of the audit work and make any comments thereon.
- 3) Studying the auditor's reports and observations on the financial statements and following up on the actions taken regarding them.
- 4) Giving Recommendation to the Board of Directors regarding selecting the external auditor, supervising the auditor's activities, and evaluating performance.

### B- Internal Audit:

- 1) Controlling and supervising the performance and activities of the company's internal audit department, in accordance with the annual internal audit plan in order to ensure its effectiveness in implementing the activities and tasks assigned thereto.
- 2) Studying the internal audit reports and monitoring the implementation of corrective actions for the observations recorded on the business units and departments within the company.
- 3) To ensure independence, the internal audit department and external auditors provide reports directly to the audit committee without any interference from any party.

### C- Risk Management:

The audit committee approved the internal audit plan for the year 2023, with a particular focus on identifying risks within the company. The committee regularly discusses and monitors the audit plan during its meetings, in addition to reviewing the reports and observations provided by the internal audit department.





## Audit Committee Opinion

In light of the foregoing and based on periodic reports, the Audit Committee supervises the internal audit work of the company by: Reviewing the adequacy and effectiveness of the internal control system in general, Reviewing the financial statements in light of the adopted accounting standards, Providing continuous evaluation of the internal control system, Paying attention to any observations that it reveals and dealing with them.

This comes within the objectives of the Board of Directors to obtain reasonable assurance about the soundness and effectiveness of the performance of the company's internal control system.

Through the results of the annual review of the effectiveness of internal control procedures in the company, the Audit Committee has not noticed anything that makes it believe that there is a material deficiency that requires disclosure, except for some delays in implementing internal audit work due to the resignation of the Internal Auditor due to his migration to Australia, Also the shortage of qualified personnel in the field of internal audit work. This was remedied by the Audit Committee by appointing a licensed company to carry out internal audit work.

The company continues, under the supervision of the committee, to periodically evaluate and review the control system to ensure that the objectives of internal control are achieved and its efficiency and effectiveness are improved, and to comply with the laws and regulations in force.

**Eid Falih Al-Shamri**  
**Committee Chairman**



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**First item**

**Voting on the  
Board of Directors  
recommendation  
to increase the  
company's capital**

- **the Board of Directors recommendation to increase the company's capital from (482,334,000) SAR to (555,000,000) SAR by way of issuing bonus shares for the company's shareholders as follow:**

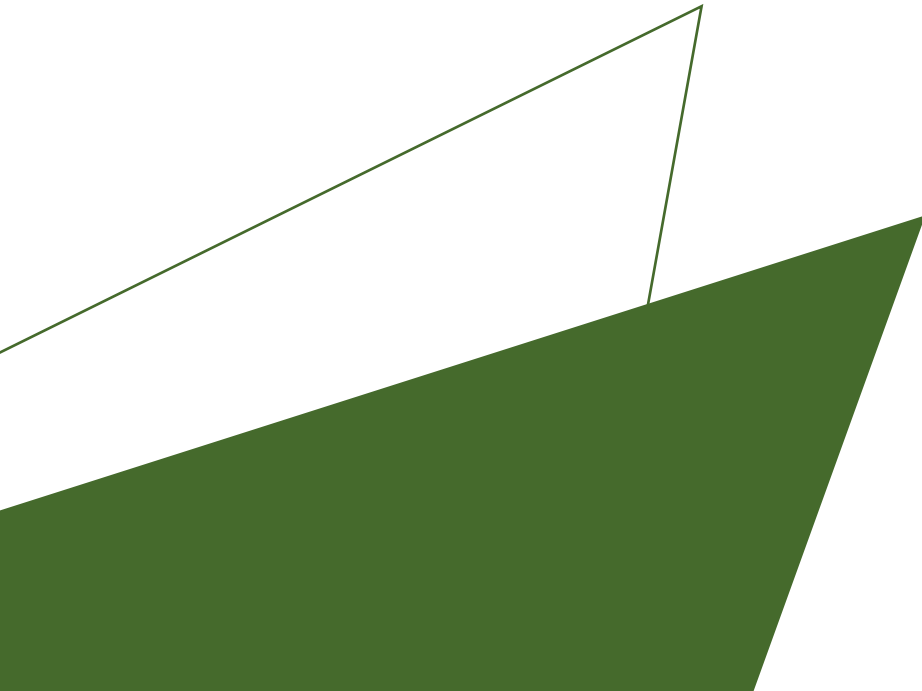
- Capital before increase: SAR 482,334,000.
- Capital after increase: SAR 555,000,000.
- Increase percentage: 15,065494%.
- Number of shares before increase: 48,233,400 shares.
- Number of shares after increase: 55,500,000 shares.
- Capital increase Reason: The recommendation aims to support the financial position and future growth plans of the company.
- The capital increase will be made through the capitalization of SAR (72,666,000) from the statutory reserve account.
- Will granting one share for every (6,637685) shares.



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## Second item

# Voting on the amendment of Company's Articles of Association



● **Amendments to the Articles of Association of Al-Hassan Ghazi Ibrahim Shaker Company**

Current system	Proposed system	Procedure
<p>Article Three: Purposes of the Company: The company carries out the following purposes:</p> <ol style="list-style-type: none"> <li>1. Manufacturing, importing and exporting air conditioners of all kinds (window - split duct - central) and household appliances of all kinds and all complementary spare parts and the establishment of factories and workshops for that.</li> <li>2. Contracting air conditioning and refrigeration works and all complementary works and activities, and establishing workshops for that.</li> <li>3. Contracting and wholesale and retail trade in tools, equipment, home, electrical and electronic appliances, air conditioners, telephones, radios, televisions and video devices.</li> <li>4. Import, export, trade and supply of lighting devices and systems and renewable energy solutions such as solar panels and other renewable energy systems, measuring and control equipment and devices.</li> <li>5. Installation and maintenance of lighting devices and systems and renewable energy solutions such as solar panels and other renewable energy systems, measurement and control equipment and devices.</li> <li>6. Maintenance and repair of electrical and electronic appliances and air conditioners.</li> </ol>	<p>Article Three: Purposes of the Company: The company carries out the following purposes:</p> <ol style="list-style-type: none"> <li>1- Installation, maintenance and repair of refrigeration and air conditioning systems 432240</li> <li>2- Repair and maintenance of refrigeration and air purification devices, including (refrigerators, freezers and air conditioners of any size) 331295</li> <li>3- Wholesale of spare parts for air conditioning and refrigeration devices 464922</li> <li>4- Retail sale of spare parts for air conditioning and refrigeration devices 477342</li> <li>5- Production and distribution of chilled air 353002</li> <li>6- Installation, maintenance and repair of solar power grids 432220</li> <li>7- Installation, extension, maintenance and repair of air conditioning pipes 432260</li> <li>8- Industry of air conditioners (modular or central) Freon 281931</li> <li>9- Retail sale of spare parts for air conditioning and refrigeration devices 477342</li> <li>10- Wholesale of household electronic and electrical appliances 464921</li> <li>11- Retail sale of household electronic and electrical appliances 475921</li> <li>12- Repair of household appliances, household equipment and garden equipment 952200</li> <li>13- Energy Efficiency Project Management Activities 711081</li> <li>14- Energy Design Review Service Provision Activities 711083</li> <li>15- Activities of providing engineering design services for energy efficiency standards 711084</li> </ol>	<p>The text of the article has been amended to comply with the company's requirements</p>

<p>7. Commercial agencies for companies engaged in the same activities.</p> <p>8. Import, export and marketing services for others.</p> <p>9. Distribution agencies after being registered in the register of commercial agencies prepared for this purpose.</p> <p>10. Selling, buying, owning, renting, investing, developing and building real estate and reusing it for sale and leasing for the benefit of the company.</p> <p>11. Energy Services &amp; Solutions, Energy Measurement &amp; Verification Services, Renewable &amp; Solar Energy Services Engineering Design Services for Energy Efficiency Standards, Energy Efficiency Project Management, Data Review and Building Auditing.</p> <p>12. Direct and indirect investments in many different sectors, as well as the management and investment of the company's movable and immovable assets by all means and types of investment, including the management of the province Establishing and managing investment portfolios and trading shares inside and outside the Kingdom of Saudi Arabia and in accordance with the relevant laws and regulations</p> <p>The company shall exercise its purposes in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.</p>	<p>16- Activities of the head offices of local companies 701012</p> <p>17- Management and leasing of owned or leased properties (non-residential) 681022</p> <p>18- Management and leasing of owned or leased properties (residential) 681021</p> <p>19- Activities of investment companies 649922</p> <p>20- General warehouses that include a variety of 521093 goods</p> <p>The company shall exercise its purposes in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.</p>	
<p><b>Article Six: Capital</b></p> <p>The company's issued capital is set at SAR 482,334,000 (Four Hundred Eighty-Two Million Riyals and Three Hundred Thirty-Four Thousand) Saudi Riyals divided into SAR 48,233,400 (forty-eight million two hundred thirty-three thousand four</p>	<p><b>Article Six: Capital</b></p> <p>The company's issued capital is set at the amount of SAR 555,000,000 (five hundred and fifty-five million) Saudi Riyals, divided into 55,500,000 shares (fifty-five million five hundred thousand) ordinary shares, of equal value, with a nominal value of 10 (ten) Saudi Riyals each.</p>	<p>The text of the article has been amended to comply with the procedures for increasing the company's capital</p>

<p>hundred) ordinary shares of equal value with a nominal value of SAR 10 (ten) each.</p>		
<p><b>Article Seven: Subscription to Shares</b>  The shareholders subscribed to the entire issued share capital of the company amounting to 48,233,400 (forty-eight million two hundred thirty-three thousand four hundred) fully paid up shares</p>	<p><b>Article Seven: Subscription to Shares</b>  The shareholders subscribed to the entire issued share capital of the company amounting to 55,500,000 shares (fifty-five million five hundred thousand) fully paid up shares</p>	<p>The text of the article has been amended to comply with the procedures for increasing the company's capital</p>



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**Third item**

**Voting on the**

**amendment of the**

**Audit Committee**

**Bylaws**



• **Amendments to the Audit Committee's Bylaws:**

Text before modification		Text after modification	
<b>Title/Article</b>	<b>This Bylaw was issued pursuant to the decision of the General Assembly in its meeting held on 09/11/1444H corresponding to 29/05/2023G, based on the Companies Law issued by Royal Decree No. (M/132) dated 1/12/1443H and its implementing regulations and the CMA Law and Regulations.</b>	<b>Title/Article</b>	<b>The Bylaws of the Audit Committee (the "Committee") of the Board of Directors of Al Hassan Ghazi Ibrahim Shaker Company (the "Company") have been prepared with the aim of complying with the Corporate Governance Regulations, which stipulates that the Ordinary General Assembly shall adopt the Bylaws upon a proposal from the Board of Directors, provided that the Regulations include the Committee's work controls and procedures, its tasks, the rules for selecting members, their term of office and their remuneration.</b>
<b>Audit Committee Bylaw</b>	<b>The Audit Committee is one of the important committees in joint stock companies because of its essential role in accordance with the internal and external audit work, the internal control process, the development of systems and plans related to these activities, the follow-up of their implementation, the company's commitment and its compliance with the recognized regulations and standards.</b>	<b>Introduction</b>	
<b>Article II</b>	Rules and controls of the membership of the Committee: The Company's Audit Committee shall be formed in accordance with the following rules: 3) <b>The</b> Audit Committee shall be composed of non-executive members of the Board of Directors, shareholders or others, and shall not include any of the executive members of the Board of Directors or any of the Company's senior executives, and that its members	<b>Article II</b>	Rules and controls of the membership of the Committee:  3) The Audit Committee shall be composed of non-executive members of the Board of Directors, shareholders or others, and shall not include any of the executive members of the Board of Directors or any of the Company's senior executives, and its members shall include <b>at least one independent Board member.</b> 4) A person who works for the Company's auditor <b>or in the Company's executive or</b>

