



شركة سهل للتمويل
SHL FINANCE COMPANY

BOARD OF DIRECTORS REPORT 2024

Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

– حفظة الله –



Crown Prince, Prime Minister

Mohammed bin Salman bin Abdulaziz Al Saud

– حفظة الله –



SHIL

SHL Finance Company - Board of Directors' Report 2024

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Chairman's Speech: **Mr. Youssef Abdullah Al-Shalash**

Ladies and gentlemen, shareholders of the SHL Finance Company

On behalf of my colleagues on the Board of Directors, I am pleased to meet again with SHL Financing Company shareholders through this annual report for the fiscal year ending December 31, 2024. In this report, we review our performance assessment during the past year and highlight the company's most significant achievements in 2024. These achievements would not have been possible without your trust in the Board of Directors and the company's executive management. Your continuous support and communication with us form the foundation for the company's progress, continued dedication, and leadership. We work to develop our financing products, considering market trends and the returns achieved for shareholders, all company employees, and stakeholders.

One of the biggest challenges the company faced during 2024 was the increase in financing and borrowing rates, which negatively impacted the cost of financing and directly impacted the company's profitability. The Board of Directors, in cooperation with the Executive Management and specialized committees within the Board, has made significant efforts to mitigate the impact of financing costs through a number of internal measures and policies, most notably addressing operating and production costs, which had a positive impact by the end of 2024. This is in addition to the Board's focus on developing plans and policies that will support the company's future growth and development. This includes developing the company's strategic plan for the next five years, starting in 2025, God willing. Ernst & Young has been contracted as a specialized entity to conduct a market survey and recommend new products that align with the company's business. This is in addition to improving the internal work environment, including staffing, and automating all of the company's operations and products using the best modern technologies and systems, to achieve high productivity, profitability, and reasonable returns on shareholders' investments. In conclusion, my fellow Board members and I express our utmost gratitude and appreciation to the leader of our blessed journey, the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince, may God support them, for the great achievements and developments our beloved country has achieved under their wise leadership in all fields. We also express our sincere gratitude to the Saudi Central Bank, which has remained supportive of the various financing sectors. We also extend our thanks to the Chairman and members of the Shariah Board for their valuable advice and guidance. We also extend our thanks and gratitude to our shareholders and customers. I also thank the company's executive management and all its employees, with great pride in our creative human resources, whose dedication and perseverance have contributed to achieving the company's goals.



CEO Speech:
Mr. Bandar Saeed Al-Ghamdi

On my own behalf and on behalf of the executive management team, I extend my thanks to the Chairman and members of the Board of Directors for their continued support of the executive management in achieving the company's strategic objectives, meeting the ambitions and aspirations of shareholders and stakeholders. With God's help and guidance, the company achieved balanced growth levels during the fiscal year 2024, with numerous positive achievements and developments, despite the significant challenges faced by the financing sector, including the rise in financing costs, which directly impacted the company's profitability. The company has taken a series of measures to mitigate these impacts and overcome these challenges by developing services, reducing costs, and enhancing operational efficiency, thus achieving greater value for its shareholders, customers, and employees.

Perhaps one of the most significant developments achieved by the company this year was the development of a five-year strategic plan, starting in 2025. This plan aims to unlock more opportunities in the financing market and create new and diverse products that will achieve the company's objectives as a leading company in this field. The company's strategic plan also focused primarily on developing and supporting the company's digital transformation. The year 2025 will witness significant progress, God willing, in the development of the company's technical systems, while adhering to the highest levels of information security and the protection of customers' personal data and information, in accordance with applicable regulations and instructions.

The executive management pays great attention to improving the internal work environment by attracting and retaining qualified national talent and creating an attractive work environment. It also activates the role of internal governance and oversight within the company and strengthens relevant departments with qualified personnel to enable them to perform their roles effectively.

Customer service and satisfaction are also a priority for the executive management, through providing highly efficient services, responding to customer requests and inquiries from shareholders and stakeholders in record time, and responding to their complaints or comments in accordance with relevant policies and regulations.

SHL Finance Company - Board of Directors' Report 2024

Company Overview:

The SHL financing Company was established in alliance and partnership between the founders, the Arab National Bank, Dar Al-Arkan Real Estate Development Company, the International Finance Corporation, and some national companies and individual investors, where it was registered in the city of Riyadh in the Kingdom of Saudi Arabia under Commercial Registration No.: 1010241934 and the date of 12/22/1428 AH corresponding to 01/01/2008 AD. The company is also licensed by the Central Bank of Saudi Arabia to engage in real estate financing activity, under license No. 14 / A.SH / 201403 dated 04/27/1435 AH corresponding to 2/27/2014 AD.

And the company's capital is 1,000,000,000 Saudi Riyals, paid in full and divided into 100 million shares. The Saudi Home Loans Company has become a public joint stock company, where 30% of shares were offered in the main financial market, in April 2022. The following are the main shareholders and their shares in the capital:

| Contributors | Number of Shares & Ownership percentage | |
|--------------------------------|---|----------------------|
| | Number of Shares | Ownership percentage |
| Arab national Bank | 29,400,000 | 29,4% |
| Dar Al-Arkan Company | 10,500,000 | 10,5% |
| Yousef bin Abdullah Al-Shalash | 5,600,000 | 5,6% |
| Other contributors * | 54,500,000 | 54,5% |
| The total | 100,000,000 | 100% |

- Other shareholders include 30% of what was offered in the financial market, and the rest are founding shareholders who own less than 5% stake.

The main activity of the company is to carry out real estate financing , Consumer Financing, and financing the activities of Small & Medium Establishments for individuals and corporate, in accordance with the provisions of the Companies Law, the Finance Companies Control Law and its Executive Regulations and related regulations and the rules and instructions issued by the Saudi Central Bank - The company carries out its activities in accordance with Sharia principles and with the applicable regulations and after obtaining the necessary permits from the competent authorities, if any

SHL Finance Company was established in 2008. It is a Saudi joint stock company that was the fruit of the alliance between the Arab National Bank, Dar Alarkan, & the International Finance Corporation. It is home to elite employees, a professional executive's team that comprises of a group of highly skilled & experienced individuals in the real estate financing sector. SHL started its path with steady steps, it is among the first Saudi companies that specialized in financing with great faith, the help of professional leadership, and experienced partners. Since its establishment in 2008 (SHL) was considered a pioneer in the Islamic financing field that is geared toward meeting the financing needs of customers in the Saudi market in compliance with Sharia principles of the Sharia supervisory board that all products and services are Shariah-compliant. During this short period of time SHL has managed to achieve a great leap in its achievements and care for customer satisfaction, which is a constant goal that the company always strives to achieve. From the beginning the highest priority has always been to provide services professionally, with the highest quality and hard work to serve our country and in turn benefit to the society and individuals.

SHL Finance Company - Board of Directors' Report 2024

VISION, MISSION AND VALUES:

Since its establishment on January 1, 2008, SHL Finance (SHL) has become one of the leading companies in the field of Islamic financing directed to meet the basic housing needs of customers in the Saudi market and help them find solutions to finance dream homes while adhering to the provisions of Islamic Sharia, as the presence of a Sharia supervisory board guarantees Compliance of all products and services with the provisions and rules of Islamic Sharia. And during this period of its inception, the company was able to achieve a qualitative leap in the level of achievements and its interest in customer satisfaction as a supreme goal that it seeks to achieve, as the company was keen from the beginning to provide its services with professionalism and high quality by striving tirelessly to serve the country in a way that benefits the society and the individual.

OUR VISION

Contribute to achieving the Kingdom's Vision 2030 in raising the percentage of ownership by financing citizens through financial solutions compatible with Islamic Sharia.

OUR MISSION

We seek to provide various financing solutions that meet the needs of all segments of customers to own their properties easily through the latest technology.

OUR VALUES

Developing channels of communication with clients.

Facilitate the customer journey with easy procedures.

Developed environment and sustainable growth.

