



شركة زهرة الواحة للتجارة
Zahrah Al Waha for Trading Company
الرقم الضريبي ٣١٠٢٥٠٦٤٥٥٠٠٠٠٣

General Assembly meeting Zahrat Al Waha for Trading

Saudi public joint stock company

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(Before modification)

- Additional meetings of the committee are held when necessary, or because of the request of the internal audit department or the accountant, and in this case, the committee secretary will be responsible for calling the meeting.
- The committee secretary sends the meeting agenda and all information related to the topics that will be discussed in the meeting to the members of the committee no less than fifteen (15) days before the date of the meeting, so that the committee members can study those topics.
- The members of the committee attending the meeting sign the minutes of the meeting that include the discussions, opinions that have been presented and the decisions taken by the committee, and it is sent to the chairman and secretary of the board for approval and approved by the board of directors.
- A committee meeting is not considered valid unless attended by most of its members personally. The committee's decisions are taken by most of the members present. In the event of a tie when voting on those decisions, the opinion on which the committee chairman votes is weighted.

6- Rewards received by members of the Committee.

Committee members are entitled to a lump sum annual rewards of (30,000) Saudi riyals for their membership in the committee. Committee members are not entitled to allowance to attend committee meetings, regardless of their number.

(After modification)

- If a committee member fails to disclose his participation in any business that would compete with the company or if he competes with the company in one of the branches of the activity that he is practicing, the company may claim compensation from him before competent judicial authority.
- It is not permissible for a committee member to exploit or benefit - directly or indirectly - from any of the company's assets, information, or investment opportunities subject to study - even if the decision is taken not to proceed with them - and he may not take advantage of these investment opportunities even after the end of his membership.
- In the event that the committee member is proven to have benefited from the investment opportunities, the company or any interested party may claim before the competent judicial authority to nullify any business, profit or benefit achieved from the investment opportunity. The company may also claim appropriate compensation.

12- Remuneration of Committee Members

- A member of the committee is entitled to an annual remuneration according to the remuneration policy for members of the board of directors, the committees emanating from it, and senior executives approved by the company's general assembly.
- The Board of Directors determines the remuneration and allowances that the secretary of the committee will receive for attending committee sessions.
- In the event that the General Assembly issued a decision to exempt a member from membership in the committee due to absence from three successive meetings within one year without an excuse accepted by the Board of Directors, this member is not entitled to any remuneration or compensation for the period following the last meeting he attended, and he must return all rewards and compensation that were disbursed Him about that period.
- The company has the right to claim compensation for damage to its reputation and recover the rewards, compensation and any other costs that the company incurred to facilitate the member's fulfillment of his responsibilities, in the event that the member commits an act that breaches honor and trust, fraud, or violates the laws and regulations in the Kingdom of Saudi Arabia or in any other country. Or when he breaches his responsibilities, tasks and duties, which will result in harm to the interest of the company.

13- Review and update of the regulation

The regulation is subject to periodic review by the Board of Directors and the recommendation of the Audit Committee with the aim of developing and updating it in line with the relevant laws and regulations and in accordance with the Board's opinion. No amendment may be made to it except by a decision of the Board of Directors, provided that it is submitted to the General assembly for approval.

(Before modification)

- Identifying strengths and weaknesses in the board of directors and proposing remedies in accordance with the company's interest.
- Setting criteria to determine the independence of a member of the board of directors, and an appropriate mechanism to inform shareholders of any changes that may lead to the member losing his independence, and to ensure the independence of independent members and the absence of any conflict of interests if the member occupies the membership of the board of directors of another company, and this is done on an annual basis.
- Preparing directives and introductory programs for new independent and non-executive board members about the nature of the company's business and a detailed description of their responsibilities and duties as board members.
- Preparing recommendations for the Board of Directors to define certain criteria for selecting people to fill the position of the CEO and heads of the main departments of the company.
- Preparing an initial evaluation of the persons nominated for the position of CEO and heads of departments and units in the company.
- Preparing job descriptions and contracting terms for each of the CEO positions and heads of departments and units in the company .
- Establish appropriate standards and procedures for evaluating the performance of the CEO and heads of departments and units in the company.
- Conducting periodic evaluation of the activities of the CEO and heads of departments and units in the company.
- Organizing training programs for executives related to corporate governance and ethical behavior.
- Establishing policies related to continuous improvement in the performance of employees at higher administrative levels.
- **About the remuneration of members of the Board of Directors and executives.**
 - Establishing a clear policy for compensation, rewards and incentives for members of the board of directors and executives of the company and organizing the efforts of each member of the board of directors and the executive director in implementing the strategic goals of the company, and using criteria related to performance and the committee's evaluation of their personal performance against the goals set by the Board of Directors.