<p>shall include <b>at least one independent member.</b></p> <p>4) A person who works for the Company's auditor or in the Company's executive or financial management during the past two years may not be a member of the Audit Committee. The Chairman or Vice-Chairman of the Board of Directors of the Company may not be a member of the Audit Committee.</p> <p>5) The term of membership of the Committee shall be four years starting from the date of the decision of the Board of Directors issued to approve the formation of the Committee and ending at the end of the term of the Board of Directors of the company, <b>except for the current Committee or in the event of its reformation, the term of the remaining period of the current session of the Board of Directors,</b> and the Committee may be re-nominated for another similar period or periods.</p> <p>6) <b>The members of the Committee shall choose from among themselves the Chairman of the Committee.</b></p> <p>7) <b>The</b> membership of a member of the Audit Committee, if he is a member of the Board of Directors, shall be terminated upon the termination of his membership in the Board or his voluntary resignation from the membership of the Audit Committee, but if the member is not a member of the Board of Directors, his membership shall be terminated by <b>voluntary</b></p>		<p><b>financial management</b> during the past two years may not be a member of the Audit Committee. The Chairman or Vice-Chairman of the Board of Directors of the Company may not be a member of the Audit Committee.</p> <p>5) The term of membership of the Committee shall be four years starting from the date of the Board of Directors' resolution approving the formation of the Committee and ending at the end of the term of the Board of Directors of the Company, and the Committee may be renominated for another similar period or periods.</p> <p>6) <b>The</b> membership of a member of the Audit Committee, if he is <b>also a member of the</b> Board of Directors, shall end upon the termination of his membership in the Board or his voluntary resignation from the membership of the Audit Committee, but if the member is not a member of the Board of Directors, his membership shall be terminated by resignation or at the end of the term of membership in the Committee or if the Board of Directors so deems appropriate.</p> <p>(7) The Committee shall appoint a secretary from among its members or from whomever it deems appropriate from the company's management team or from others to prepare for the meetings and work of the Committee, prepare and document its minutes, and follow up the implementation of its recommendations, directives and decisions.</p>
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	<p>resignation or at the end of the term of membership in the Committee or if the Board of Directors deems so.</p> <p>(8) The Committee shall appoint a secretary from among its members or whomever it deems appropriate from the company's management team or from others to prepare for the meetings and work of the Committee, prepare and document its minutes, and follow up the implementation of its recommendations, directives and decisions.</p> <p>9) A member of the Audit Committee may not have a direct or indirect interest in the business or contracts concluded for the company's account except with the approval of the General Assembly.</p> <p>10) The Board of Directors shall accept the resignation of any member of the Committee upon his request.</p>		<p>8) In the event of a vacancy in one of the seats in the Committee, the Board of Directors may appoint a member of the vacant seat from among the other members of the Board of Directors or other committees of the Board of Directors or others, provided that he is capable and competent.</p>
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<p><b>Article III</b></p>	<p>Tasks and Responsibilities of the Audit Committee:</p> <p>The Committee shall assume the following tasks and responsibilities:</p> <ol style="list-style-type: none"> <li>1. Review and re-evaluate the adequacy of the tasks, rules and controls included in these Bylaws from time to time, and recommend any proposed changes thereto and include them in the annual report to be submitted to the Board of Directors, which shall deposit sufficient copies of this report at the company's head office at least twenty-one days before the date of the General Assembly, to provide each of the shareholders with a copy of it, unless such report is published through modern technology.</li> <li>.Review the company's overall strategy, master business plans, risk management policies and procedures.</li> <li>3. Proposing all the regulations, policies and procedures of the company that ensure the implementation of the committee's tasks.</li> <li>4. Review the performance of the Audit Committee and submit a full report on the Committee's activities to the Board of Directors.</li> <li>5. Handle any kind of allegations from whistleblowers as well as any fraud cases.</li> <li>6. Monitor the company's business and verify the policies and procedures that ensure the integrity and integrity of reports, financial statements and internal control systems and include this in its annual reports to be presented to the competent authority in the company, and the committee's tasks include, in particular, the following:</li> </ol> <p>B. Financial Reports:</p> <ol style="list-style-type: none"> <li>1. Consider the interim quarterly and annual financial statements before</li> </ol>	<p><b>Article III</b></p>	<p>Membership Commitments:</p> <p><b>A member of the Committee shall abide by the following:</b></p> <ol style="list-style-type: none"> <li>1- The company's rules and regulations when exercising his duties and refraining from carrying out or participating in any work that may harm the interests of the company.</li> <li>2- To be aware of the tasks and responsibilities of the Committee, and to allocate sufficient time to carry out its tasks and responsibilities.</li> <li>3- Carry out his duties away from any influence, whether from inside or outside the company.</li> <li>4- Preparing for meetings and committing to attend them and not to be absent from them except for objective justifications notified to the Chairman of the Committee in advance.</li> <li>5- Effective participation in the meetings of the Committee by studying and discussing the topics on the agenda of its meetings.</li> <li>6- Work to enhance knowledge of organizational developments in the field related to the company's activities.</li> <li>7- Members of the Committee must maintain the confidentiality of the information they obtain through their membership in the Committee, and use it for the purpose of performing their membership duties only, and not to announce or disclose any such information to any other party, or disclose or exploit it in any way or use it for any purpose whatsoever, or deal with the media, or speak on behalf of the company.</li> </ol>
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	<p>presenting them to the Board of Directors and express an opinion and recommendation thereon to ensure their integrity, fairness and transparency.</p> <p>2. Provide technical opinion at the request of the Board of Directors on whether the annual report of the Board of Directors and the financial statements of the company are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.</p> <p>3. Study any important or unusual issues contained in financial reports and accounts.</p> <p>4. Review the reports submitted by the financial department on budget performance and analyze the deviations between the actual expenditure and the approved estimated budget.</p> <p>5. Discuss any matters raised by the company's financial director, his assume, the company's compliance officer or the auditor.</p> <p>6. Verify accounting estimates on material matters contained in financial reports.</p> <p>7. Study the accounting policies followed in the company and express an opinion and recommendation to the Board of Directors in this regard.</p> <p>8. Review the annual financial statements, reports of the Board of Directors, and interim statements if the Board of Directors decides to prepare them.</p> <p>c. Internal Audit:</p> <p>1. Recommending to the Board of Directors the appointment of the Director of Internal Audit, determining his remuneration and remuneration,</p>		<p>The obligation also includes maintaining the confidentiality of that information after the termination of membership in the Committee.</p>
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	<p>evaluating his performance, and recommending to the Board of Directors his dismissal.</p> <p>2. Study and review the internal and financial control systems and risk management in the company and ensure their effectiveness through periodic reports of the internal audit department or others and on the efficiency and effectiveness of internal and financial control systems and prepare a report that includes proposals and recommendations in this regard and submit them to the Board.</p> <p>3. Supervise the internal audit department's plans and work and verify their effectiveness in line with the regulations, laws and professional norms in this regard.</p> <p>4. Study the internal audit reports and follow up the implementation of corrective actions for the observations contained therein.</p> <p>5. Controlling and supervising the performance and activities of the internal auditor and the internal audit department in the company, to verify the availability of the necessary resources and their effectiveness in performing the work and tasks entrusted to it.</p> <p>6. Ensure the independence of internal audit and enable it to perform its work effectively.</p> <p>7. Study the internal audit plan and the estimated budget for its implementation and recommend it to the Board of Directors for approval.</p> <p>8. Develop internal control systems and controls that include a written policy to control cases of actual and potential conflicts of interest that may affect the performance of members of the Board of Directors, executive management or other employees of</p>		
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	<p>the company and address any potential conflict of interest and others, as well as develop a written policy that regulates the relationship with stakeholders in order to protect them and preserve their rights, and this policy must cover the requirements contained in the relevant laws and regulations.</p> <p>d. Auditor:</p> <ol style="list-style-type: none"><li>1. Recommending to the Board of Directors the nomination of auditors, dismissing them, determining their fees and evaluating their performance, after ensuring their independence and reviewing the scope of their work and the terms of their contract.</li><li>2. Verify the independence and objectivity of the auditor, and the effectiveness of the audit work, taking into account the relevant approved rules and standards.</li><li>3. Review the company's auditor's plan and work, verify that there is no excess or deficiency in the performance of his duties, verify that he does not perform tasks outside the scope of the audit work, and express its views thereon.</li><li>4. Answering the inquiries of the company's auditor.</li><li>5. Study the auditor's reports and observations on the financial statements, express his views thereon, if any, and follow up on what has been taken in this regard.</li><li>6. Study and address any restrictions on the auditor's work that may affect his ability to perform his work and tasks.</li><li>7. Discuss with the auditor and inquire from him if needed.</li></ol> <p>c. Guarantee of Compliance:</p> <ol style="list-style-type: none"><li>1. Review the results of the reports of the regulatory authorities and verify that the company has taken the necessary measures in this regard.</li></ol>		
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	<p>2. Supervise the company's compliance with the laws, regulations, policies and instructions related to the scope of its work.</p> <p>3. Review the contracts and transactions proposed to be conducted by the company with related parties and cases of potential conflicts of interest, if any, and submit its recommendations thereon to the Board of Directors.</p> <p>4. Submit to the Board of Directors within the scope of its work the matters it deems necessary to take action, and make recommendations on the steps that need to be taken.</p> <p>5. Develop policies and procedures that ensure the company's compliance with the rules and regulations and disclose material information to shareholders, creditors and other stakeholders. And verify the commitment of the executive management to it.</p> <p>6. Ensure the company's compliance with the laws and regulations in force in the Kingdom of Saudi Arabia.</p> <p>H. Information Technology Control: The Audit Committee shall work with senior management, the auditor and the Internal Audit Department to ensure that:</p> <p>1. The effectiveness of controls and control systems for the company's information system.</p> <p>2. Any relevant findings and recommendations by the Chartered Accountant and the Internal Audit Department with management's responses thereto, including the agreed timeline for the implementation of recommendations on controls and control tools, including minimizing risks related to those key controls.</p>		
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	<p>3. The effectiveness and efficiency of the company's management information systems and other information technology systems.</p> <p>4. The Committee, the Internal Audit Department and the Chartered Accountant should coordinate audit efforts to ensure full coverage of the system of controls and key IT-related risk areas.</p> <p>G. Risk Management:</p> <ol style="list-style-type: none"> <li>1. Develop a comprehensive risk management strategy and policies commensurate with the nature and size of the company's activities, and verify their implementation, review and update them based on the internal and external variables of the company.</li> <li>2. Determine and maintain a future level of risk to which the company may be exposed and ensure that the company does not exceed it.</li> <li>3. Verify the feasibility of the company's continuation and successful continuation of its activities, while identifying the risks that threaten its continuation during the next twelve months.</li> <li>4. Supervising the company's risk management system and evaluating the effectiveness of systems and mechanisms for identifying, measuring and following up the risks to which the company may be exposed: in order to identify its deficiencies.</li> <li>5. Reassess the company's risk tolerance and exposure periodically (e.g. by conducting stress tests).</li> <li>6. Prepare detailed reports on risk exposure and proposed steps to manage these risks, and submit them to the Board of Directors.</li> <li>7. Provide recommendations to the Board on issues related to risk management.</li> </ol>		
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	<p>8. Ensure the availability of adequate materials and systems for risk management.</p> <p>9. Review the organizational structure of risk management and make recommendations thereon before being approved by the Board of Directors.</p> <p>10. Verify the independence of risk management staff from activities that may result in the company's exposure to risks.</p> <p>11. Ensure that risk management staff understand the risks surrounding the company, and work to raise awareness of the risk culture.</p> <p>12. Review any issues that may be raised by the external auditor that may affect the company's risk management.</p>		
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شركة الحسن غازي إبراهيم شاكِر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.