SHL Finance Company - Board of Directors' Report 2024

Board of Directors:

The company's Board of Directors works to maintain focus on achieving the strategic goals and objectives in accordance with the company's vision, mission and objectives. The Board of Directors consists of eleven members elected by the Genal Shareholders Assembly held on 13th February 2023, as it includes the most prominent talents who possess extensive experience and knowledge. They are responsible for setting the company's strategy, the basics of its work, and directing the administrative and financial performance.

COMPOSITION OF THE BOARD OF DIRECTORS AND CLASSIFICATION OF ITS MEMBERS (EXECUTIVE - NON-EXECUTIVE - INDEPENDENT):

| Name | Nationality | Membership Type (Chairman - Vice Chairman - Member) | Membership Status (Executive - Non-Executive - Independent) |
|---------------------------------------|-------------|---|---|
| Mr. Youssef Abdullah Al-Shalash | Saudi | Chairman | Non-executive |
| Mr. Obaid Abdullah Al-Rasheed | Saudi | Vice Chairman | Non-executive |
| Mr. Abdulelah Al Shaiekh | Saudi | Member | Independent |
| Dr. Ahmed Saleh Al-Dehailan | Saudi | Member | Non-executive |
| Mr. Ayham Muhammad Al-Youssef | Saudi | Member | Independent |
| Mr. Ziyad Naeem El- Cha'ar | Lebanese | Member | Non-executive |
| Mr. Kamal Amin Khodr | Saudi | Member | Non-executive |
| Mr. Faris Ibrahim Al-Rashed Al-Humaid | Saudi | Member | Independent |
| Mr. Abdulaziz Saleh Alanbar | Saudi | Member | Independent* |
| Mr. Mohammed Abdulrhman Aghannam | Saudi | Member | Independent |
| Mr. Ibrahim Abdulla Al- Jasir | Saudi | Member | Independent* |

*Mr. Ibrahim appointed as Board and Audit Committee members on 17th March 2024.

*Mr. Alanbar resigned from the Board and ExCom membership effective 1st January 2025.

SHL Finance Company - Board of Directors' Report 2024



Youssef Abdullah Al Shalash, Chairman of the Board (Non-Executive):

| | |
|---|--|
| Date of appointment to the Board (current term) | <ul style="list-style-type: none"> • 14TH FEBRUARY 2023 • Appointed as the Chairman of the Board on 7th March 2023 |
| Academic and Professional Qualifications | <ul style="list-style-type: none"> • Bachelor's degree in Islamic law, Imam Muhammad bin Saud Islamic University, 1990 AD. • Diploma in Systems Studies Program for the Bureau of Investigation and Public Prosecution from the Institute of Public Administration in 1992. • Chairman of the Board of Directors of the SHL Finance Company (non-executive) for the current term that ends on November 27, 2025 AD. (Public Joint Stock Company - Saudi Arabia) • Chairman of the Board of Directors of Dar Al-Arkan Real Estate Development Company (non-executive), member of the Executive Committee and member of the Nominations and Remuneration Committee, a public joint stock company, working in the field of real estate management and development, since its establishment in 2000 AD to date (a public joint stock company - Saudi Arabia). |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • Chairman of the Board of Directors of Al-Khair Bank, (non-executive) a Bahraini closed joint stock Company, working in the field of banking, since its establishment in 2004 AD until 30/01/2022 AD. (Closed Joint Stock Company - Kingdom of Bahrain). • Chairman of the Board of Directors of Al-Khair Capital Saudi Arabia, (non-executive) a closed joint stock company, working in the field of dealing, custody, investment management, fund operation, arranging and providing advice in securities business since its inception in 2009 AD to date (Closed Joint Stock Company - Kingdom of Saudi Arabia). • Chairman of the Board of Directors of Dar Al-Arkan Real Estate Company, (non-executive) and a member of the Nominations and Remuneration Committee, a closed joint stock company, working in the field of real estate, from 9/9/2020 AD to date (a closed joint stock company - Saudi Arabia). • Chairman of the Board of Directors of Future Horizons Investment Company (non-executive) from 2021 to date (a closed joint stock company - Saudi Arabia) • Chairman of the Board of Directors, Quara Holding Company (non-executive), a limited liability company - Saudi Arabia • Chairman of the Board of Directors of the Development and Technology Orbits Company (non-executive), a limited liability company - Saudi Arabia • Chairman of the Board of Directors of Emaar Al-Bayader Development and Trade Company (Executive) Limited Liability Company - Kingdom of Saudi Arabia. |

SHL Finance Company - Board of Directors' Report 2024



Obaid Abdullah Al-Rasheed, Vice Chairman (Non-Executive), Member of the Nomination and Remuneration Committee:

| | |
|---|--|
| Date of appointment to the Board (current term) | <ul style="list-style-type: none"> 14th February 2023 |
| Date of appointment as Vice-Chairman of the Board | <ul style="list-style-type: none"> 7th March 2023 |
| Date of appointment to the Nomination and Remuneration Committee (Current term) | <ul style="list-style-type: none"> 21st March 2023 |
| Academic and Professional Qualifications | <ul style="list-style-type: none"> Bachelor of Business Administration from San Jose State University in the United States in 1983. |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> Vice Chairman of the Board of Directors of the SHL Finance Company to date (non-executive) - (a public shareholding company - the Kingdom of Saudi Arabia) Member of the Nominations and Rewards Committee of the SHL Finance Company to date (non-executive) - (a public joint stock company - the Kingdom of Saudi Arabia). Member of the Board of Directors of the Arab National Bank from 2021 AD to date. (Non-executive) - (Public Joint Stock Company - Kingdom of Saudi Arabia) The MD and CEO of the Arab National Bank from 2021 AD to date. (Executive) - (Public Joint Stock Company - Saudi Arabia) Vice Chairman of the Board of Directors of the Saudi Chemical Company, (non-executive) - a public joint stock company, working in the field of manufacturing civil and military explosives and related products from 2019 AD to date. (Public Joint Stock Company - Saudi Arabia) Member of the Board of Directors of Dr. Sulaiman Al Habib Group for Medical Services (non-executive) - a public joint stock company, working in the field of establishing and managing hospitals, medical centers, dispensaries, laboratories, analysis, x-rays, dental clinics and pharmacies from 2015 AD to date. (Public Joint Stock Company - Kingdom of Saudi Arabia) Chairman of the Nominations Committee of Dr. Sulaiman Al Habib Medical Services Holding Group (non-executive) - a public joint stock company, working in the field of establishing and managing hospitals, medical centers, dispensaries, laboratories, analysis, x-rays, dental clinics and pharmacies from 2015 AD to date. (Public Joint Stock Company - Saudi Arabia) Chairman of the Board of Directors of Al-Arabi Heavy Equipment Rental Company, a closed joint stock company, working in the field of heavy equipment rental, from 2010 until 2021. (Closed Joint Stock Company - Saudi Arabia) Deputy Managing Director of the Arab National Bank, a public joint stock company, working in the field of banking, from 2010 AD until 2021 AD. (Public Joint Stock Company - Saudi Arabia) Member of the Board of Directors of the Saudi Chemical Company, a public joint stock company, working in the field of manufacturing civil and military explosives and related products, from 2013 AD until 2019 AD (Public Joint Stock Company - Saudi Arabia) |