(Before modification)

- Setting standards for the remuneration of members and the chairman of the board of directors that enable the company to obtain distinguished performance without affecting the independence of the members.
- Setting standards for the remuneration of the CEO and heads of departments and units in the company, which the committee reviews periodically, related to annual fixed salaries and variable bonuses based on the financial and non-financial evaluation system for performance, in addition to setting standards for long-term incentives to link the interests of the company's shareholders.
- Continuous review of the suitability of the company's remuneration criteria against the company's performance, financial position, and basic trends in the labor market.
- Follow up on the implementation of the decisions taken by the General Assembly of shareholders related to issues related to the remuneration of the members of the Board of Directors and the senior executives of the company and how these remunerations are disclosed in the annual report of the Board of Directors.

3- The Committee authority and responsibilities

- The committee has the following authority:
 - Requesting appropriate documents, reports, clarifications and information from officials, executives, and employees of the company.
 - Inviting officials, executives and employees of the company to its meetings to ask them and hear their explanations.
 - Seeking the services of experts and consultants from outside the company.
 - Perform other services requested by the board of directors and which fall within the authorities of the committee.
- The committee conducts an annual review and evaluation of its regulations in order to ensure that it fulfills its duties and makes recommendations to the Board of Directors regarding them.
- The committee submits the minutes of its meetings to the Board of Directors for approval.
- The committee checks on an annual basis that the independent members are independent, and that there is no conflict of interest if the member is a member of the board of directors of another company.
- Committee members should do the following:
 - Participate in the activities and work of the committee and persevere in attending all its meetings.

(Before modification)

- Being aware and fully aware of all developments in the business environment in which the company operates.
- Maintain the confidentiality of all information that they view in the course of their work in the committee.
- Informing the Board of Directors of developments that affect their independence or conflicts of interests related to the decisions that the committee takes.

4- Selection, formation and termination of services for members of the Nomination and Remuneration Committee.

- The committee consists of at least three (3) members who are appointed by the board of directors.
- The term of membership of the committee is determined by a decision issued by the council in this regard, and this period ends with the end of the term of the council.
- The members of the committee are chosen from among the members of the board of directors, and the board may appoint one or more non-members of the board to be a member of the committee.
- The board of directors shall choose, whenever available, at least one of the independent members of the board for membership in the committee.
- Committee members must possess the appropriate knowledge, experience and skill in their dealings with the company's chief executives.
- The Board of Directors may at any time terminate the service of any member of the Committee and choose another member.

5- Committee meetings.

- The Chairman of the Committee shall be appointed by a decision of the Board of Directors.
- The committee appoints one of its members as its secretary, and the committee may appoint its secretary from other than its members.
- The committee holds its meetings in accordance with the business requirements and duties assigned to it. In general, the number of these meetings must not be less than one meeting every three (3) months. This issue is prepared and a report is prepared for it to be presented to the Board of Directors, before the Board meeting.

(After modification)

1- Purpose

In the interest of the company's management to raise the effectiveness of governance, and with the aim of achieving a high degree of transparency, achieving the company's objectives and developing its performance, the company has adopted a list of work for the Nominations and Remuneration Committee and their selection based on competence and ability to represent the Nominations and Remuneration Committee, in a manner that ensures the availability of expertise, ability, scientific and practical knowledge. That would contribute to raising the company's strategic, supervisory, organizational and operational efficiency, and determining the remuneration of the members of the Board of Directors and the Board of Directors' committees and the Executive Management, in accordance with the standards and controls contained in the Companies Law, the Corporate Governance Regulations and other relevant laws and regulations.