**Forth item**

**Voting on the**

**amendment of the**

**Nomination and**

**Remuneration**

**Committee Bylaws**

## ● Amendments to the Regulations of the Remuneration and Nomination Committee Bylaws

Title/Article	Text before modification	Title/Article	Text after modification
<p><b>Introduction:</b></p> <p><b>Purpose of the composition of the Committee</b></p>	<p>The Nomination and Remuneration Committee (the "Committee") of the Board of Directors of Al Hassan Ghazi Ibrahim Shaker Company aims to assist the Board of Directors in carrying out its oversight duties and responsibilities stipulated in Article V of these Bylaws, in addition to the tasks, responsibilities and work assigned to it by the Board of Directors other than those stipulated in these Bylaws. Based on the Board of Directors' resolution dated 27/08/1429H corresponding to 28/08/2008G, the Remuneration and Nomination Committees were merged into one committee in order to comply with the requirements of Chapter Three and Four of Chapter Four of the Corporate Governance Regulations issued by the Capital Market Authority.</p>	<p><b>Introduction</b></p>	<p>The Bylaws of the Remuneration and Nomination Committee (the "Committee") of the Board of Directors of Al Hassan Ghazi Ibrahim Shaker Company (the "Company") have been prepared with the aim of complying with the Corporate Governance Regulations, which stipulates that the Ordinary General Assembly shall, upon a proposal from the Board of Directors, adopt the Bylaws, provided that the Bylaws include the Committee's work controls and procedures, its functions, the rules for selecting members, their term of office and their remuneration.</p>
<p><b>Article One:</b></p> <p><b>Rules and controls of the membership of the Committee</b></p>	<ol style="list-style-type: none"> <li>1. The Nomination and Remuneration Committee shall be formed by a resolution of the Board of Directors.</li> <li>2. The Committee shall consist of members whose number shall not be less than three (3) and not more than five (5), and the decision of the Board of Directors</li> </ol>	<p><b>Article I</b></p> <p><b>Objective of the Committee</b></p>	<p>The Committee aims to assist the Board of Directors in carrying out its oversight duties and responsibilities stipulated in Article V of these Regulations, in addition to the tasks, responsibilities and work assigned to it by the Board of Directors and not stipulated in these Regulations. The Board of Directors issued its resolution dated 27/08/1429H corresponding to 28/08/2008G merging the Remuneration and Nomination Committees into one committee in</p>

	<p>shall determine the number of members upon the formation of the Committee, taking into account that the members shall be independent members of the Board of Directors, and non-executive members or non-executive persons or persons who are not members of the Board may be used, whether they are shareholders or others, provided that the Chairman of the Committee is an independent board member.</p> <p>3. In addition to what is stated in the preceding paragraph, a member of the Committee shall meet the following conditions:</p> <ul style="list-style-type: none"><li>- Ability to drive.</li><li>- Scientific and practical competence related to the work of the Committee.</li><li>- Ability to direct and make decisions.</li><li>- Financial and professional knowledge in the work of this committee.</li><li>- Health and mental fitness.</li></ul> <p>4. The mechanism for nominating the members of the Committee shall be through the issuance of a resolution and</p>		<p>order to comply with the requirements of Chapter Three and Four of Chapter Four of the Corporate Governance Regulations issued by the Capital Market Authority.</p>
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	<p>voting on it in accordance with the mechanism followed by the Board of Directors.</p> <p>5. In the event of a vacancy in one of the Committee's seats, the Board of Directors shall, in the event of a lack of quorum for the Committee, temporarily appoint one of its members or one of the members of one of the committees emanating from the Board of Directors who are not members of the Board of Directors or third parties if the need arises, until a replacement is chosen to be appointed in the place of the vacant seat.</p> <p>6. The Committee shall ensure on an annual basis that there is no conflict of interest in the event that the member of the Board of Directors is a member of the Board of Directors of another company.</p> <p>7. The term of membership of the Committee shall be (4) years – starting from the date of the Board of Directors' resolution approving the formation of the Committee and ending with the end of the term of the Board of Directors of</p>		
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the Company, with the exception of the current Committee or in the event of its reformation, the term of which shall be the remaining term of the current session of the Board of Directors.

8. The Committee may also be re-nominated for another similar term or periods. The membership of the Committee shall end on its own at the end of the session of the Board of Directors on the basis of which this Committee was formed, while continuing to work until a new Board of Directors is formed and new members are selected. The membership of the members of the Committee shall also end, subject to a decision by the Board of Directors to terminate the membership, in the following cases:

- Absence from attendance for 2 consecutive meetings per year, during the period of his membership in the Committee, without a legitimate excuse acceptable to the Committee.

	<ul style="list-style-type: none"> <li>- The issuance of a final court judgment affecting the honor and honesty of the member, or the termination of the member's membership in the Committee.</li> <li>- Changing his membership status in the Board of Directors, which makes it impossible to continue his membership in the Committee or its chairmanship.</li> <li>- Deaths, disability and disability.</li> <li>- Failure to carry out the tasks entrusted to him, which causes him to obstruct the work of the Committee and its proper performance.</li> <li>- Dismissal of a committee member or re-formation of the committee from the board of directors.</li> </ul>		
<p><b>Article II</b></p> <p><b>Membership Obligations</b></p>	<p>1. The members of the Committee shall address any case of conflict of interest that may arise for any of its members in any of the topics submitted to it in order to achieve justice and efficiency and comply with the relevant provisions.</p>	<p><b>Article II</b></p> <p><b>Rules and controls of the membership of the Committee:</b></p>	<p>1- <b>The Nomination and Remuneration Committee shall be formed by a decision of the Board of Directors..</b></p> <p>2- <b>The Committee shall consist of members whose number shall not be less than three (3) and not more than five (5), and the decision of the Board of Directors shall determine the number of members upon the formation of the Committee, taking into account that the members shall be independent</b></p>



	<p>2. Disclosure of any direct or indirect interest he may have in any of the topics presented to the Committee, and that member must refrain from attending the discussion of the subject of conflict of interest and voting on it.</p> <p>3. Voting on the topics submitted to the Committee, with the exception of topics in which the member has a direct or indirect interest.</p> <p>4. Attend meetings, and notify the Chairman of the Committee in the event that he is unable – for any reason – to attend any meeting of the Committee.</p> <p>5. Not to authorize another person to attend on his behalf when he is absent from any meeting of the Committee.</p> <p>6. Inform the Chairman of the Board of Directors in the event that he wishes to resign from the membership of the Committee.</p>	<p>members of the Board of Directors, and non-executive members or non-executive persons or persons who are not members of the Board may be used, whether they are shareholders or others, provided that the chairmanship of the Committee is from an independent Board member..</p> <p>3- In addition to what is stated in the preceding paragraph, a member of the Committee shall meet the following conditions::</p> <ul style="list-style-type: none"> <li>- Driving capability.</li> <li>- Scientific and practical competence related to the work of the Committee.</li> <li>- Ability to direct and make decisions.</li> <li>- Financial and professional knowledge in the work of this committee.</li> <li>- Health and mental fitness.</li> </ul> <p>4- If the position of one of the members of the Committee becomes vacant, the Board of Directors may appoint a member of the vacant position, provided that it temporarily appoints one of its members or one of the members of the committees emanating from the Board of Directors or persons from third parties if the need arises who have experience and sufficiency to enable the Committee to perform its tasks and achieve its objectives..</p> <p>5- The term of membership of the Committee shall be (4) years, starting from the date of the Board of Directors' resolution approving the formation of the Committee and ending at the end of the term of the Board of</p>
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		<p>Directors of the Company, or at the end of membership, whichever is earlier..</p> <p>6- Members of the Committee may be re-nominated for another similar term or periods. The membership of the Committee ends on its own at the end of the session of the Board of Directors on the basis of which this committee was formed, while continuing to work until a new Board of Directors is formed and new members are selected. The membership of the members of the Committee shall also end upon the issuance of a resolution by the Board of Directors to terminate the membership, in the following cases::</p> <ul style="list-style-type: none"><li>- Absence from two consecutive meetings during his term of membership in the Committee, without a legitimate excuse acceptable to the Committee.</li><li>- Issuance of a final judicial judgment affecting honor and honesty on a member of the Committee.</li><li>- Changing the status of membership in the Board of Directors, which makes it impossible for him to continue his membership in the Committee or its chairmanship.</li><li>- Death, disability and disability.</li><li>- Failure to perform the tasks required of him, which causes him to obstruct the work of the committee and its proper performance.</li><li>- Removal of a committee member or re-formation of the committee from the board of directors.</li></ul>
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			<p>7- The company shall notify the Authority of the names of the members of the Committee and their membership within five working days from the date of their appointment and any changes thereto within five working days from the date of the changes.</p>
<p><b>Article III</b></p> <p><b>Remuneration of Committee Members and Secretary</b></p>	<p><b><u>Remuneration of Committee Members:</u></b></p> <ol style="list-style-type: none"> <li>1. The annual remuneration of the members of the Committee shall be determined based on the policy set by the Board of Directors and in accordance with the Company's Articles of Association and the relevant laws and regulations.</li> <li>2. The company is obligated to cover transportation, housing and any other expenses to enable the member to attend meetings and participate in the activities of the committee related to its tasks.</li> <li>3. Travel tickets and accommodation insurance are provided for members residing outside the area where the meetings of the committee emanating from the Board of Directors are held for internal or external flights in business</li> </ol>	<p><b>Article III</b></p> <p><b>Membership Obligations</b></p>	<ol style="list-style-type: none"> <li>1- The members of the Committee shall address any case of conflict of interest that may arise for any of its members in any of the topics submitted to it in order to achieve justice and efficiency and comply with the relevant provisions..</li> <li>2- Disclosure of any direct or indirect interest he may have in any of the topics presented to the Committee, and that member must refrain from attending the discussion of the subject of conflict of interest and voting on it.</li> <li>3- Voting on topics before the Committee, with the exception of topics in which the member has a direct or indirect interest.</li> <li>4- Attend meetings, and inform the Chairman of the Committee in the event that he is unable – for any reason – to attend any meeting of the Committee.</li> <li>5- Inform the Chairman of the Board of Directors in the event that he wishes to resign from the membership of the Committee.</li> </ol>

	<p>class, but if the ticket is purchased by a member of the committee, he will be compensated with a cash amount for the actual ticket value.</p> <p>4. All the above remunerations, allowances and compensations shall be paid annually and shall be paid after the end of the financial year. The Board may pay remunerations and allowances periodically as it deems appropriate.</p> <p>5. Details of the remuneration received by the members of the Committee shall be disclosed in the contents of the annual report of the Board of Directors.</p> <p>6. Subject to the provisions of this Article, the remuneration of the members of the Committee, including the Chairman of the Committee, shall be as follows:</p> <ul style="list-style-type: none"><li>- Each committee member (non-members of the Board of Directors) has an annual lump sum and a capacity of (100.000) riyals.</li><li>- Each member of the Board of Directors has an annual lump sum of (50.000) riyals.</li></ul>		
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	<p>- Each member shall have an amount and capacity of (1500) riyals for each session attended.</p> <p>In the event that the secretary is not the same as the secretary of the board of directors or if he receives financial compensation from his duties for this purpose, the committee shall determine the remuneration of the secretary of the committee for exceeding his remuneration an annual lump sum and the capacity of (10.000) riyals.</p>		
<p><b>Article IV</b></p> <p><b>Tasks and responsibilities</b></p>	<p>The Committee shall undertake the following tasks and competencies:</p> <p>a. <u>Regarding nominations:</u></p> <p>The functions of the Committee include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. Proposing clear policies and criteria for membership in the Board of Directors, executive management and company representatives in its subsidiaries.</li> <li>2. Recommending to the Board of Directors the nomination and renomination of its members in accordance with the approved policies and standards, taking into account that no person who has</li> </ol>	<p><b>Article IV</b></p> <p><b>Remuneration of Committee Members and Secretary</b></p>	<ol style="list-style-type: none"> <li>1- The annual remuneration of the members of the Committee shall be determined based on the policy set by the Board of Directors and in accordance with the Company's Articles of Association and the relevant laws and regulations..</li> <li>2- The company is committed to covering transportation, housing and any other expenses to enable the member to attend meetings and participate in the activities of the committee related to its tasks..</li> <li>3- Travel tickets and accommodation insurance are provided for members residing outside the area where the meetings of the committee emanating from the board of</li> </ol>