SHL Finance Company - Board of Directors' Report 2024



Abdulelah Saleh Al Sheikh, Member of the Board of Directors (Independent):

| | |
|---|---|
| Date of appointment to the Board (current term) Date of appointment as Risk Committee member (Current Term) | <ul style="list-style-type: none"> • 14th February 2023 • 13th June 2023 |
| Academic and Professional Qualifications | <ul style="list-style-type: none"> • Bachelor of Administration Portland University – USA 1986 • MBA, Eastern New Mexico University - 1988 |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • Member of the Board of Directors of the SHL Finance Company (Independent) for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia • Member of the Risk Committee of SHL Finance Company for the current term – Public Joint Stock Company - Kingdom of Saudi Arabia • The CEO of SHL Finance Company as from June 2011 up to August 2020 - Public Joint Stock Company - Kingdom of Saudi Arabia • Board member and chairman of the Audit Committee as from 2014 up to date – Attah for Education company - Public Joint Stock Company - Kingdom of Saudi Arabia. • Board member and a member of the NRC and Governance Committees as from 2021 up to date – Care shield Holding Company- Joint Stock Company - Kingdom of Saudi Arabia • Board member of SAMAMA Holding company as from 2021 up to date - Joint Stock Company - Kingdom of Saudi Arabia • Vice Chairman and chairman of the Audit Committee and member of the NRC of Standard Chartered Capital as from 2022 up to date - Joint Stock Company - Kingdom of Saudi Arabia • Board member of SIMAH company from 2000 to 2022 - Joint Stock Company - Kingdom of Saudi Arabia • Board member of the Saudi Hollandi Capital company from 2007 to 2010 - Joint Stock Company - Kingdom of Saudi Arabia • Board member of the Saudi Traveler’s Cheques from 2007 to 2008 - Joint Stock Company - Kingdom of Saudi Arabia • Board member of Al Yusr leasing financing company – from 2009 to 2015 - Joint Stock Company - Kingdom of Saudi Arabia • Board member of Saudi Fisheries company from 2014 up to 2017 - Public Joint Stock Company - Kingdom of Saudi Arabia |

SHL Finance Company - Board of Directors' Report 2024



Ayham Mohammed Al-Youssef, Board Member (Independent) - and Chairman of the Nominations and Remunerations Committee.

| | |
|---|---|
| Date of Appointment to the Board (Current Term) | <ul style="list-style-type: none"> • 14th February 2023 |
| Date of appointment to the Nomination and Remuneration Committee (current term) | <ul style="list-style-type: none"> • 21/03/2023 |
| Academic and Professional Qualifications | <ul style="list-style-type: none"> • Academic and Professional Qualifications Bachelor of Industrial Management, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia in 1994. |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • Member of the Board of Directors of the SHL Finance Company (independent) for the current term to date. Public Joint Stock Company - Kingdom of Saudi Arabia. • Chairman of the Executive Committee and Chairman of the Nominations and Remuneration Committee (independent) -SHL Finance Company - a public joint stock company - Saudi Arabia. • Member of the Board of Directors of the Saudi Marketing Company, (independent), a public joint stock company, working in the field of wholesale and retail trade in foodstuffs, from 2017 AD to date. Public Joint Stock Company - Kingdom of Saudi Arabia. • Member of the Board of Directors of Al-Ahlia Gulf Union Cooperative Insurance Company (independent) - a public shareholding company, working in the field of cooperative insurance from 2016 AD to date. . Public Joint Stock Company - Kingdom of Saudi Arabia • Member of the Board of Directors (independent) - Ayan Investment Company - a public shareholding company working in the health field - Kingdom of Saudi Arabia. • CEO of Vision Capital Company from 2008 to 2011 AD - a closed joint stock company - Saudi Arabia. • General Manager of HSBC Fund - from 2006 to 2008 - a closed joint stock company - Saudi Arabia. • CEO of the Real Estate Development Fund, a government fund, working in the field of finance, from 2017 AD until 2018 AD. Government Fund - Kingdom of Saudi Arabia • Vice Chairman of the Board of Directors of the Real Estate Development Fund, a governmental fund, working in the field of financing, from 2017 AD until 2018 AD. Government Fund - Kingdom of Saudi Arabia • Advisor to the Minister of Housing, a government agency working in the field of organizing and facilitating a balanced and sustainable housing environment, from 2017 AD until 2018 AD. Government agency - Kingdom of Saudi Arabia. • Chief Executive Officer of Albilad Capital, a closed joint stock company, working in the field of dealing, custody, investment management, fund operation, arranging and advising in securities business, from 2011 AD until 2015 AD. Closed joint stock company - Kingdom of Saudi Arabia. |

SHL Finance Company - Board of Directors' Report 2024



Ziyad Naim El Sha'ar, Board Member (Non-Executive) / member of the Executive Committee

| | |
|---|---|
| Date of Appointment to the Board (Current Term) | <ul style="list-style-type: none"> • 14th February 2023 |
| Date of Appointment to the Executive Committee (Current Term) | <ul style="list-style-type: none"> • 22nd March 2023 |
| Academic and Professional Qualifications | <ul style="list-style-type: none"> • Bachelor of Science from the American University of Beirut in 1990. • Master's degree in Commerce and Business Administration from the American University of Beirut in 1998. |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • Member of the Board of Directors of the SHL Finance Company (non-executive) for the current term and to date - a public joint stock company - the Kingdom of Saudi Arabia. • Member of the Executive Committee of the SHL Finance Company from 2022 to date - a closed joint stock company - Saudi Arabia. • Executive Director of Quara Holding Company, a limited liability company working in the field of real estate, from 2019 AD to date - a limited liability company - Saudi Arabia. • Vice Chairman of the Board of Directors of Dar Al-Arkan Real Estate Company, a closed joint stock company, operating in the field of real estate, from 2020 AD to date. A closed joint stock company - Kingdom of Saudi Arabia. • Vice Chairman of the Board of Directors of the Future Financial Horizons Company - from 2021 to date - a closed joint stock company - Saudi Arabia. • CEO of Emaar, a UAE public shareholding company, working in the field of real estate management and development, from 2018G to 2019G. - United Arab Emirates. • CEO of Dar Al-Arkan Real Estate Development Company, a public joint stock company, working in the field of real estate management and development, from 2017 AD until 2019 AD. - Kingdom of Saudi Arabia. • Member of the Board of Directors of Dar Al-Arkan Real Estate Development Company, a public joint stock company, working in the field of real estate management and development, from 2018 AD until 2019 AD. - Kingdom of Saudi Arabia. • Member of the Board of Directors of DAMAC Properties, a UAE public shareholding company, working in the field of real estate management and development, from 2005 AD until 2017 AD. United Arab Emirates • Chief Executive Officer of Fattal Holding Company, a Lebanese closed joint stock company, working in the field of distributing food, beverages and pharmaceutical products in Lebanon, Iraq and Syria from 1993 AD until 2005 AD. State of Lebanon. |

SHL Finance Company - Board of Directors' Report 2024



Abdulaziz Saleh Alanbar, Member of the Board of Directors (Independent)

| | |
|--|--|
| <p>Date of Appointment to the Board (Current Term)</p> <p>Date of appointment as ExCom member (Current Term)</p> | <ul style="list-style-type: none"> • 14th February 2023 • 22nd March 2023 |
| <p>Academic and Professional Qualifications</p> | <ul style="list-style-type: none"> • Bachelor of Civil engineer, Petroleum & Mineral University - 1975 |
| <p>Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom.</p> | <ul style="list-style-type: none"> • Member of the Board of Directors of the SHL Finance company for the current term (Independent) to date - a public joint stock company - the Kingdom of Saudi Arabia. • Member of the ExCom of SHL Finance company up to date - a public joint stock company - the Kingdom of Saudi Arabia. • Member of the Board of Directors & Chairman of NRC as from 2019 up to date – Oqalat company – Limited Liability company - the Kingdom of Saudi Arabia. • Member of the Board and member of the NRC and the Investment Committee of The Saudi real estate company as from 2016 to 2022 a joint stock company - the Kingdom of Saudi Arabia. • Member of the Board and chairman of the ExCom of Safco company as from 1996 to 2014 - public joint stock company - the Kingdom of Saudi Arabia. • Board member of the Saudi hotels and tourist company as from 1992 up to 2013 a public joint stock company - the Kingdom of Saudi Arabia. • Board member of the South Cement Company as from 2006 to 2009 - a public joint stock company - the Kingdom of Saudi Arabia. |