This regulation aims to organize the work of the Nomination and Remuneration Committee by defining its functions and authority, in addition to its work controls and procedures, and the rules for selecting its members, in light of the rules governing the Nominations and Remuneration Committee in the listed joint stock company and stipulated in the regulatory controls and procedures issued in implementation of the Companies Law of Joint Stock Companies Listed, and the Corporate Governance Regulations issued by the Capital Market Authority, the main objectives of the Remuneration and Nominations Committee are to assist the Board of Directors of the company to carry out the following tasks and responsibilities:

- Supervising the rewards and incentives plan for company employees and following up on their implementation.
- Supervising the administrative succession plans for senior leadership at the company level.
- Supervising the nomination process for membership of the Board, the committees emanating from it, and the company's executive management, and ensuring that it is linked to performance.
- Supervising and ensuring the application of the employee grievance policy.
- Managing the process of evaluating the performance of board and committee members.

2- Responsibilities

- The Nomination and Remuneration Committee is responsible for preparing and reviewing policies related to its work and proposing changes it deems appropriate and submitting it to the Board of Directors for consideration.

(After modification)

Fourth: Documenting committee meetings

- The committee secretary prepares the minutes of the committee's meeting documentation, which include the following:
 - Place, date, start and end time of the meeting.
 - Names of the members present and not attending, indicating the names of those invited to attend the meeting who are not members of the committee.
 - The deliberations and decisions of the committee, with an indication of the results of the vote and the reasons for the objections, if any.
 - Determining the entity responsible for implementing the decisions taken, determining the time to initiate them, and the mechanism for following them up.
- The secretary of the committee sends the draft minutes of the meeting to the members of the committee, and the members of the committee must express their comments on the draft minutes - if any - within a maximum period of (5) working days from the date of the transmission.
- After processing the comments of the members of the committee on the draft of the minutes, and after the approval of the chairman of the meeting, the secretary of the committee sends the draft after the amendment to the members of the committee in preparation for approval at the next committee meeting.
- The meeting minutes, accompanied by the meeting agenda and all accompanying documents, are kept in a special record signed by the committee chairman and secretary.

Fifth: Follow up on the work of the committee

The chairman of the committee submits its recommendations and its findings to the board of directors, in the first meeting of the board following the committee meeting.

Sixth: Evaluating the committee's work

The committee evaluates the results of its work periodically, provided that the evaluation elements include, for example, the level of effectiveness of the committee in carrying out the tasks assigned to it.

(After modification)

11- Review and update of the regulation

The regulation is subject to periodic review by the Board of Directors and the recommendation of the Nominations and Remuneration Committee with the aim of updating them in line with the relevant laws and regulations and according to the Board's opinion, and no amendment may be made to it except by a decision of the Board of Directors, it is submitted to the General assembly's approval.

12- Disclosure

First: Disclosure of the remuneration policy

The committee shall disclose in the report of the Board of Directors the information related to the remuneration policy as follows:

- Disclosure of the remuneration policy and how the remuneration of the members of the Board of Directors, the committees, and the executive management in the company are determined.
- Accurate, transparent and detailed disclosure in the report of the board of directors about the remunerations granted to members of the board of directors and the committees and the executive management, directly or indirectly, without concealing or misleading whether they are amounts, benefits or advantages, whatever their nature and name. If the benefits are shares in the company, then the input value of the shares is the market value on the maturity date.
- Clarifying the relationship between the bonuses granted and the applicable remuneration policy and stating any material deviation from this policy.
- A statement of the necessary details regarding the remuneration and compensation paid to each of the following separately:
 - Board members.
 - Members of the Board of Directors' committees.
 - Five senior executives who received the highest remuneration from the company, including CEO and CFO.

Second: Disclosure of the role of the Nomination and Remuneration Committee

A brief description of the terms of reference of the Nomination and Remuneration Committee, noting the name of the committee, its chairman and members, the number of its meetings, dates of its convening, and the attendance data of members for each meeting.