	<p>previously been convicted of a crime against trust shall be nominated.</p> <p>3. Prepare a description of the capabilities and qualifications required for membership of the Board of Directors and fill the positions of executive management.</p> <p>4. Determine the time that the member must allocate to the work of the Board of Directors.</p> <p>5. Annual review of the necessary needs of skills or experience appropriate to the membership of the Board of Directors and the functions of executive management.</p> <p>6. Review the organizational structure of the company, including the application of the company's operating model, which defines the relationship between it and its subsidiaries and the governance mechanisms through which it is managed.</p> <p>7. Verify on an annual basis the independence of independent members and the absence of any conflict of</p>	<p>directors are held for internal or external flights in business class, but if the ticket is purchased by a member of the committee, he will be compensated with a cash amount for the actual ticket value.</p> <p>4- All the above remunerations, allowances and compensations shall be paid annually and shall be paid after the end of the financial year. The Board may pay bonuses and allowances periodically as it deems appropriate..</p> <p>5- Details of the remuneration received by the members of the Committee are disclosed within the contents of the annual report of the Board of Directors.</p> <p>6- Subject to the provisions of this Article, the remuneration of the members of the Committee, including the Chairman of the Committee, shall be as follows::</p> <p>- Each committee member (non-board members), an annual lump sum and capacity (1)50.000 SAR.</p>
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	<p>interest if the member is a member of the board of directors of another company.</p> <p>8. Develop job descriptions for executive members, independent non-executive members and senior executives.</p> <p>9. Establish special procedures in the event of a vacancy in the position of one of the members of the Board of Directors or senior executives.</p> <p>10. Identify the weaknesses and strengths of the Board of Directors and propose solutions to address them in accordance with the interest of the company.</p> <p>11. Review the remuneration of the committees of the Council and recommend any amendments in this regard and present them to the Council for approval, and the Committee may submit its recommendations to the Council in the event of a vacancy in one of the seats of the membership of any of the committees of the Council by appointing new members when needed.</p> <p>12. At the request of the CEO, appoint and determine the powers and remuneration</p>		<p>- Each committee member of the Board of Directors has an annual lump sum and capacity (75.000) SAR.</p> <p>- Each member shall have an allowance for attending meetings in the amount and capacity (2000 riyals for each session attended.</p> <p>In the event that the Secretary is not the same as the Secretary of the Board of Directors or in the event that he receives a financial consideration from his duties for this purpose, the Committee shall determine the remuneration of the Secretary of the Committee, provided that his remuneration does not exceed an annual lump sum and the capacity of (10.000) riyals.</p>
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	<p>of the Company's senior executives (other than the CEO).</p> <p>13. Ensure that there is an effective orientation and orientation approach for new board members, as well as ongoing educational programs, and review their effectiveness regularly.</p> <p>14. Setting standards and performance indicators for the executive management in line with the company's objectives and strategy, and monitoring their correct implementation.</p> <p>15. Setting the administrative succession mechanism for the company's management.</p> <p>16. Setting the values and standards that govern work in the company</p> <p>17. At the request of the CEO, review and evaluate the performance indicators of the executive management and recommend the formation of the organizational structure of the company and the executive management.</p> <p>b. <u>Regarding bonuses:</u></p>		
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The functions of the Committee include, but are not limited to, the following:

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1. Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the executive management, and submitting it to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account in that policy the following of standards related to performance, disclosure thereof, and verification of their implementation.
  2. Clarify the relationship between the bonuses granted and the applicable remuneration policies, and indicate any material deviation from this policy.
  3. Periodically review the remuneration policy, and evaluate its effectiveness in achieving the desired objectives.
  4. Recommending to the Board of Directors the remuneration of the members of the Board of Directors, its committees and

	<p>senior executives in accordance with the approved policy.</p> <p>5. Without prejudice to the provisions of the Companies Law and the Capital Market Law and their Implementing Regulations, the remuneration policy shall take into account the following:</p> <p>6. Alignment with the company's strategy and objectives.</p> <p>7. Remuneration should be provided for the purpose of urging the members of the Board of Directors and the executive management to make the company successful and grow in the long term, such as the variable part of the remuneration linked to long-term performance.</p> <p>8. Remuneration should be determined based on job level, vacancy tasks and responsibilities, academic qualifications, work experience, skills, and performance level.</p> <p>9. Its harmony with the size, nature and degree of risk of the company.</p>		
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	<p>10. Taking into account the practices of other companies in determining remuneration, while avoiding the resulting unjustified rise in remuneration and compensation.</p> <p>11. To aim to attract, retain and motivate professional competencies, while not exaggerating them.</p> <p>12. Cases of suspension or refund of the remuneration if it is found that it was decided based on inaccurate information provided by a member of the Board of Directors or the executive management in order to prevent the exploitation of the employment situation to obtain undue remuneration.</p> <p>13. Organizing the granting of shares in the company to the members of the Board of Directors and the executive management, whether it is a new issue or shares purchased by the company for this purpose.</p>		
<p><b>Article V</b> <b>Secretary of the Committee</b></p>	<p>The Committee may appoint a secretary to keep records of the Committee's actions and decisions, as follows:</p>	<p><b>Article V</b> <b>Tasks and Responsibilities:</b></p>	<p><b>The Committee shall undertake the following tasks and competencies:</b></p> <p><b>For example, but not limited to, the following:</b></p> <p>1- <b>Proposing clear policies and criteria for membership in the Board of Directors, executive</b></p>

	<ol style="list-style-type: none"> <li>1. The Secretary of the Committee shall be among the members of the Committee or others.</li> <li>2. If the Secretary is not a member of the Committee, he shall not have a vote on the recommendations, directives and decisions issued by the Committee.</li> <li>3. The responsibilities of the Secretary of the Committee include, but are not limited to: <ul style="list-style-type: none"> <li>- Schedule meetings.</li> <li>- Provide administrative and logistical support.</li> <li>- Drafting the agenda and minutes of meetings.</li> <li>- Maintain complete records of committee meetings.</li> <li>- Circulate the Committee's decisions to the parties concerned.</li> <li>- Coordinate with the concerned departments on committee decisions that require compliance with laws and regulatory measures.</li> <li>- Establish a mechanism to track and follow up on the committee's decisions.</li> </ul> </li> </ol>	<p>management and company representatives in its subsidiaries.</p> <ol style="list-style-type: none"> <li>2- Recommending to the Board of Directors the nomination and renomination of its members in accordance with the approved policies and standards, taking into account not to nominate any person who has previously been convicted of a crime of dishonesty.</li> <li>3- Annual review of the necessary needs of skills or experience appropriate to the membership of the Board of Directors and the functions of executive management.</li> <li>4- Review the organizational structure of the company and make recommendations regarding changes that can be made.</li> <li>5- Verify on an annual basis the independence of independent members and the absence of any conflict of interest if the member is a member of the board of directors of another company.</li> <li>6- Develop job descriptions for executive, non-executive members, independent members and senior executives of the company.</li> <li>7- Establishment of special procedures in the event of a vacancy in the position of a member of the Board of Directors or senior executives.</li> <li>8- Identify the weaknesses and strengths of the Board of Directors and propose solutions to address them in accordance with the interest of the company.</li> </ol>
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	<p>- Perform any other tasks or responsibilities assigned to him by the Chairman of the Committee.</p>	<p>9- At the request of the CEO, appoint and determine the powers and remuneration of the Company's senior executives, including the Chief Executive Officer of the Company..</p> <p>10- Ensure that there is an effective induction and mentoring curriculum for new board members, as well as ongoing educational programs, and regularly review their effectiveness.</p> <p>11- Setting standards and performance indicators for executive management consistent with the company's objectives and strategy, and monitoring and evaluating their implementation correctly.</p> <p>12- Develop a succession mechanism for the company's management.</p> <p>13- Setting the values and standards that govern work in the company.</p> <p>14- Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the executive management, and submitting it to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account in that policy the following of standards related to performance, disclosure, and verification of their implementation.</p> <p>15- Clarify the relationship between the bonuses granted and the applicable remuneration policy, and indicate any material deviation from their intended objectives.</p>
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		<p>16- Periodically review the remuneration policy, and evaluate its effectiveness in achieving its objectives.</p> <p>17- Recommending to the Board of Directors the remuneration of the members of the Board of Directors, its committees and senior executives in accordance with the approved policy.</p> <p>18- Without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the following shall be taken into account in the Remuneration Policy::</p> <ul style="list-style-type: none"> <li>- Alignment with the company's strategy and objectives.</li> <li>- Remuneration should be provided for the purpose of encouraging the members of the Board of Directors and executive management to make the company successful and grow in the long term, such as the variable part of the remuneration related to long-term performance.</li> <li>- Remuneration should be determined based on job level, vacancy tasks and responsibilities, educational qualifications, work experience, skills, and performance level.</li> <li>- Consistency with the size, nature and degree of risk of the company.</li> <li>- Taking into account the practices of other companies in determining remuneration, while avoiding the resulting unjustified rise in remuneration and compensation.</li> </ul>
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			<ul style="list-style-type: none"> <li>- Aim to attract, retain and motivate professional competencies, while not exaggerating them.</li> <li>- Cases of suspension or refund of bonuses if it is found that they were decided based on inaccurate information provided by a member of the Board of Directors or executive management in order to prevent the exploitation of employment status to obtain undue remuneration.</li> <li>- Organizing the granting of shares in the company to the members of the Board of Directors and the executive management, whether it is a new issue or shares purchased by the company for this purpose.</li> </ul>
<p><b>Article VI</b></p> <p><b>Meetings, procedures and controls of the Committee's work:</b></p>	<ol style="list-style-type: none"> <li>1. Meetings shall be determined by the Chairman of the Committee, or at the request of any two of its members.</li> <li>2. The Chairman of the Committee shall chair all meetings of the Committee. In his absence, the members present must appoint a Chairperson to do so on his behalf.</li> <li>3. Other members of the Board of Directors may not attend</li> </ol>	<p><b>Article VI</b></p> <p><b>Secretary of the Committee</b></p>	<p>The Committee may appoint a secretary to keep records of the Committee's actions and decisions, as follows:</p> <ol style="list-style-type: none"> <li>1- The Secretary of the Committee shall be among the members of the Committee or others.</li> <li>2- If the Secretary is not a member of the Committee, he shall not have a vote on the recommendations, directives and decisions issued by the Committee..</li> <li>3- The responsibilities of the Secretary of the Committee include, but are not limited to:: <ul style="list-style-type: none"> <li>- Schedule meetings.</li> <li>- Providing administrative and logistical support.</li> </ul> </li> </ol>

	<p>meetings of the Nomination and Remuneration Committee except at the invitation of the Committee.</p> <p>4. The Secretary of the Committee, together with the Chairman of the Committee, shall be responsible for preparing the agenda of the meetings and related documents, provided that they are circulated to the members of the Committee well in advance of the date of the meeting, through modern technical means.</p> <p>5. The members of the Committee shall meet at least once, or more often as needed.</p> <p>6. The meetings of the Committee shall not be valid unless attended by the majority of its members.</p> <p>7. Committee members are not entitled to appoint another</p>		<ul style="list-style-type: none"> <li>- <b>Drafting the agenda and minutes of meetings.</b></li> <li>- <b>Keeping complete records of Committee meetings.</b></li> <li>- <b>Dissemination of the Committee's decisions to interested parties.</b></li> <li>- <b>Coordinate with concerned departments on committee decisions requiring compliance with laws and regulatory measures.</b></li> <li>- <b>Establish a mechanism to track and follow up on the Committee's decisions.</b></li> <li>- <b>Carry out any other tasks or responsibilities assigned to him by the Chairman of the Committee.</b></li> </ul>
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person to attend meetings  
instead, however, members can  
attend through the use of  
modern means of  
communication, and  
attendance is considered  
actual.

8. Each member of the Committee  
shall have one vote.

9. The decisions of the Committee  
shall be issued by a majority of  
the votes of those present  
represented at the meeting, and  
in the event of equality of votes,  
the Chairman of the Committee  
shall have the most likely vote.

10. The Secretary of the Committee  
shall record the minutes of the  
meetings of the Committee,  
including all procedures, facts,  
decisions, deliberations and  
attendance, provided that they  
are circulated to all its members  
after approval or only  
presented at the next meeting.