SHL Finance Company - Board of Directors' Report 2024



**Kamal Amin Salim Khodr, Member of the Board of Directors (Non-Executive),
Chairman of the Executive Committee, and Chairman of the Credit & Risk Management Committee:**

| | |
|--|---|
| DATE OF APPOINTMENT TO THE BOARD (CURRENT TERM) | <ul style="list-style-type: none"> • 14TH FEBRUARY 2023 |
| DATE OF APPOINTMENT TO THE EXECUTIVE COMMITTEE (CURRENT TERM) | <ul style="list-style-type: none"> • 22ND MARCH 2023 AS A MEMBER, AND AS A CHAIRMAN OF THE EXCOM ON 25TH OCTOBER 2023 |
| DATE OF APPOINTMENT AS CHAIRMAN OF THE RISK COMMITTEE | <ul style="list-style-type: none"> • 13TH JUNE 2023 |
| ACADEMIC AND PROFESSIONAL QUALIFICATIONS | <ul style="list-style-type: none"> • BACHELOR OF BUSINESS ADMINISTRATION FROM THE UNIVERSITY OF RICHMOND, UK IN 1989. • MASTER OF BUSINESS ADMINISTRATION FROM THE UNIVERSITY OF LIVERPOOL IN THE UNITED KINGDOM IN 2011. |
| CURRENT AND PREVIOUS POSITIONS AND COMPANIES IN WHICH HE SERVED AS A MEMBER OF THE BOARD OF DIRECTORS INSIDE OR OUTSIDE THE KINGDOM | <ul style="list-style-type: none"> • MEMBER OF THE BOARD OF DIRECTORS OF THE SHL FINANCE COMPANY FOR THE CURRENT TERM TO DATE. A PUBLIC JOINT STOCK COMPANY - KINGDOM OF SAUDI ARABIA. • CHAIRMAN OF THE CREDIT & RISK MANAGEMENT COMMITTEE OF THE SHL FINANCE COMPANY FOR THE CURRENT TERM TO DATE. A PUBLIC JOINT STOCK COMPANY - KINGDOM OF SAUDI ARABIA • MEMBER AND CHAIRMAN OF THE EXECUTIVE COMMITTEE OF THE COMPANY FOR THE CURRENT TERM TO DATE. PUBLIC JOINT STOCK COMPANY- KSA. • GENERAL MANAGER OF RISK MANAGEMENT AT THE ARAB NATIONAL BANK, A PUBLIC JOINT STOCK COMPANY, OPERATING IN THE FIELD OF BANKING, FROM 2018 TO DATE. PUBLIC JOINT STOCK COMPANY - KINGDOM OF SAUDI ARABIA. • MEMBER OF THE BOARD OF DIRECTORS OF SIMAH CREDIT INFORMATION COMPANY, A CLOSED JOINT STOCK COMPANY, WORKING IN THE FIELD OF CREDIT INFORMATION SYSTEM, FROM 2020 AD TO DATE. CLOSED JOINT STOCK COMPANY - KINGDOM OF SAUDI ARABIA. • MEMBER OF THE AUDIT COMMITTEE OF SIMAH CREDIT INFORMATION COMPANY, A CLOSED JOINT STOCK COMPANY, WORKING IN THE FIELD OF CREDIT INFORMATION SYSTEM, FROM 2020 TO DATE. CLOSED JOINT STOCK COMPANY - KINGDOM OF SAUDI ARABIA • MEMBER OF THE INVESTMENT AND RISK COMMITTEE AT KAFALAH SME LOAN GUARANTEE PROGRAM, FROM 2023 TO DATE. • HEAD OF THE CORPORATE BANKING SERVICES GROUP AT BANQUE SAUDI FRANSI, A PUBLIC JOINT STOCK COMPANY, WORKING IN THE FIELD OF BANKING, FROM 2012AD UNTIL 2018AD. PUBLIC JOINT STOCK COMPANY – KSA. • RISK MANAGER AND BANKING GROUP OFFICER AT BANQUE SAUDI FRANSI, A PUBLIC JOINT STOCK COMPANY, OPERATING IN THE FIELD OF BANKING, FROM 2006AD UNTIL 2012AD. PUBLIC JOINT STOCK COMPANY - KINGDOM OF SAUDI ARABIA |

SHL Finance Company - Board of Directors' Report 2024



**Faris Ibrahim Rashid Al-Rashid Al-Humaid, Board Member (Independent),
and Member of the Nominations and Remunerations Committee:**

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| DATE OF APPOINTMENT TO THE BOARD (CURRENT TERM) | <ul style="list-style-type: none"> • 14TH FEBRUARY 2023 |
| DATE OF APPOINTMENT TO THE NOMINATIONS AND REMUNERATIONS COMMITTEE | <ul style="list-style-type: none"> • 21ST MARCH 2023 |
| ACADEMIC AND PROFESSIONAL QUALIFICATIONS | <ul style="list-style-type: none"> • BACHELOR OF COMPUTER SCIENCE FROM KING SAUD UNIVERSITY, KINGDOM OF SAUDI ARABIA IN 1994. |
| CURRENT AND PREVIOUS POSITIONS AND COMPANIES IN WHICH HE SERVED AS A MEMBER OF THE BOARD OF DIRECTORS INSIDE OR OUTSIDE THE KINGDOM | <ul style="list-style-type: none"> • ENTREPRENEURS DEVELOPMENT PROGRAM, FROM THE CEYLON COLLEGE OF MANAGEMENT, MASSACHUSETTS INSTITUTE OF TECHNOLOGY, CAMBRIDGE, USA, IN 2009. • OXFORD ADVANCED LEADERSHIP AND MANAGEMENT PROGRAM, UNIVERSITY OF OXFORD, OXFORD, UK, 2011. • BOARD OF DIRECTORS INSTITUTE CERTIFICATE, BOARD OF DIRECTORS INSTITUTE, SAUDI ARABIA, 2015. • GENERAL CERTIFICATE OF DEALING IN SECURITIES - SECURITIES AND LEGISLATIONS - FINANCIAL ACADEMY - RIYADH 2017. • INTERNATIONAL CERTIFICATE IN WEALTH MANAGEMENT - WEALTH AND INVESTMENT MANAGEMENT - FINANCIAL ACADEMY - RIYADH 2021. • MEMBER OF THE BOARD OF DIRECTORS OF THE SHL FINANCE COMPANY (INDEPENDENT) FOR THE CURRENT TERM TO DATE - A PUBLIC JOINT STOCK COMPANY - THE KINGDOM OF SAUDI ARABIA. • MEMBER OF THE NOMINATIONS AND REWARDS COMMITTEE OF THE SHL FINANCE COMPANY FOR THE CURRENT TERM TO DATE. PUBLIC JOINT STOCK COMPANY - KINGDOM OF SAUDI ARABIA • CHAIRMAN OF THE BOARD OF DIRECTORS & CEO OF SHARAKA FINANCIAL COMPANY ACLOSED JOINT STOCK COMPANY WORKING IN FINANCIAL FUND FROM 2023 AD TO DATE • CO-FOUNDER OF LINDO SAUDI INFORMATION TECHNOLOGY COMPANY, A CLOSED JOINT STOCK COMPANY, WORKING IN THE FIELD OF FINANCING PRODUCTS, FROM 2019 AD TO DATE - KINGDOM OF SAUDI ARABIA • CO-FOUNDER OF SABBAR COMPANY, A LIMITED LIABILITY COMPANY WORKING IN THE FIELD OF EMPLOYMENT, FROM 2019 TO DATE. - KINGDOM OF SAUDI ARABIA. • CHAIRMAN OF THE BOARD OF DIRECTORS OF DERAYAH VENTURES FUND, A PRIVATE FUND, WORKING IN THE FIELD OF INVESTMENT, FROM 2019 AD TO 2023. - KINGDOM OF SAUDI ARABIA. • Chairman of the Board of Directors of the Czech Center for Physiotherapy and Rehabilitation, a closed joint stock company, working in the field of health care, from 2018 to 2023. Closed joint stock company - Kingdom of Saudi Arabia. |