(Before modification)

- 3-2 That the remuneration be based on the recommendation of the Remuneration and Nominations Committee.
- 3-3 That the remuneration is commensurate with the company's activity and the tasks required to manage it.
- 3-4 Taking into consideration the sector in which the company operates, its size and the experience of the members of the Board of Directors.
- 3-5 That the remuneration is reasonably sufficient to attract, motivate, maintain and retain members of the Board of Directors with competencies and experiences.

5- Rewards for the members of the audit committee:

- 1- The General Assembly determines the remuneration of the members of the Audit Committee based on the recommendation of the Board of Directors.
- 2- Each member of the audit committee is entitled to obtain an attendance allowance for each committee session determined by the general assembly.
- 3- Members of the Audit Committee who reside outside the city of Riyadh are entitled to compensation for travel costs in exchange for attending the meeting. These costs include a round-trip airfare from his place of residence to the company's main location in Riyadh or the venue of the meeting, in addition to any other costs associated with residency and transportation.
- 4- The reports of the Board of Directors submitted to the General Assembly must disclose the compensation and other amounts paid to the members of the Audit Committee, including travel expenses if the meeting is held outside the city of Riyadh.

6- Rewards for the members of the Nomination and Remuneration Committee and the committees of the Board of Directors, with the exception of the Audit Committee:

- 1- The Board of Directors determines the remuneration of the members of the Nomination and Remuneration Committee and the committees of the Board of Directors.
- 2- Each member of the Nominations, Remuneration and Committees Committee of the Board of Directors is entitled to obtain an attendance allowance for each committee session determined by the Board.
- 3- Members of the Nomination and Remuneration Committee and the committees of the Board of Directors residing outside Riyadh are entitled to compensation for travel costs in exchange for attending the meeting. These costs include a round-trip airfare from his place of residence to the company's main location in the city of Riyadh or the venue of the meeting in addition to any other related costs. Accommodation and transportation.
- 4- Board of Directors reports submitted to the General Assembly must disclose compensation and other amounts paid to members of the Nominations and Remuneration Committee and the committees of the Board of Directors, including travel expenses if the meeting is held outside the city of Riyadh.

(Before modification)

7- Rewards for the executive management:

The Nomination and Remuneration Committee reviews the general policy of salaries, benefits, incentive plans and bonuses for all company employees, as well as senior executives, on an ongoing basis and periodically, and approves them by the Board of Directors based on the recommendation of the Executive Management.

The rewards, benefits and incentives of the executive management include the following:

- 1- The basic salary that is paid monthly at the end of each calendar month.
- 2- Allowances and benefits, including, but not limited to, (housing allowance, transportation or car insurance allowance, telephone allowance, and children's education allowance;).
- 3- Other benefits include, but are not limited to, annual leave, annual travel tickets, end-of-service bonus, according to the Saudi Labor Law and the approved human resources policy of the company.
- 4- Medical insurance for senior executives and their families.
- 5- Social insurance.
- 6- Annual rewards and incentives linked to performance indicators, according to the annual evaluation that is made in this regard.
- 7- Short-term and long-term plans and programs for incentives.
- 8- Reviewing the general policies, plans and programs for the remuneration of senior executives by the Nomination and Remuneration Committee and submitting them to the Board of Directors for approval.
- 9- The CEO implements the remuneration policy for employees and senior executives in light of the general policies, plans and programs approved by the Nomination and Remuneration Committee and approved by the Board of Directors.
- 10- Reviewing the Nominations and Remuneration Committee disbursing incentives and annual bonuses to the CEO and submitting them to the Board of Directors for approval.

8- Additional determinants for bonuses and the method of disbursement:

- 1- The Board of Directors is responsible for determining and approving bonuses, attendance allowances and other entitlements based on the recommendation of the Nomination and Remuneration Committee for members of its committees, with the exception of the Audit Committee approved by the General Assembly.
- 2- The remuneration of the members of the committees of the board of directors consists of an annual remuneration (a lump sum), the allowances for attending meetings and other entitlements in accordance with what is explained in this policy.
- 3- The remuneration of the members of the audit committee is approved by the general assembly and upon the recommendation of the board of directors.
- 4- The total remuneration that a member receives for his membership in the board of directors and committees of the council must not exceed the upper limit stipulated in the articles of association of the company only five hundred thousand riyals annually (500,000 riyals annually).