	<p>11. The minutes of the meetings must be formally certified and signed by all members present within (10) days.</p> <p>12. Committee meetings, discussions, deliberations, voting on the committee's decisions, as well as signing the minutes of the meetings may be convened through modern technology.</p> <p>A secretary shall keep a record of the meetings of the Committee and this shall be presented to the Board of Directors upon request through the Chairman of the Committee.</p>		
<p><b>Article VII</b></p> <p><b>Reporting:</b></p>	<p>1. The Committee shall submit its reports to the Board of Directors as follows:</p> <ul style="list-style-type: none"> <li>A- after each meeting of the Committee.</li> <li>B- on any other matters relating to the responsibilities of the Committee.</li> <li>C- Key activities, resolutions or recommendations that the</li> </ul>	<p><b>Article VII</b></p> <p><b>Meetings, procedures and controls of the Committee's work:</b></p>	<p>1- No member of the Board of Directors or the executive management except the Secretary of the Committee and members of the Committee is entitled to attend its meetings unless the Committee requests to hear his opinion or obtain his advice..</p> <p>2- The validity of the meetings of the Committee requires the attendance of the majority of its members, and its decisions shall be issued by a majority of the votes of those present, and in the event of equality of votes,</p>

	<p style="text-align: center;">Committee deems appropriate.</p> <p>2. The report can be submitted to the Board of Directors by the Chairman of the Committee or any of its members.</p> <p>3. The report of the Nomination and Remuneration Committee includes the compensation of the members of the Board of Directors and its advisors (if any), the members of the Committee and the executive management, in addition to the number of meetings held during the year and the number of meetings attended by each member to be included in the report of the Board of Directors.</p> <p>The Committee shall prepare a report on the performance indicators of the company within one month from the date of the end of the fiscal year and the adoption of the budget for the following year, no later than January 31 of each year. In the event that this is not done by the Committee, the performance evaluation of the executive management in</p>		<p>the side with which the chairman of the meeting voted shall prevail..</p> <p>3- Meetings shall be determined by the Chairman of the Committee, or at the request of any two of its members..</p> <p>4- The Chairman of the Committee shall chair all meetings of the Committee. In his absence, members present must appoint a Chairperson to do so on his behalf..</p> <p>5- The Secretary of the Committee, together with the Chairman of the Committee, shall be responsible for preparing the agenda of the meetings and related documents and keeping them in a special and organized register, provided that they are circulated to the members of the Committee well in advance of the date of the meeting, through modern technical means..</p> <p>6- The Secretary of the Committee shall record the minutes of the meetings of the Committee, including all procedures, facts, decisions, deliberations, and a statement of the names of the members present and the reservations they expressed - if any - provided that they are sent to all its members within (5) working days from the date of the meeting, an official approval must be obtained on the minutes of the meetings, and signed by all members present, whether in paper form or by electronic approval, provided that they are circulated to all its members after approval or only presented at the next meeting..</p>
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	<p>the last previous year that had written performance indicators shall be considered.</p>		<p>7- The Committee shall meet periodically every (year) at least twice, or more often as the need arises..</p> <p>8- Committee members are not entitled to delegate another person to attend meetings instead, however, members can attend through the use of modern means of communication, and attendance is considered actual.</p> <p>9- Each member of the Committee shall have one vote..</p> <p>10- It is permissible to invite the meetings of the Committee, discussions, deliberations, voting on the decisions of the Committee, as well as signing the minutes of the meetings through modern technology means.</p> <p>11- The Secretary of the Committee shall keep a record of the meetings of the Committee and this shall be presented to the Board of Directors, upon request, through the Chairman of the Committee.</p>
<p><b>Article VIII</b>  <b>Final provisions of publication, entry into force and amendment</b></p>	<p>- Any provision in these Bylaws that violates the provisions of the Companies Law and its Regulations, the Implementing Regulations of the Capital Market Authority or the Articles of Association shall not be considered and shall be applied against the provisions contained in those Rules and Regulations and shall be considered complementary to these Regulations..</p>	<p><b>Article VIII</b>  <b>Reports of the Committee</b></p>	<p>1- The Committee shall submit its reports to the Board of Directors as follows::</p> <p>a. The Committee shall review the Company's performance indicators report within one month from the date of approving the budget for the following year. In the event that this is not done by the Committee, the performance evaluation of the executive management in the last previous year that had written performance indicators shall be considered..</p>

	<p>- The provisions of these Regulations shall apply and shall be adhered to by the Company as of the date of their approval by the General Assembly. The contents of these Bylaws shall be amended as needed upon a recommendation from the Board of Directors, provided that any proposed amendment thereto shall be submitted to the General Assembly for approval and issuance.</p>		<p>In. Key activities, decisions or recommendations that the Committee deems appropriate.</p> <p>c. on any other matters relating to the responsibilities of the Committee.</p> <p>2- The report may be submitted to the Board of Directors by the Chairman of the Committee, any of its members, or the Secretary of the Committee under the guidance of the Chairman of the Committee..</p> <p>3- The report of the Remuneration and Nomination Committee includes the compensation of the members of the Board of Directors and its advisors (if any), members of the Committee and the executive management, in addition to the number of meetings held during the year and the number of meetings attended by each member to be included in the report of the Board of Directors.</p>
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- Additives:

Title/Article	Text after adding
<p>Article Nine:  Statutory  Reference</p>	<p>This regulation has been prepared in accordance with the statutory requirements issued by the competent authorities, including:  Companies Law promulgated by Royal Decree No. (M/132) dated 01/12/1443H and its implementing regulations.</p>

	<p>Implementing Regulations issued by the Capital Market Authority.</p> <p>Articles of Association of Al-Hassan Ghazi Ibrahim Shaker Company.</p>
<p>Article Ten: Review and Enforcement:</p>	<ul style="list-style-type: none"><li>- These bylaws are approved after the approval of the General Assembly, and the company, members of the Board of Directors, Board Committees and candidates abide by its provisions.</li><li>- These Regulations are subject to annual review, and are amended upon the recommendation of the Remuneration and Nomination Committee to the Board of Directors whenever necessary or when there is a change in any regulations that may be issued by the competent authorities in the Kingdom that require review or amendment of these Regulations..</li><li>- The amendments to these Bylaws shall be adopted and shall enter into force upon approval by the General Assembly and after the recommendation of the Board of Directors.</li></ul>



شركة الحسن غازي ابراهيم شاكِر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## **Fifth item**

**Voting on the  
amendment of the  
remuneration policy for  
the members of the  
Board of Directors and  
the committees**

● amendment to the Remuneration Policy Amendments for Board Members and the Committees

Title/Article	Text before modification	Title/Article	Text after modification
<p><b>Article I</b></p> <p><b>Policy Purpose</b></p>	<p>The Company shall abide by the regulations issued by the Ministry of Commerce and the regulations of the Capital Market Authority regarding the compensation and remuneration of the members of the Board of Directors and to develop guidelines related to the remuneration of the members of the Board of Directors and the committees emanating from the Board of Directors and committees and include them in the annual report of the company that will be presented to the shareholders of the company at the General Assembly meeting.</p>	<p><b>Article I</b></p> <p><b>Objective of the policy</b></p>	<ol style="list-style-type: none"> <li>1. This policy aims to comply with the Companies Law and its Executive Regulations for Listed Joint Stock Companies, as well as the Corporate Governance Regulations issued by the Capital Market Authority.</li> <li>2. Preparing clear and specific policies, standards and procedures for the remuneration of the members of the Board of Directors and its committees, and putting them into effect after the approval of the Assembly, in accordance with the basic functions of the Board of Directors in item (3) in Article (21) of the Corporate Governance Regulations.</li> </ol>
<p><b>Article II</b></p> <p><b>Remuneration of Board Members and Committee Members</b></p>	<ol style="list-style-type: none"> <li>1- The remuneration of Board members for the services they perform consists of a lump sum of 200,000 Saudi riyals for each member in accordance with the regulations, decisions, instructions in force and regulations issued by the competent regulatory and regulatory authorities in this regard.</li> <li>2- Each member of the Board of Directors shall have a remuneration of (50,000) Saudi riyals in return for his membership in the committees emanating from the Board, and the</li> </ol>	<p><b>Article II</b></p> <p><b>Remuneration of members of the Board of Directors and its committees</b></p>	<ol style="list-style-type: none"> <li>1- The remuneration of the Chairman of the Board shall be an amount of (500,000) Saudi Riyals, and the remuneration of each member for membership in the Council shall be an amount of (300,000) Saudi Riyals, in a manner that does not conflict with the laws and regulations issued by the competent authorities.</li> <li>2- The remuneration of each Board member for his</li> </ol>



	<p>annual remuneration shall be calculated as of the date of the Board's approval of the member's joining the Committee.</p> <p>3- Each member of the Board of Directors shall also have an allowance of (3,000) Saudi riyals for each meeting, and a sum of (1,500) Saudi riyals for each meeting of the committees emanating from the board.</p> <p>4- The remuneration of the Secretary of the Board shall be an amount of 50,000 Saudi Riyals.</p>		<p>membership in the committees emanating from the Board shall be a remuneration of (75,000) Saudi Riyals, and the remuneration of a member of the Committee from outside the Board shall be an amount of (150,000) Saudi Riyals, and the annual remuneration shall be calculated as of the date of the Board's approval of the member's joining the Committee.</p> <p>3- Each member of the Board of Directors shall have an allowance of (4,000) Saudi riyals for each meeting, and the attendance allowance for each meeting of the committees emanating from the board shall be an amount of (2,000) Saudi riyals.</p> <p>4- The remuneration of the Secretary of the Board shall be an amount of (100,000) Saudi Riyals.</p>
<p><b>Article III</b></p> <p><b>Implementation Mechanism</b></p>	<p>1. Remuneration shall be based on the recommendation of the Remuneration and Nomination Committee in the Company, which shall review the schedule of attendance of the meetings of the Board and its committees, the tasks and topics they have undertaken, and submit to the Board the appropriate recommendation to determine the remuneration for the members of the</p>	<p><b>Article Three:</b></p> <p><b>Controls for determining and disbursing the</b></p>	<p>1- The Remuneration and Nomination Committee in the company reviews the schedule of attendance of the meetings of the Board and its committees and submits to the Board the appropriate recommendation to determine the remuneration for the members of the Board of Directors and its committees. In</p>

	<p>Board of Directors. In developing the recommendation, the Remuneration and Nomination Committee shall take into account the following criteria:</p> <p>a) The remuneration shall be fair and proportionate to the member's competencies and the work and responsibilities carried out and borne by the member of the Board of Directors in addition to the objectives specified by the Board of Directors to be achieved during the fiscal year.</p> <p>b) The remuneration should be commensurate with the company's activity and the skill necessary to manage it.</p> <p>c) Taking into account the sector in which the company operates, its size and the experience of the member.</p> <p>d) The remuneration shall be reasonably sufficient to attract, motivate and retain members with appropriate competence and experience.</p> <p>2. A member of the Board of Directors may receive remuneration for any executive, technical or advisory work or positions under <b>an additional professional license</b> assigned to him in the Company, in addition to the remuneration that he may receive as a member of the Board of Directors and in the committees formed by the Board of Directors in accordance with the Companies Law and the Articles of Association.</p> <p>3. The remuneration of members may vary in amount to reflect the extent of the member's experience,</p>	<p><b>remuneration</b></p> <p><b>of the</b></p> <p><b>members of</b></p> <p><b>the Board of</b></p> <p><b>Directors and</b></p> <p><b>its</b></p> <p><b>committees</b></p>	<p>making recommendations, the Committee shall take into account the following criteria:</p> <p>a) The remuneration shall be fair and proportionate to the terms of reference, the business and responsibilities of the Board of Directors, in addition to the objectives specified by the Board of Directors to be achieved during the fiscal year.</p> <p>b) The remuneration should be commensurate with the company's activity and the skills necessary to manage it.</p> <p>c) Taking into account the sector in which the company operates, its size and the experience of the <b>board member</b>.</p> <p>d) Remuneration is reasonably sufficient to attract, motivate and retain members with appropriate competence and experience.</p> <p>2- A member of the Board of Directors may receive an additional remuneration for any executive, technical or advisory work or positions - under a professional license - assigned to him in the Company, in addition to the remuneration that he may</p>
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	<p>specializations, tasks entrusted to him, his independence, the number of sessions he attends and other considerations.</p> <p>4. The remuneration of independent directors should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.</p> <p>5. If it is found that the remuneration disbursed to any of the members of the Board is based on incorrect or misleading information, and was presented to the General Assembly or included in the annual report of the Board of Directors, the Board member must return them to the Company and the Company has the right to demand their refund. <b>As if the General Assembly decides to terminate the membership of any of the members of the Board of Directors, the member is not entitled to remuneration and must return all remuneration and allowances paid to him from the period in which his membership was revoked.</b></p> <p>6. The lump sum remuneration and allowances shall be paid to the members of the Board and the members of the committees emanating from a resolution of the Board of Directors on an annual basis after the end of the fiscal year <b>without the need to present this to the General Assembly.</b> The Board may also pay attendance allowance and other allowances to its members and committees after the end of each session or periodically as it deems appropriate.</p>		<p>receive as a member of the Board of Directors and in the committees formed by the Board of Directors in accordance with the Companies Law and the Articles of Association.</p> <p>3- The remuneration of members may be of varying amount to reflect the extent of the member's experience, specializations, tasks entrusted to him, his independence, the number of sessions he attends and other considerations.</p> <p>4- The remuneration of independent directors should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.</p> <p>5- If it is found that the remuneration disbursed to any of the members of the Board is based on incorrect or misleading information, and was presented to the General Assembly or included in the annual report of the Board of Directors, the Board member must return them to the Company and the Company has the right to demand his refund.</p> <p>6- <b>If the General Assembly decides to terminate the membership of the absent members of the Board of Directors due to his</b></p>
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	<p>7. The annual remuneration shall be divided between the two members of the Board of Directors in the event of resignation and the appointment of a new Board member according to the date of appointment. The remuneration shall also be divided among the members of the Council in the event of the end of the session of the Council and the start of a new session, according to the date of the start of the session. This division applies to committee members as well.</p> <p>8. <b>The</b> report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all the remuneration, attendance allowance, expenses and other benefits received by the members of the Board of Directors during the fiscal year, and the said report shall also include a statement of what the members of the Board received as employees or administrators or what <b>they received</b> for technical, administrative or consulting work.</p>		<p>failure to attend three consecutive meetings or five separate meetings of the Board during the term of his membership in the Board without a legitimate excuse acceptable to the Board, the member shall not be entitled to any remuneration for the period following the last meeting he attended, and he must return all the remuneration paid to him from the period in which his membership was terminated.</p> <p>7- The lump sum remuneration and allowances shall be paid to the members of the Board and the members of the committees emanating from a resolution of the Board of Directors on an annual basis after the end of the fiscal year, and the Board may also pay the attendance allowance and other allowances to its members and members of the committees after the end of each session or periodically as it deems appropriate.</p> <p>8- The annual remuneration shall be divided between the two members of the Board of Directors in the event of resignation and the appointment of a new Board of Directors, according to the date of appointment. Remuneration</p>
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			<p>shall also be divided among the members of the Council in the event of the end of the session of the Council and the start of a new session, according to the date of the start of the session. This division applies to committee members as well.</p> <p>9- The report of the Board of Directors to the General Assembly shall include a comprehensive statement of all remuneration, attendance allowance, expenses and other benefits received by the members of the Board of Directors during the financial year, as well as a statement of what the members of the Board received as employees or administrators or what they received in return for technical, administrative or consulting work.</p>
<p><b>Article IV</b></p> <p><b>This policy is subject to the following</b></p>	<ul style="list-style-type: none"> <li>- Companies Law promulgated by Royal Decree No. (M/132) dated 01/12/1443H and its implementing regulations.</li> <li>- Articles of Association of Al-Hassan Ghazi Ibrahim Shaker Company.</li> </ul> <p>The relevant implementing regulations issued by the Capital Market Authority.</p>	<p><b>Article Four:</b></p> <p><b>Statutory</b></p> <p><b>Reference:</b></p>	<ul style="list-style-type: none"> <li>1- The remuneration policy has been prepared for the members of the Board of Directors, its committees and the executive management in accordance with the statutory requirements issued by the competent authorities, including:</li> <li>2- Companies Law promulgated by Royal Decree No. (M/132) dated 01/12/1443H and its</li> </ul>