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- **MEMBER OF THE BOARD OF DIRECTORS AND CHAIRMAN OF THE NOMINATIONS COMMITTEE, DUR HOSPITALITY COMPANY, A PUBLIC JOINT STOCK COMPANY OPERATING IN THE FIELD OF HOTELS, FROM 2021 TO 2023- KINGDOM OF SAUDI ARABIA.**
- Member of the Board of Directors and member of the Governance Committee, Bin Dawood Holding Company, a public joint stock company operating in the field of consumer goods, from 2022 to date - Kingdom of Saudi Arabia.
- **MEMBER OF THE BOARD OF DIRECTORS AND CHAIRMAN OF THE NOMINATIONS COMMITTEE, ELM COMPANY, A PUBLIC JOINT STOCK COMPANY WORKING IN THE FIELD OF TECHNOLOGY, FROM 2021 TO DATE - KINGDOM OF SAUDI ARABIA.**
- **FOUNDER AND CHAIRMAN OF THE GLASSES BOARD AT THE WATEEN ENDOWMENT FOUNDATION, WORKING IN THE FIELD OF BLOOD DONATION, FROM 2018 AD TO DATE.**
- **MEMBER OF THE BOARD HALA TRADING COMPANY (FORMERLY HLALA), JOINT STOCK COMPANY WORKING IN THE FIELD OF FINANCIAL TECHNOLOGY, FROM 2024 TO DATE. - KINGDOM OF SAUDI ARABIA.**
- **MEMBER OF THE BOARD OF DIRECTORS OF DERAYAH FINANCIAL COMPANY, A CLOSED JOINT STOCK COMPANY, OPERATING IN THE FINANCIAL SECTOR, FROM 2013 TO 2023 - KINGDOM OF SAUDI ARABIA.**
- **FOUNDER AND CHAIRMAN OF THE BOARD OF TRUSTEES OF OQAL, WORKING IN THE FIELD OF PROVIDING OPPORTUNITIES FOR FOUNDERS OF PIONEERING STARTUPS FROM 2011 AD TO DATE, ENDOWMENT FOUNDATION - SAUDI ARABIA.**
- **MEMBER OF THE BOARD OF DIRECTORS OF IBRAHIM AL-RASHED SONS AGRICULTURAL COMPANY, A CLOSED JOINT STOCK COMPANY, WORKING IN THE FIELD OF AGRICULTURAL AND ANIMAL PRODUCTION, FROM 2009 AD TO DATE - KINGDOM OF SAUDI ARABIA.**
- **GENERAL MANAGER AT NAL INVESTMENT COMPANY, A LIMITED LIABILITY COMPANY, WORKING IN THE FIELD OF INVESTMENT, FROM 2008 AD UNTIL 2018 AD - KINGDOM OF SAUDI ARABIA.**
- **MEMBER OF THE BOARD OF DIRECTORS AND CHAIRMAN OF THE AUDIT COMMITTEE, NASEEJ COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY, A TECHNICAL COMPANY FROM 2021 TO DATE - A LIMITED LIABILITY COMPANY - SAUDI ARABIA.**
- **MEMBER OF THE BOARD OF DIRECTORS OF HLALA BOSTANI COMPANY, A LIMITED LIABILITY COMPANY, IN THE FIELD OF SWEETS FROM 2022 TO DATE - KINGDOM OF SAUDI ARABIA.**
- **CHAIRMAN OF THE BOARD OF DIRECTORS OF SPECIALIZED COFFEE COMPANY, A LIMITED LIABILITY COMPANY, IN THE FIELD OF COFFEE FROM THE DATE OF 2022 - KINGDOM OF SAUDI ARABIA.**

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**Ahmed Saleh Al-Dehailan, Board Member (Non-Executive),
and Member of the Audit Committee, and Member of the Executive Committee**

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| DATE OF APPOINTMENT TO THE BOARD (CURRENT TERM) | <ul style="list-style-type: none"> • 14TH FEBRUARY 2023 |
| DATE OF APPOINTMENT TO THE AUDIT COMMITTEE (CURRENT TERM) | <ul style="list-style-type: none"> • 14TH FEBRUARY 2023 |
| DATE OF APPOINTMENT TO THE EXECUTIVE COMMITTEE (CURRENT TERM) | <ul style="list-style-type: none"> • 22ND MARCH 2023 |
| ACADEMIC AND PROFESSIONAL QUALIFICATIONS | <ul style="list-style-type: none"> • BACHELOR'S DEGREE IN ACCOUNTING FROM IMAM MUHAMMAD BIN SAUD ISLAMIC UNIVERSITY, KINGDOM OF SAUDI ARABIA IN 1992. • MASTER OF ACCOUNTING FROM THE UNIVERSITY OF MIAMI, FLORIDA, USA IN 1997. • PH.D. IN ACCOUNTING AND FINANCE FROM CARDIFF UNIVERSITY, UNITED KINGDOM IN 2004. |
| CURRENT AND PREVIOUS POSITIONS AND COMPANIES IN WHICH HE SERVED AS A MEMBER OF THE BOARD OF DIRECTORS INSIDE OR OUTSIDE THE KINGDOM | <ul style="list-style-type: none"> • MEMBER OF THE BOARD OF DIRECTORS OF THE SHL FINANCE COMPANY (NON-EXECUTIVE) TO DATE - A PUBLIC SHAREHOLDING COMPANY - THE KINGDOM OF SAUDI ARABIA. • MEMBER OF THE AUDIT COMMITTEE AND MEMBER OF THE EXECUTIVE COMMITTEE (NON-EXECUTIVE) OF THE SAUDI HOME LOANS COMPANY TO DATE - A PUBLIC JOINT STOCK COMPANY - THE KINGDOM OF SAUDI ARABIA. • CHAIRMAN OF THE BOARD OF DIRECTORS OF T'AZUR TAKAFUL INSURANCE COMPANY (NON-EXECUTIVE), A CLOSED JOINT STOCK COMPANY, KUWAIT, OPERATING IN THE FIELD OF INSURANCE FROM 2011 AD TO DATE. CLOSED JOINT STOCK COMPANY - STATE OF KUWAIT. • MEMBER OF THE BOARD OF DIRECTORS AND CHAIRMAN OF THE AUDIT AND RISK COMMITTEE OF THE BAHRAIN FINANCIAL COMPANY GROUP - BFC HOLDINGS (NON-EXECUTIVE), A BAHRAINI COMPANY WITH LIMITED LIABILITY, OPERATING IN THE FINANCIAL FIELD FROM 2009 TO DATE. CLOSED JOINT STOCK COMPANY - KINGDOM OF BAHRAIN. • CHAIRMAN OF THE BOARD OF DIRECTORS OF AL-KHAIR HOLDING COMPANY FROM 27TH JULY 2022 UP TO DATE, A BAHRAINI CLOSED JOINT STOCK COMPANY - KINGDOM OF BAHRAIN. • CHAIRMAN OF THE BOARD OF DIRECTORS OF AL-KHAIR CAPITAL COMPANY DUBAI, FROM 8TH NOVEMBER 2023 UP TO DATE, A UAE CLOSED JOINT STOCK COMPANY - UAE. |

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Mohammed Abdulrahman Al Ghannam – Board Member – Independent

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| Date of Appointment to the Board (Current Term) | <ul style="list-style-type: none">17th October 2023 |
| Academic and Professional Qualifications | <ul style="list-style-type: none">Bachelor's degree in Business Administration – City College University 1983 |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none">Member - temporary- of the Board of Directors of the SHL Finance Company (non-executive) as from 17th October 2023 to date - a public shareholding company - the Kingdom of Saudi Arabia.Board member in the Development of Human Resources Company as from 2019 up to date – limited liability company - Kingdom of Saudi Arabia.The CEO of the Development of Human Resources Company as from 2018 up to date – limited liability company - Kingdom of Saudi Arabia.Branch manager of the Arab National Bank from 1983 up to 2013 – a public shareholding company - the Kingdom of Saudi Arabia. |

SHL Finance Company - Board of Directors' Report 2024



Ibrahim bin Abdullah Al-Jasier – Board Member & Audit Committee Member:

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| DATE OF APPOINTMENT TO THE BOARD (CURRENT TERM). | <ul style="list-style-type: none"> • 17TH MARCH 2024 |
| DATE OF APPOINTMENT AS AUDIT COMMITTEE MEMBER (CURRENT TERM). | <ul style="list-style-type: none"> • 17TH MARCH 2024 |
| Academic and Professional Qualifications. | <ul style="list-style-type: none"> • Bachelor's degree in Industrial Management – Accounting from King Fahd University of Petroleum and Minerals - 1994. • Other Studies (Accounting, Auditing and Taxation) - University of Alabama - USA - 1995. • He has extensive experience in many sectors, exceeding 28 years in financial management in communications and technology, projects, real estate and logistics sectors, banking, financial technology, and external auditing, in addition to his experience in financial restructuring, deal management, company transformation, human resources management, asset and cost management, numerous acquisitions and liquidations, and integration of financial and accounting systems. |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • He is currently the Chief Financial Officer of the National Water Company, a Saudi joint stock company – fully owned by the Kingdom of Saudi Arabia, since 2018 to date. • Member of the Board of Directors, and the Audit Committee of SHL Finance Company (independent) for the current term and to date - a public joint-stock company - the Kingdom of Saudi Arabia. • Chairman of the Audit and Compliance Committee of Dammam Airports Company from February 2022 to date – a government company - the Kingdom of Saudi Arabia. • Chairman of the Audit and Compliance Committee of Global Digital Solutions Company (Neoleb) from February 2022 to date – a closed joint-stock company – the Kingdom of Saudi Arabia • Member of the Board of Directors and Chairman of the Audit and Compliance Committee of Al-Jari Investment Company from January 2024 to date – a limited liability company – the Kingdom of Saudi Arabia. |

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| | <ul style="list-style-type: none"> • Member of the Board of Directors and the Audit and Compliance Committee of Lidar Investment Company from April 2022 to date – a limited liability company – the Kingdom of Saudi Arabia. • Member of the Executive Committee of the King Abdullah bin Abdulaziz Zamzam Water Investment Project from January 2024 to date - Zamzam Project - Kingdom of Saudi Arabia. • Member of the Audit and Compliance Committee of Naseej Technology Company from September 2021 to date – a public joint stock company – the Kingdom of Saudi Arabia. • Member of the Board of Directors of Jazan Development and Investment Company from January 2024 to date - a public joint-stock company - the Kingdom of Saudi Arabia. • Member of the Audit and Compliance Committee of Abdul Latif Alissa Holding Group from June 2024 to date – Closed Joint Stock Company – Kingdom of Saudi Arabia. • He also held several previous memberships, most notably: Member of the Board of Directors and Chairman of the Audit Committee at Airports Holding Company, Member of the Audit Committee at Tabadul for Saudi Logistics Digital Transformation, Member of the Board of Directors at Inmaa Company, Member of the Executive Committee at Osool Capital Company, and Member of the Board of Directors and Executive Committee at Ejar Crane Company - United Arab Emirates. • He previously held several roles, most notably: Chief Financial Officer of the Saudi Telecom Company Channels Group, Al Hoshan Group, and Abdullah Fouad Holding Company, Deputy Financial Controller of Al Faisaliah Group, and Executive Director of Corporate Finance, Financial Planning and Control at SAMBA Financial Group, in addition to his previous experience as an external auditor at Deloitte Touche Tohmatsu. |
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Board Meetings:

Four (4) Board Meetings were Held During the Year 2024 as Shown in the Table Below:

| Name | First Meeting of the Board of Directors 20 th Mar2024 | Second Meeting of the Board of Directors 10 th June 2024 | Third Meeting of the Board of Directors 25 th Sept 2024 | Fourth Meeting of the Board of Directors 18 st Dec-2024 |
|---------------------------------------|---|--|---|---|
| Youssef Abdullah Al-Shalash | Attended | Attended | Attended | Attended |
| Obaid Abdullah Al-Rasheed | Attended | Attended | Attended | Attended |
| Abdulelah Saleh Al Shaikh | Attended | Attended | Attended | Attended |
| Dr. Ahmed Saleh Al-Dehailan | Attended | Attended | Attended | attended |
| Mr. Ayham Muhammad Al-Yousef | Attended | Attended | Attended | Attended |
| Mr. Ziyad Naeem El-Cha'ar | Attended | Attended | Attended | Attended |
| Mr. Kamal Amin Khodr | Attended | Attended | Attended | Attended |
| Mr. Faris Ibrahim Al-Rashid Al-Humaid | Attended | Attended | Attended | Attended |
| Ibrahim Abdullah Al-Jasir. | Attended | Attended | Attended | Attended |
| Abdulaziz Saleh Al-Anbar | Attended | Attended | Attended | Attended |
| Mohammed A. Al Ghannam | Attended | Attended | Attended | Attended |

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Board Committees:

In accordance with the company's bylaws and the two governance regulations issued by the Central Bank of Saudi Arabia and the Capital Market Authority, the company has committed itself to forming the appropriate and regular number of committees emanating from the Board of Directors according to the requirements of their operation and in a way that contributes to assisting the Board of Directors to effectively carry out the tasks entrusted to it. The Board also issued regulations related to the work and tasks of these committees, or recommended their approval by the General Assembly of Shareholders, such as the Audit Committee and the Nominations and Remunerations Committee. This is in accordance with the relevant regulating laws and regulations and in a way that achieves the Board's oversight of its work and evaluation of its performance in general, through the reports it submits to the Council, as well as through reviewing and approving the minutes of its periodic meetings.

The following is a statement and a brief description of the tasks of each committee, the number of its members, the meetings held, in addition to the attendance record of the members:

Executive Committee:

Brief description of the functions and powers of the Executive Committee:

The Executive Committee consists of a maximum of five (5) members to be nominated by the Board of Directors, with the need to obtain a non-objection letter from the Central Bank of Saudi Arabia for appointment. The committee meets with a minimum of (6) meeting per year, and the committee chairman can call for any meeting if work requires that.

The committee exercises its powers and competencies according to the authorities delegated to it by the Board of Directors in accordance with the authority matrix, in addition to monitoring the financial performance and its compatibility with the budget approved by the Board of Directors, as well as ensuring the implementation of the company's policies and procedures, as well as approving the annual operational plans and estimated financial budgets before submitting them to the Board of Directors for approval.

The following is a statement of the members of the Executive Committee during the year 2024, with an explanation of their membership characteristics:

| NAMES | Nationality | Membership Type (Chairman/Member) | Membership Status (Executive, Non-Executive, Independent) |
|-----------------------------|--------------------|--|--|
| Kamal Amin Khodr. | Saudi | Member- (Chairman from 25-Oct-2023) | Non-Executive |
| Dr. Ahmed Saleh Al-Dehailan | Saudi | Member | Non-Executive |
| Abdulaziz Saleh Al-Anbar. | Saudi | Member | Independent |
| Ziad Naeem El-Chaar. | Lebanese | Member | Non-Executive |

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The Executive Committee Held (11) Meetings During the year 2024, According to the Attached Statement of Attendance Record for Each Meeting.

| Meeting Nos.: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Dates: | 24 Jan 2024 | 27 Feb 2024 | 17 Mar 2024 | 30 April 2024 | 29 May 2024 | 31 July 2024 | 28 Aug 2024 | 18 Sept 2024 | 30 Oct- 2024 | 28 Nov- 2024 | 04 Dec- 2024 |
| Dr. Ahmed Saleh Al-Dehailan. | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| Abdulaziz Saleh Al-Anbar. | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| Ziad Naeem El-Chaar. | Present | present | Apology | Present | Apology | Present | Apology | Apology | Present | Present | Present |
| Kamal Amin Khodr. | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |

Audit Committee:

Brief description of the Audit Committee's Competence and Duties:

The Audit Committee was established for the current term of office based on the General Assembly meeting held on 14th February 2023. The Audit Committee consists of (3) members as a minimum and (5) members as a maximum. Accordingly, the committee until the end of the year 2024 was formed of (5) members in accordance with the main principles of governance in financial institutions issued by the Central Bank, as well as the governance regulations issued by the Capital Market Authority. The duties and powers of the Audit Committee are as follows:

- Recommending to the Board of Directors to approve the nomination/appointment or re-appointment of the company's external auditor from among the list of nominated auditors, and to determine his fees. The committee's scope of work also includes ensuring that the nominated external auditor has the necessary expertise to review the company's financial and accounting business, and to practice his work with complete impartiality and independence.
- Supervising the Internal Audit Department and the Compliance Department, ensuring their independence in performing their duties, and verifying that there are no restrictions on their work or the existence of anything that could negatively affect their work.
- Reviewing the quarterly and annual financial statements and discussing them with the executive management and the external auditor and recommending to the Board of Directors their approval and recommending their approval by the General Assembly of Shareholders.
- Approving the annual plan of the Internal Audit Department and the Compliance Department and following up on their implementation.