			<p>Executive Regulations for Listed Joint Stock Companies.</p> <p>3- Corporate Governance Regulations issued by the Capital Market Authority.</p> <p>4- Articles of Association of Al-Hassan Ghazi Ibrahim Shaker Company.</p>
<p><b>Article V</b></p>	<p>This policy is subject to annual review by the Remuneration and Nomination Committee and any amendment thereto shall be approved by the General Assembly and after the recommendation of the Board of Directors.</p>	<p><b>Article Five:</b></p> <p><b>Final provisions (publication, entry into force and amendment):</b></p>	<p>1- This policy is approved after the approval of the General Assembly, and its provisions are implemented and its provisions are adhered to by the Company, members of the Board of Directors and Board Committees.</p> <p>2- This policy is subject to periodic review and amended, if needed, upon the recommendation of the Remuneration and Nomination Committee of the Board of Directors.</p> <p>3- Amendments to this Policy shall be adopted and shall become effective upon approval by the General Assembly and after the recommendation of the Board of Directors.</p>

- Deleted Materials:

Title/Article	
-	The Board of Directors recommended to the General Assembly to approve and vote on this policy according to the decision of the Board of Directors issued on 13/10/1444 AH corresponding to 03/05/2023 AD, and this policy was approved by the decision of the General Assembly of the Company's shareholders held on 9/11/1444 AH corresponding to 29/05/2023 AD .



شركة الحسن غازي إبراهيم شاكِر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## **Sixth item**

**Voting on the amendment  
of the policy and criteria  
of membership of the  
Board of Directors**



- **amendment to the policy and criteria of membership of the Board of Directors**

Title/Article	Text before modification	Title/Article	Text after modification
Introduction	<p>The Board of Directors recommended to the General Assembly to approve and vote on this policy according to the decision of the Board of Directors issued on 13/10/1444 AH corresponding to 03/05/2023 AD, and this policy was approved by the decision of the General Assembly of the Company's shareholders held on 9/11/1444 AH corresponding to 29/05/2023 AD.</p>	Introduction	<p>This policy was approved and recommended to the General Assembly for approval by the Board of Directors Resolution issued on 24/09/1445H corresponding to 03/04/2024G, and this policy was approved by the General Assembly of the Company's shareholders held on 00/00/1445H corresponding to 00/00/2024G .</p>
<p>Article I</p> <p>Board Membership Policy and Criteria</p>	<p>_____</p>	<p>Article I</p> <p>Objective of the policy</p>	<p>This policy aims to define clear and specific criteria and procedures for candidacy for membership of the Board of Directors in accordance with the controls and criteria specified in the Companies Law, the Corporate Governance Regulations issued by a resolution of the Board of Directors of the Capital Market Authority and other relevant regulations and regulations.</p>
<p>Article I</p> <p>Board Membership</p>	<p>4. Taking into account the appointment of a sufficient number of members with experience in the main field of activity of the company, in</p>	<p>Article II</p> <p>Board of Directors</p>	<p>The Company shall notify the Authority of the names of the members of the Board of Directors and their membership qualities within five working days from the</p>

<p>Policy and Criteria</p> <p>Paragraphs (4) and (5)</p>	<p>addition to their other general experience based on their CV.</p> <p>5. The member must allocate sufficient time to carry out his responsibilities in the company.</p>	<p>Paragraph (4)</p>	<p>date of commencement of the Board session or from the date of their appointment – whichever is earlier – and any changes to their membership within five working days from the date of such changes.</p>
<p>Article II</p> <p>The right of the shareholder to run</p>	<p>Each shareholder has the right to nominate himself or one or more other persons for membership of the Board of Directors, and you within the limits of his ownership percentage in the capital.</p>	<p>Article IV</p> <p>The right of the shareholder to run</p>	<p>Each shareholder in the company has the right to nominate himself or one or more other persons for membership of the Board of Directors, within the limits of his ownership percentage in the company' s capital.</p>
<p>Article III</p> <p>Conditions for nomination for membership of the Board of Directors</p>	<p>When recommending the nomination of members of the Board of Directors, the Nomination and Remuneration Committee shall take into account the terms, conditions and criteria contained in this policy and the requirements decided by the Authority, for example:</p> <ol style="list-style-type: none"> <li>1. A member of the Board of Directors shall not occupy more than five listed joint stock companies at the same time.</li> <li>2. The candidate for membership of the Board of Directors must be of good conduct and reputation.</li> <li>3. The candidate should not have previously been convicted of crimes against honor and honesty.</li> <li>4. The candidate should not have been previously sentenced to bankruptcy.</li> </ol>	<p>Article III</p> <p>Board Membership Policies and Criteria</p>	<p>The Board member shall be of professional competence who shall have the necessary experience, knowledge, skill and independence to enable him to exercise his duties efficiently and competently, provided that the General Assembly shall take into account when electing the members of the Board of Directors the recommendations of the Remuneration and Nomination Committee in the Company and the availability of the personal and professional elements necessary to perform their duties effectively, and the member shall have in particular the following: The candidate for membership of the Board of Directors must be of good conduct, behavior and reputation, and the candidate for membership of the Board must adhere to the principles of honesty, honesty, loyalty, care and</p>

	<p>5. Not to be a government employee except for those appointed by the state sectors.</p> <p>6. The nominee should not be a member of the board of directors of a competing company, whether in the company's activity or the activity of its subsidiaries.</p> <p>7. Those who have held or continue to hold a leadership position in which strategies and decision-making are preferred.</p> <p>8. The candidate shall submit within the period stipulated in paragraph (1) of the (Procedures for Candidacy for the position of the Board of Directors) a written application signed by the company's management, provided that the candidacy application includes a description of the candidate's experiences, qualifications, skills, previous and current jobs and memberships.</p>		<p>attention to the interests of the company and shareholders and put them ahead of his personal interest.</p> <ol style="list-style-type: none"> <li>1. The candidate must not have been convicted by judicial rulings in one of the crimes against honor and honesty.</li> <li>2. The candidate must not have been previously sentenced to bankruptcy or insolvency.</li> <li>3. The candidate should not be a member of the Board of Directors of more than five listed joint stock companies at the same time.</li> <li>4. The member of the Board of Directors shall commit to allocating sufficient time to carry out his responsibilities in the company.</li> <li>5. The age of the candidate must not be less than 25 years, whether applying in his personal capacity or representing a legal person.</li> <li>6. The independent member must enjoy full independence in his position and decisions, and none of the independence symptoms stipulated in Article (19) of the Corporate Governance Regulations issued by the Capital Market Authority apply to him.</li> <li>7. The 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 achieves the interests of the group he represents or that voted to</li> </ol>
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			<p>appoint him to the Board of Directors.</p> <p>8. Diversity in academic qualification and practical experience should be taken into account, and priority should be given in nomination to the needs required of those with the appropriate skills for membership of the Board of Directors.</p> <p>9. Leadership ability: by having leadership skills that qualify him to grant powers in a way that leads to motivating performance, applying best practices in the field of effective management, adhering to professional values and ethics, and the ability to communicate effectively, think and plan strategically.</p> <p>10. Qualifications, skills, and experience: by having the appropriate academic qualifications, professional and personal skills, level of training, practical experience related to the company's current and future activities and knowledge of management.</p> <p>11. Ability to direct: by having technical, leadership, and administrative capabilities, speed in decision-making, and understanding the technical requirements related to workflow, and to be able to strategic direction, long-term planning and a clear future vision.</p>
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			<p>12. Financial knowledge: by being able to read and understand financial statements and reports.</p> <p>13. Health fitness: by not having a health impediment that hinders him from exercising his duties and competencies.</p> <p>14. A member of the Board of Directors shall resign before the end of his term in the Board of Directors, in the event that he loses his eligibility to serve as a member of the Board of Directors, or is unable to exercise his duties, or is unable to allocate the necessary time or effort to perform his duties on the Board, but in the event of a case of conflict of interest, it shall be dealt with in accordance with the provisions contained in Chapter VI of the Corporate Governance Regulations.</p>
<p><b>Article IV</b></p> <p><b>Criteria for membership in the Board of Directors of the company</b></p>	<p>When a person nominates himself for membership of the company's board of directors, he must meet the following conditions and criteria:</p> <ol style="list-style-type: none"> <li>1. The age of the Board of Directors must not be less than 30 years</li> <li>2. His academic qualification should not be less than a university degree and he must have practical experience in the field of activity of the company for a period of not less than three years or similar fields.</li> <li>3. It is preferable to have sufficient knowledge of administrative and</li> </ol>	<p><b>Article IV</b></p> <p><b>Shareholder's right to run</b></p>	<hr/> <p>It was mentioned earlier that it became Article IV instead of Article II</p>

	<p>financial matters and to be familiar with the rules, regulations and legislation related to the rights and duties of the Board of Directors.</p> <p>4. His attendance at the meetings of the Board in the previous nomination session must not be less than 75% of the total meetings specified for three years.</p> <p>5. To abide by the provisions, regulations, regulations and instructions in force in the Kingdom.</p> <p>6. It is preferable for those who have previously served as a member of the board of directors of a joint stock company</p> <p>7. The candidate must not have been issued a decision by the Capital Market Authority.</p> <p>8. It is not permissible to nominate for membership of the Board of Directors whoever occupies the same position in Safit Company or has been dismissed in another company.</p> <p>9. A member of the Board of Directors from among the legal persons must nominate a natural person to represent him for the duration of the Board.</p> <p>10. The nominee, recommended by the Remuneration and Nomination Committee, agrees to conduct a personal interview with the Company's Nomination and Remuneration Committee, if requested.</p>		
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	<p>11. To have experience in management and sufficient knowledge in raising the level of performance and development of companies and knowledge of a developmental perspective.</p> <p>12. Have enough time to work.</p> <p>13. To be experienced and knowledgeable in business, supply and supply operations.</p> <p>14. To be experienced and knowledgeable in financial, accounting, banking, and economic matters in general.</p> <p>15. To be familiar with the concepts of e-commerce and retail trade.</p> <p>16. To be experienced and familiar with large projects in terms of tender management, accessories and technical details.</p> <p>17. To be experienced and familiar with the development of the organizational structure and work environment in general and be familiar with human resources.</p> <p>18. To be experienced and knowledgeable in manufacturing and maintenance operations.</p> <p>19. Be experienced and knowledgeable in energy and renewable energy solutions.</p> <p>To have experience and deal in advance with governance departments. (These paragraphs were added and amended in Article III (Membership Policies and Criteria))</p>		
<p><b>Article V</b></p>	<p>1. The company must open the nomination process at least</p>	<p><b>Article V</b></p>	<p>1. The Remuneration and Nomination Committee shall</p>