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- Review and update the internal policies of the Internal Audit Department and the Compliance Department, and ensure that appropriate human cadres are available in the concerned departments.
- Preparing the annual report of the Audit Committee and submitting it to the Board of Directors for approval and recommendation for approval by the General Assembly of Shareholders.
- Reviewing the effectiveness of the company's internal control by requesting reports from the relevant internal departments

The Following is a Statement of the Members of The Audit Committee During the Year

| NAMES | Nationality | Membership Type (Chairman/Member) | Membership Status (Executive, – Non-Executive, Independent) |
|---------------------------------|-------------|--------------------------------------|--|
| Dr. Mohammed Sulaiman Al-Aqeel. | Saudi | Chairman | Independent – Not Board member |
| Dr. Ahmed Saleh Al-Dehailan. | Saudi | Member | Non-Executive- Board member |
| Yazeed Omer Al-Sowailem. | Saudi | Member | Independent – Not Board member |
| Thamer Mesfer Al-Wadai. | Saudi | Member | Independent – Not Board member |
| Ibrahim Abdullah Al-Jaser. | Saudi | Member | Independent –Board member |

2024, with an Explanation of The Characteristics of Their Membership:

The Audit Committee Held (8) Meetings During the year 2024, According to the Attached Statement with the Attendance Record for Each Meeting:

| Meeting Nos.: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|---------------|---------------|-------------|-------------|--------------|-------------|-------------|-------------|
| Dates: | 25 Feb-2024 | 14 Mar-2024 | 28 Apr-2024 | 22 May 2024 | 23 July 2024 | 05 Sep-2024 | 24 Oct 2024 | 27 Nov-2024 |
| Dr. Mohammed Suleiman Al-Aqeel (Chairman). | Present | Present | Present | Present | Present | Present | Present | Present |
| Dr. Ahmed Saleh Al-Dehailan (Member). | Present | Present | Present | Present | Present | Present | Present | Present |
| Yazeed Omer Al-Sowailem (Member). | Present | Present | Present | Present | Present | Present | Present | Present |
| Thamer Mesfer Al-Wadai (Member). | Present | Present | Present | Present | Present | Present | Present | Present |
| Ibrahim Al-Jaser (Member). | Not Appointed | Not Appointed | Present | Present | Present | Present | Present | Present |

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Current and Previous Jobs and Qualifications of Members of the Audit Committee who are not Members of the Board of Directors:



Dr. Muhammad Sulaiman Al-Aqeel, Chairman of the Audit Committee – Independent from Outside the Board:

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| Date of Appointment to the Audit Committee (Current Term). | <ul style="list-style-type: none"> • 14th February 2023 |
| Academic and Professional Qualifications. | <ul style="list-style-type: none"> • Academic and Professional Qualifications • Bachelor's degree in Accounting from King Saud University, Qassim Branch, Kingdom of Saudi Arabia in 1987. • Master's degree in accounting from the University of Miami, USA, in 1996. • Ph.D. in Accounting from the University of Melbourne, Australia, in 2006. • Fellowship of the Saudi Organization for Auditors and Accountants (SOCPA) in 1997. |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • Member of the Audit Committee of the Saudi Home Finance Company from 2020 AD to date - a public joint stock company - the Kingdom of Saudi Arabia • Member of the External Advisory Committee for the Bachelor of Accounting Program, Imam Abdurrahman Bin Faisal University, a public university, working in the field of education, from 2021 AD to date - Kingdom of Saudi Arabia. • Member of the Advisory Board of the Accounting Department at the College of Economics and Administration at Qassem University, a public university, working in the field of education, from 2019 AD to date. Kingdom of Saudi Arabia. • Assistant Secretary General for Membership and Professional Development at the Saudi Organization for Auditors and Accountants (SOCPA), a governmental body, working in the field of pioneering and supervising the accounting and auditing profession in the Kingdom of Saudi Arabia, from 2013 AD until 2019 AD. • Heading a consulting team assigned to study and review accounting reports prepared by certified accountants based on a consulting contract between the Saudi Organization for Auditors and Accountants and a government agency from 2016 AD to 2019 AD. Kingdom of Saudi Arabia. • Associate Professor of Accounting at the Institute of Public Administration, a government institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2013 AD until 2014 AD. Kingdom of Saudi Arabia • Assistant Professor of Accounting at the Institute of Public Administration, a governmental institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2006 AD until 2013 AD. Kingdom of Saudi Arabia • Part-time consultant at the Ministry of Education, from 2011 to 2012. Kingdom of Saudi Arabia. • Coordinator of the accounting sector at the Institute of Public Administration, a government institute, working in the field of raising the adequacy of state employees and preparing them scientifically, from 2010 AD until 2012 AD. Kingdom of Saudi Arabia • Member of the editorial board of the Journal of the Institute of Public Administration, a governmental institute, working in the field of raising the adequacy of state employees and preparing them scientifically from 2008 AD until 2012 AD. Kingdom of Saudi Arabia |

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| | <ul style="list-style-type: none"> • Member of the Examinations Committee of the Saudi Organization for Auditors and Accountants, a governmental body, working in the field of pioneering and supervising the accounting and auditing profession in the Kingdom of Saudi Arabia from 2007 AD until 2012 AD, Saudi Arabia. • Member of number of governmental and some charity organizations - Kingdom of Saudi Arabia |
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Yazid Omar Abdullah Al-Suwailem, Member of the Audit Committee – Independent from Outside the Board:

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| Date of appointment to the Audit Committee (current term) | <ul style="list-style-type: none"> • 14th February 2023 |
| Academic and professional qualifications | <ul style="list-style-type: none"> • Bachelor's degree - King Fahd University of Petroleum and Minerals - Software Engineering. • Mini MBA SMEs Growth - Babson University. |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • Member of the Audit Committee of the Saudi Home Finance Company from 2023 to date - a public joint stock company - Saudi Arabia • Managing partner – Tarmeez Digital. Limited Liability Company 2022 to date - Kingdom of Saudi Arabia. • CEO – Tarmeez Digital. Limited Liability Company 2011 to 2022 - Kingdom of Saudi Arabia. • Member and Partner - Takhlees Logistics Company 2021 to date. Limited Liability Company - Kingdom of Saudi Arabia. • Member and Partner - Lamma Al-Oula Company for Information Technology. 2014 to date - Limited Liability Company - Kingdom of Saudi Arabia. • Founder and CEO of Information Technology - Lamma Al-Oula Company 2014 to date. Limited Liability Company - Kingdom of Saudi Arabia. • Founder and CEO of Information Technology - iPhady. 2011- 2014 A limited liability company - Kingdom of Saudi Arabia • Software Engineer - Saudi Systems Engineering Company. 2011-2012 A limited liability company - Saudi Arabia. • Software Engineer - Advanced Electronics Company. 2009 -2011 Limited Liability Company - Saudi Arabia. |