<p><b>Procedures for nomination for membership of the Board of Directors</b></p>	<p>60 days <b>before the end of the Board session.</b></p> <p>2. The announcement shall be published <b>on the company's</b> website, the Capital Market website and any other means determined by the competent authority, in order to invite persons wishing to run for membership of the Board of Directors, provided that the door for candidacy remains open for at least one month from the date of the announcement.</p> <p>3. Cumulative voting is used in the election of the Board of Directors, so that the voting right of the share may not be used more than once.</p> <p>4. Voting in the General Assembly shall be limited to candidates for membership of the Board of Directors whose information has been announced <b>in accordance with paragraph (2) of this Article.</b></p> <p>5. The nominee shall disclose to the Board and the General Assembly any cases of conflict of interest in accordance with</p>	<p><b>Procedures for nomination for membership of the Board of Directors</b></p>	<p><b>coordinate the announcement of the opening of nominations well before the end of the Board session and in accordance with the relevant laws and regulations.</b></p> <p>2. The announcement of candidacy for membership of the Board of Directors <b>of the Company shall be published on the Company's</b> website, the website of the Capital Market (Tadawul) and in any other means determined by the Competent Authority, in order to invite persons wishing to run for membership of the Board of Directors, provided that the nomination door remains open for at least one month from the date of the announcement.</p> <p>3. <b>The candidate must submit his application within the period stipulated in the announcement , with a written request signed by the company's management, provided that the candidacy application includes a description of the candidate's experiences, qualifications, skills, jobs and previous and current memberships.</b></p> <p>(4) The nominee shall disclose to the Board and the General Assembly any cases of conflict of interest in accordance with the procedures prescribed</p>
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	<p>the procedures prescribed by the Authority, including:</p> <ul style="list-style-type: none"> <li>a. The existence of a direct or indirect interest in the business and contracts made for the account of the company for which he wishes to run for the Board of Directors.</li> <li>b. Participation in a business that would compete with the company, or compete with it in one of the branches of the activity it is engaged in.</li> </ul>		<p>by the Capital Market Authority - including:</p> <ul style="list-style-type: none"> <li>a. The existence of a direct or indirect interest in the business and contracts made for the account of the company for which he wishes to run for the Board of Directors.</li> <li>b. Participation in a business that would compete with the company, or in one of the branches of the activity it engages.</li> </ul> <p>(5) The candidate applying for membership of the Board shall fill out the form or forms specified by the Capital Market Authority for this purpose.</p> <p>(6) During the submission of the nomination application, the candidate must disclose the number of his memberships in the boards of directors and the previous and current executive positions and their dates in a statement attached to the nomination application.</p> <p>(7) The candidate, recommended by the</p>
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			<p>Remuneration and Nomination Committee, agrees to conduct an interview with the Company's Remuneration and Nomination Committee, if requested.</p> <p>(8) The membership status of the candidate must be clarified, whether the status is executive, non-executive, or independent.</p> <p>(9) Cumulative voting is used in the election of members of the Board of Directors, so that the right to vote per share may not be used more than once.</p> <p>(10) Voting in the General Assembly shall be limited to candidates for membership of the Board of Directors who have nominated themselves in accordance with the policies, criteria and procedures contained in this policy.</p>
<p><b>Article VI</b></p>	<p>If the position of one of the members of the administration becomes vacant, the Board may</p>	<p><b>Article VII</b></p>	<p>1. The membership of the Council shall expire at the end of the term prescribed for it, which is four years</p>

<p><b>Vacant position in the Council</b></p>	<p>appoint a temporary member to the vacant position, provided that he is one of those who have experience <b>and competence</b>, and he must <b>inform</b> the Authority of this within five working days from the date of appointment and the appointment shall be presented to the General Assembly at its first meeting and the new member shall complete the term of his predecessor.</p>	<p><b>Termination of the membership of the Council member and the vacancy of one of the positions</b></p>	<p>from the date of its election by the General Assembly.</p> <ol style="list-style-type: none"> <li>2. The membership of a member of the Board shall expire in accordance with any system or instructions in force in the Kingdom of Saudi Arabia, or due to death or resignation or if he is convicted of a crime involving moral turpitude and dishonesty, however, the Ordinary General Assembly may at all times dismiss all or some of the members of the Board without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time, and the Board member may resign, provided that this is at an appropriate time. Otherwise, he shall be liable by the company for the damages resulting from his resignation.</li> <li>3. The General Assembly may, upon the recommendation of the Board, terminate the membership of any member who is absent from attending three consecutive meetings of the Board without a legitimate excuse or five separate meetings during his term of office without a legitimate excuse acceptable to the Board of Directors.</li> <li>4. If the position of a member of the Board becomes vacant during the</li> </ol>
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			<p>term of office, the Board shall have the right to appoint a temporary member to the vacant position, provided that he is experienced and competent, and the Authority shall be informed of this within five working days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly at its first meeting for ratification and the new member shall complete the term of his predecessor, in light of what is stated in the Company's Articles of Association.</p> <p>5. If the necessary conditions for the convening of the Board of Directors are not met due to the lack of the number of its members from the minimum stipulated in the Companies Law or the Company's Articles of Association, the rest of the members shall convene the General Assembly within sixty days to elect the necessary number of members.</p>
<p><b>Article VIII</b> <b>Reference and access</b></p>	<p>The policy is subject to annual review and should be amended after the recommendation of the Remuneration and Nomination Committee by the Board of Directors whenever necessary or when there is a change in any regulations that may be issued by</p>	<p><b>Article VIII</b> <b>Review and access</b></p>	<p>- This bylaw is approved after the approval of the Assembly, and its provisions are implemented and its provisions are adhered to by the company,</p>

	<p>the regulatory authorities in the Kingdom that require a review or amendment to this policy and is approved by the General Assembly and after the recommendation of the Board of Directors to do so.</p>		<p>members of the Board of Directors and Board Committees.</p> <ul style="list-style-type: none"><li>- These Regulations are subject to annual review, and are amended upon the recommendation of the Audit Committee of the Board of Directors whenever necessary or when there is a change in any regulations that may be issued by the competent authorities in the Kingdom that require the review or amendment of these Regulations.</li><li>- The amendments to these Bylaws shall be adopted and shall enter into force upon approval by the General Assembly and after the recommendation of the Board of Directors.</li></ul>
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- Deleted Materials:

Title/Article	
Article VII This policy is subject to the following:	<ul style="list-style-type: none"><li data-bbox="451 327 792 491">- Companies Law promulgated by Royal Decree No. (M/132) dated 01/12/1443H and its implementing regulations.</li><li data-bbox="451 508 792 630">- Articles of Association of Al-Hassan Ghazi Ibrahim Shaker Company.</li><li data-bbox="451 646 792 768">- Relevant Implementing Regulations issued by the Capital Market Authority.</li></ul>

## Seventh item

**Voting on transferring the amount of  
(71,682,000) Saudi riyals from the  
statutory reserve amounting to  
(144,384,000) as in the financial  
statements for the year ending 31  
December 2023 to the retained earnings**



شركة الحسن غازي ابراهيم شاكِر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## **Eighth item**

**Voting on authorizing the  
Board of Directors to  
distribute interim  
dividends semi-annually  
or quarterly basis for the  
fiscal year 2024**



## **Ninth item**

**Review and discuss the  
Board of Directors'  
report for the financial  
year ended  
31/12/2023AD**

**The Board of Directors'  
report for the financial year  
ended on 12/31/2023AD can  
be viewed via the following  
link:**

**(Board of Directors' Report)**



شركة الحسن غازي ابراهيم شاكرو  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## Tenth item

**Review and discuss the  
financial statements  
for the fiscal year  
ended 31/12/2023AD**

**The audited financial statements  
for the fiscal year ended on  
12/31/2023AD can be viewed via  
the following link:  
(Financial Statements)**



شركة الحسن غازي ابراهيم شاکر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## **Eleventh item**

**Voting on the auditor's  
report for the financial  
year ended 31/12/2023  
after discussing it**



## **Independent Auditor's Report to the Shareholders of Al Hassan Ghazi Ibrahim Shaker Company**

### **Report on the audit of the consolidated financial statements**

#### **Our opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Al Hassan Ghazi Ibrahim Shaker Company (the "Company") and its subsidiaries (together the "Group") as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

#### **What we have audited**

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

#### **Our audit approach**

##### **Overview**

###### **Key Audit Matters**

- Impairment of trade and other receivables
- Valuation of investment in associates

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.



**Independent Auditor’s Report to the Shareholders of Al Hassan Ghazi Ibrahim Shaker Company (continued)**

**Key audit matters**

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

Key audit matter	How our audit addressed the Key audit matter
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**Impairment of trade and other receivables**

<p>As at December 31, 2023, the Group’s gross trade and other receivables balance was SR 356 million (2022: SR 305 million) with an associated provision for impairment loss of SR 41 million (2022: SR 66 million).</p> <p>The Group assesses at each reporting date whether the trade and other receivables (carried at amortised cost) are credit-impaired. The Group’s management has applied a simplified expected credit loss (“ECL”) model in accordance with International Financial Reporting Standard 9 (“IFRS 9”), to determine the allowance for impairment of trade and other receivables. The ECL model involves the use of various assumptions, macro-economic factors and study of historical trends relating to the Group’s trade and other receivables collections experience.</p> <p>We considered this as a key audit matter as the management applies significant judgment in determining an appropriate impairment loss allowance for receivables including macro-economic factors and the calculation of the time value for money.</p> <p><i>Refer to Note 2.2 (g) for the accounting policy and Note 6 for the related disclosures in the accompanying consolidated financial statements.</i></p>	<p>Our audit procedures related to impairment losses on trade and other receivables included:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the design and implementation of key controls over the process of ECL calculation.</li> <li>• Obtained management’s model for the impairment assessment and tested key assumptions, including those used to calculate the likelihood of default, by comparing to historical data and challenging these assumptions. We also considered the incorporation of forward looking macro-economic factors to reflect the impact of future events on expected credit losses. We also tested the arithmetical accuracy of the model.</li> <li>• On a sample basis, we tested the accuracy of the historical data and aging analysis of trade and other receivables used as inputs to the ECL model.</li> <li>• We involved our internal valuation expert to assist us in reviewing the modeling framework in computing provisions under IFRS 9 for trade and other receivables including reviewing the model methodology and the ECL computation on a sample basis.</li> <li>• Performed sensitivity analysis over the reasonably possible changes in the GDP with all other variables and challenged the management assumption with respect to the consideration of GDP being the key macro-economic factor, in order to assess the potential impact of a range of possible outcomes.</li> <li>• Assessed the adequacy and appropriateness of the related disclosures in the accompanying financial statements.</li> </ul>
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*Independent Auditor's Report to the Shareholders of Al Hassan Ghazi Ibrahim Shaker Company (continued)*

**Key audit matters (continued)**

Key audit matter	How our audit addressed the Key audit matter
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*Valuation of investment in associates*

<p>As at December 31, 2023, the carrying value of the Group's investment in its associates amounted to SR 467 million (2022: SR 466 million).</p> <p>The Group is exposed to the risk of impairment of its equity-accounted investee, dependent on the performance of the investee and the environment in which it operates. The Group's management considers whether there are indicators of impairment with respect to the investment in its associates and conducts its impairment test on an at least annual basis to assess the recoverability of the investment using the value-in-use model.</p> <p>Impairment assessment of this investment requires significant judgment with respect to future sales growth and profitability of the investee, cashflow projections and selection of appropriate discount rate. Further, there is a risk that the carrying value of the investment and any related impairment charge may be incorrect.</p> <p>We considered the valuation of the investment in the Group's associates as a key audit matter due to the significant judgment and assumptions involved in the impairment assessment process, and the significant amount it represents as a proportion of the Group's total assets.</p> <p><i>Refer to 2.2 (d) for the accounting policy and Note 7 for the related disclosures in the accompanying consolidated financial statements.</i></p>	<p>Our audit procedures related to the valuation of investment in associates included:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the design and implementation of key controls over the valuation of the Group's investment in associates.</li> <li>• Utilized our internal valuations expert to assess the valuation approach and methodology and key assumptions used by management in their value-in-use calculation. Further, we have evaluated the appropriateness of the model used by management and assessed the reasonableness of significant management assumptions in respect of estimated future cash flows, sales growth, profitability of associate and discount rates, and we performed a sensitivity analysis on these key assumptions.</li> <li>• Compared management's assumptions and applied our understanding of the future prospects of the business from internal and external sources and compared the forecasts to the historical past performance of the associate.</li> <li>• Assessed the completeness and accuracy of the information used by the Group management as the basis of their assessment.</li> <li>• Assessed the adequacy and appropriateness of the related disclosures in the accompanying consolidated financial statements.</li> </ul>
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***Independent Auditor's Report to the Shareholders of Al Hassan Ghazi Ibrahim Shaker Company (continued)***

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***Other information***

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

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

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

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

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***Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements***

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



**Independent Auditor's Report to the Shareholders of Al Hassan Ghazi Ibrahim Shaker Company  
(continued)**

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

**PricewaterhouseCoopers**

Khalid A. Mahdhar  
License Number 368

March 05, 2024



شركة الحسن غازي ابراهيم شاكِر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## Twelveth item

**Voting on the appointment  
of the External Auditor of the  
Company among the  
candidates based on the  
recommendation of the  
Audit Committee, and  
determine their fees**

- **Names of the auditors' offices nominated for the accounts of AL Hassan Ghazi Ibrahim Shaker "Shaker" Company, based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2024 and the first quarter of the fiscal year 2025:**

- 1. PricewaterhouseCoopers "PWC" for (1,650,000) SAR.**

- 2. Baker tilly for (1,268,000) SAR.**

- 3. KPMG for (1,826,000) SAR.**



شركة الحسن غازي ابراهيم شاكِر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## **Thirteenth item**

**Voting on the discharge of  
the members of the Board of  
Directors from liability for  
the financial year ended  
31/12/2023**



شركة الحسن غازي ابراهيم شاكِر  
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

## Fourteenth item

Voting on the business and contracts concluded between the company and Lafana Holding Company, in which the Chairman of the Board of Directors, Mr. Abdulelah bin Abdullah Abunayyan, has an indirect interest, which is a preventive maintenance contract for the air conditioners of Lafana Holding Company, the amount of the transactions is (24,840) thousand Saudi riyals, the duration of the contract is one year, and this contract was made without preferential conditions or benefits.

# AL-HASSAN GHAZI IBRAHIM SHAKER CO.

(A Joint Stock Company)  
Paid up Capital 482,334,000 Million SR



شركة الحسن غازي إبراهيم شاكِر  
(شركة مساهمة)  
رأس المال المدفوع ٤٨٢,٣٣٤,٠٠٠ مليون ريال

Date: 14\10\1445

التاريخ: ١٤٤٥/١٠/١٤

Corresponding: 23\04\2024

الموافق: ٢٠٢٤/٠٤/٢٣

Dear respected Al Hassan Ghazi Ibrahim Shaker  
Shareholders,

السادة/ مساهمي شركة الحسن غازي ابراهيم شاكِر الموقرين  
السلام عليكم ورحمة الله وبركاته،

**Subject: Notification from the Board of Directors to the General Assembly Meeting regarding the transactions with related parties.**

الموضوع: تليغ من أعضاء مجلس الإدارة إلى الجمعية العامة للمساهمين حول تعاملات الأطراف ذو العلاقة.

With reference to article (71) of the Companies Law, we would like to inform you that during the fiscal year 2023, the company has entered into business transaction in which the chairman of the board of directors has an interest (indirectly), and its details description are attached to this notification, such contracts and transactions were executed in accordance to the relevant regulations.

بالإشارة إلى المادة (٧١) من نظام الشركات، نود إبلاغكم بأنه خلال العام المالي ٢٠٢٣م قامت الشركة بالدخول في عقود ومعاملات تجارية كان لرئيس مجلس الإدارة مصلحة فيها (بطريقة غير مباشرة)، وتفصيلها ووصفها مرفق بهذا البلاغ، والتي تم التعامل معها في ضوء الأنظمة ذات العلاقة.

The business transactions and contracts will be disclosed in the 2023 annual report of the Board of Directors as per to the statutory requirements, on the stock market website (Tadawul), knowing that the company follows the transactions and contracts the same conditions and principles, it takes in dealing with such type of transactions with third parties, without any preference.

كما سيتم الإفصاح عنها في التقرير السنوي لمجلس الإدارة للعام ٢٠٢٣م في موقع السوق المالية (تداول)، حسب المتطلبات النظامية علماً بأن الشركة في مثل هذه التعاملات تتبع نفس الشروط والأسس التجارية المتبعة مع الغير ودون أي تفضيل. وهذا الخصوص فقد تضمن جدول الأعمال جمعيتكم الموقرة توصية من مجلس الإدارة بالموافقة على هذه العقود وفقاً للمعلومات الواردة في بنود جدول الأعمال المرفق.

In this regard, the Board of Directors recommends approving those contracts as per the details included in the attached agenda items of the General Assembly Meeting.

ولقد طلبنا وفقاً للنظام تقريراً خاصاً من قبل مراجع حسابات الشركة الخارجي حول هذه العقود لعرضه على جمعيتكم الموقرة والمرفق طيه.

Also, as per the relevant regulations, we have requested the company's External Auditor to issue special report on these transactions to be presented to the Shareholders in the General Assembly (attached).

وتفضلوا بقبول وافر التحية والتقدير،

Sincerely,

	رئيس مجلس الإدارة	الأستاذ/ عبدالاله عبدالله أبو نبيان
	نائب رئيس مجلس الإدارة	الأستاذ/ مصعب سليمان المهيدب
	عضو مجلس إدارة	الأستاذ/ عبدالرؤوف وليد البيطار

# AL-HASSAN GHAZI IBRAHIM SHAKER CO.

(A Joint Stock Company)

Paid up Capital 482,334,000 Million SR



## شركة الحسن غاзи إبراهيم شاكِر

(شركة مساهمة)

رأس المال المدفوع ٤٨٢,٣٣٤,٠٠٠ مليون ريال

	عضو مجلس إدارة	الأستاذ/ عزام سعود المذهييم
	عضو مجلس إدارة	الأستاذ/ عيد بن فالح الشامري
	عضو مجلس إدارة	الأستاذ/ رشيد عبدالرحمن الرشيد
	عضو مجلس إدارة	الأستاذ/ حسام علي شيكشي



# AL-HASSAN GHAZI IBRAHIM SHAKER CO.

(A Joint Stock Company)  
Paid up Capital 482,334,000 Million SR



شركة الحسن غازي إبراهيم شاكِر  
(شركة مساهمة)  
رأس المال المدفوع ٤٨٢,٣٣٤,٠٠٠ مليون ريال

Day: Monday

Date: 28/08/2023

**A Notification form of direct or indirect interest in the business and contracts that are made for the Company's account for a member of the Board of Directors.**

1	The party to whom the notification is directed	The Board of Directors of Al-Hassan Ghazi Ibrahim Shaker Company.
2	Reporting date	12/02/1445 AH Corresponding to 28/08/2023 AD.
3	Member name	Mr. Abdulelah Abu Nayyan
4	Member adjective	Chairman of the Board of Directors
5	Type of interest	Indirect
6	Topic of interest	Air conditioners preventive maintenance – Annual Contract.
7	Stakeholder adjective	Direct ownership in Lafana Holding Company
8	Related party name	Lafana Holding Company
9	Interest value	24,840 Saudi Riyals
10	Transaction of benefit of interest	None

Signature



To the shareholders  
Al Hassan Ghazi Ibrahim Shaker Company (A Saudi Joint Stock Company)

**Limited assurance report on the Board of Directors' declaration to the shareholders of Al Hassan Ghazi Ibrahim Shaker Company**

We have undertaken a limited assurance engagement in respect of the accompanying declaration of businesses and contracts with the related parties for the period from April 17, 2023 till December 31, 2023 of Al Hassan Ghazi Ibrahim Shaker Company (**the "Company"**) prepared by the management and approved by the Board Directors of the Company to the standards mentioned below so as to comply with the requirements of Article (71) of the New Regulations for Companies (the "**Declaration**").

*Subject matter*

The Subject Matter for our limited assurance engagement is the Declaration prepared by the management of the Company and approved by the Board of Directors as attached to this report and submitted to us.

*Criteria*

The applicable standards is the requirement of Article (71) of New Regulations for Companies issued by the Ministry of Commerce (2022-1443H) (**the "New Regulations for Companies"**) which states if that any member of the Board of Directors (**the "Board"**) has any interest, both directly or indirectly, in the businesses or contracts made for the account of the Company, there interests must be reported for approval **by the Company's General Assembly**, and the Board member shall notify the Board of such interest and excuse himself from the vote and the Board to approve such businesses or contracts. The Board has to notify the General Assembly of the businesses and contracts in which any member of the Board has a direct or indirect interest.

**Management's responsibility**

The management of the Company is responsible for the preparation of the Declaration in accordance with the standards and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

*Professional ethics and quality management*

We have complied with the independence requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) endorsed in the Kingdom of Saudi Arabia (**the "Code"**), that it is relevant to limited assurance engagement in the Kingdom of Saudi Arabia and we have fulfilled our other ethical responsibilities in accordance with the Code requirements.

We have applied the International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



### *Our responsibility*

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 **(Revised), 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'**, endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied with the requirements of Article (71) of the New Regulations for Companies in preparation of the Declaration, for the period from April 17, 2023 till December 31, 2023.

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. When performing risk assessment, we consider internal controls relevant to the Company's compliance with the requirements of Article (71) of the New Regulations for Companies in the preparation of the Declaration. Our procedures included examining, on a test basis, evidence supporting systems and controls in respect of the preparation of the Declaration in accordance with the requirements of Article (71) of the New Regulations for Companies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### *Summary of work performed*

We have planned and performed the following procedures to obtain limited assurance over the Company's compliance with the requirements of Article (71) of the New Regulations for Companies in the preparation of the Declaration:

- Discussed with the management the process for obtaining businesses and contracts concluded by any of the Board members with the Company, either directly or indirectly, **and the Board's** members shall notify the Board of such interest, both directly or indirectly, and excuse himself from the vote in the Board on the resolution issued in this regard in the meetings of the Board.
- Obtained the accompanying Declaration ("**Appendix A**") that includes the lists of all businesses and contracts entered into by any of the Board members, either directly or indirectly, with the Company during the period from April 17, 2023 till December 31.
- **Reviewed the minutes of the Board meetings which indicate the concerned Board's member** notified the Board on the businesses and contracts **concluded by the Board's member during** the period from April 17, 2023, till December 31, 2023; and that the Board member had already excused himself from voting on the resolution issued in this regard in the meetings of the Board.
- Reviewed the confirmations obtained from the concerned Board members on the business and contracts executed by the Board members, either directly or indirectly, with the Company during the period from April 17, 2023, till December 31, 2023, and obtained confirmations from the other Board members that they had no businesses nor contracts with the Company during the same year.



### *Inherent limitations*

Our procedures regarding laws and controls relating to the preparation of the Declaration in accordance with the requirements of the Article (71) of the New Regulations of Companies are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of systems and controls against fraud and collusion, especially on the part of those holding positions of authority or trust.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under the International Assurance Engagement Standard 3000 (Revised), as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements as endorsed in the Kingdom of Saudi Arabia, and, accordingly we do not express an audit or a review opinion in relation to the adequacy of systems and controls around the preparation of the Declaration.

This conclusion relates only to the Declaration for the period from April 17, 2023 till December 31, 2023, and should not be seen as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.


### *Limited assurance conclusion*

Based on the work described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article (71) of the New Regulations of Companies in the preparation of the Declaration of related parties transactions for the period from April 17, 2023 till December 31, 2023.

### *Restriction of use*

This report, including our conclusion, has been prepared solely upon the request of the management of the Company, to assist the Company and its Board of directors in fulfilling its reporting obligations to the General Assembly in accordance with Article (71) of the regulations of Companies. The report should not be used for any other purpose or to be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, the Capital Market Authority and the shareholders of the Company. To the fullest extent permitted by law, we do not accept or assume responsibility to any third party.

PricewaterhouseCoopers

  
Khalid A. Mahdhar  
License Number 368



April 4, 2024

## **Fifteenth item**

**Voting on the delegation of the Board of Directors with the authority of the Ordinary General Assembly with the license mentioned in paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of approval of the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier, in accordance with the conditions contained in the Executive Bylaws of the Companies Law for Listed Joint Stock Companies**