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Thamer Musfer Al Wadih – Audit Committee Member – Independent from Outside the Board of Directors:

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| Date of appointment to the Audit Committee (current term) | <ul style="list-style-type: none"> • 14th February 2023 |
| Academic and professional qualifications | <ul style="list-style-type: none"> • Bachelor's degree of Business Administration - Alemam Mohammed bin Saud University • MBA – Yamama University • Accounting Diploma – Institute of Administration - Riyadh |
| Current and Previous Positions and Companies in which he served as a Member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • Member of the Audit Committee of SHL Finance Company from Feb 2023 to date - a public joint stock company - Saudi Arabia • Board of Directors, Chairman of Audit Committee, Member of the NRC of the Arab National Bank as from March 2020 up to date - a public joint stock company - Saudi Arabia • Member of the Audit Committee – Al Madinah Heritage Company as from March 2021 up to date - Saudi Arabia. • Member of the Audit Committee in Takamul Holding company as from December 2021 up to date– Saudi Arabia. • Member of the Audit Committee in Swaeed for work solutions – as from 2021 up to date– Saudi Arabia. • Board member and Audit Committee Chairman of Spectopharama company as from May 2022 up to date - Saudi Arabia • Member Board of Directors , Chairman of Audit Committee of Naba Alsaha Co. from 2024 up to date- Saudi Arabia. • Member of Board of Directors, Chairman of Audit Committee at Saudi Qimah Trading Co. as from Dec 2024- Saudi Arabia. • Chairman of Audit and Risk Committee at National Center for Waste Management as from December 2021 up to date- Saudi Arabia. • Member of Audit and Risk Committee, Future Work Company as from September 2022 up to date- Saudi Arabia. • Member of Audit and Risk Committee, Tamkeen Technologies as from March 2023 up to date- Saudi Arabia. • Member of Audit Committee, Holoul Company as from 2021 up to date- Saudi Arabia. • Member of Audit and Risk Committee, Remat Al-Riyadh Development Company as from January 2023 up to date- Saudi Arabia. |

Results of Reviewing the Effectiveness of Internal Control Functions:

The Auditing Committee pays great attention to an effective internal control system in the company in order to manage risks within the framework of the company's approved risk acceptance policy. The internal control system includes the policies, procedures and processes approved by the Board of Directors whose implementation is supervised by the Audit Committee and the Company's Internal Control Department.

The Internal Auditing Department acts as a basic line of defense by submitting periodic reports to the Audit Committee on the results of its works in relation to the results of examination and auditing and the observations or suggestions it consider about the general performance of the company and its main departments. Through these reports, the Auditing Committee assesses the adequacy, suitability and effectiveness of the internal control system and directs to address the risks that are referred to in the internal auditing reports and the reports of the Compliance Department and Combating Money Laundering and Terrorism Financing.

During 2024, the Audit Committee reviewed various reports on the adequacy of internal control conditions and systems from the Internal Audit Department and the Compliance Department. The Audit Committee also held several meetings during the year and received reports from the Risk and Cyber Security Department, Information Technology Department, Legal Department and other departments. The Auditing Committee's discussions and decisions were documented in the minutes of the meetings and the issues and observations that required attention were submitted to the Board of Directors. The committee also reviewed the latest developments regarding issues that require the attention of the Audit Committee. In addition, it received internal audit reports and compliance reports and reviewed action plans of submitted issues. According to the continuous evaluation of the company's internal control policies and controls, the internal control system works effectively in terms of covering the important risks and control aspects that would substantially affect the achievement of the company's objectives.

Pursuant to the minutes of the meetings of the Audit Committee and its work reports submitted to the Chairman and members of the Board of Directors that included the necessary observations and recommendations, the committee, through its follow-up of the performance of the Internal Audit Department, Compliance Department and other relevant departments, and reviewing the reports submitted by the Internal Audit Department, Risk Management, Compliance Department, as well as the reports of the external auditor during 2024, in addition to other reports that the Audit Committee requests from time to time regarding the activity of some departments to find out about some aspects of the company's progress of work and the meetings that were held in the presence of the chief executive officer and senior executives and the discussions related to the contents of the reports submitted to the committee, the Audit Committee is convinced of the reasonableness and effectiveness of the company's internal control procedures and that the internal control environment is constantly developing to meet the business need. The committee also confirms that it does not have any material observations about the company's business that must be mentioned and that the observations. Furthermore, corrective procedures are made regarding the opinions and observations expressed by the committee by the Internal Audit Department or the Compliance Department which follows up, monitors and closes these observations.

Risk and Credit Management Committee:

A Brief Description of the Tasks and Terms of Reference of the Risk and Credit Management Committee:

- Developing a clear and written business strategy and policies for risk management and identifying all types of related risks and the methods of handling them.
- Developing appropriate procedures for early and comprehensive detection of risks, evaluating, managing and monitoring them as well as preparing reports in their regard.

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- Preparing and discussing the risk report on a quarterly basis and submitting it to the Board of Directors, including the decisions taken in this regard.
- Reviewing the company's internal policies and regulations related to risk management activities.
- Reviewing the company's general provisions, setting an upper limit for large exposures, and studying the appropriate treatment of overdue accounts
- Evaluating and monitoring the adequacy and effectiveness of the Company's risk management framework and supervision to ensure effective risk identification, measurement and reporting, including desire of risk and risk tolerance.
- Reviewing the policies and regulations related to the activities of the Information Security Department.
- Supervision of the standing and potential risks, including credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, reputation risks, credit concentration risks in the portfolio, financing risks, and information security risks within the framework and directives of the Board of Directors.

Statement of the Members of the Risk and Credit Management Committee:

| NAMES | Nationality | Membership Type (Chairman/Member) | Membership Status (Executive, Non-Executive, Independent) |
|--|-----------------|--------------------------------------|--|
| Kamal Amin Khodr. | Saudi | Chairman- Member of BoD | Non-Executive |
| Abdulah Saleh Al Shaikh. | Saudi | Member- Member of BoD | Independent |
| Pierre-Com Liege. | French | Member – Out of BoD | Non-Executive |
| Roy Rajeh Al-Khoury | Lebanese | Member – Out of BoD | Non-Executive |
| Ala Ibrahim Asali | Saudi | Member – Out of BoD | Non-Executive ** |
| ** Submitted Resignation from Risk and Credit Committee Effective from 31July 2024. | | | |

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The Risk & Credit Committee Held (4) Meetings During the year 2024, According to the Attached Statement of Attendance Record for Each Meeting.

| Meeting Nos.: | 1 | 2 | 3 | 4 |
|--|--------------------|--------------------|---------------------|---------------------|
| Dates: | 31 Jan-2024 | 06 May 2024 | 31 July 2024 | 03 Nov- 2024 |
| Kamal Amin Khodr. (Chairman). | Present | Present | Present | Present |
| Abdulelah Saleh Al Shaikh (Member). | Present | Present | Present | Present |
| Pierre-Com Liege (Member). | Present | Present | Present | Present |
| Roy Rajeh Al-Khoury (Member). | Present | Present | Present | Present |
| Ala Ibrahim Asali (Member). | Present | Apology | Apology | Resigned |

Current and Previous Jobs and Professional Qualifications of the Members of the Risk and Credit Committee other than the Members of the Board of Directors:

Pierre-Come Liege, Member of the Risk and Credit Committee:

| | |
|--|---|
| Date of appointment in the committee (current term) | <ul style="list-style-type: none"> • 13th June 2023 |
| Academic and professional qualifications | <ul style="list-style-type: none"> • Bachelor's degree in Engineering Statistics from ENSAI (National School of Statistic), Bruz, France, in 2005. • Master's degree in Statistics and Economics from the University of Evry Val d'Essonne, Ivry, France, in 2003. |
| Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom | <ul style="list-style-type: none"> • Member of the Risk and Credit Management Committee at the SHL Finance Company from 2020 to date. Public Joint Stock Company - Kingdom of Saudi Arabia • Director of Risk Management Intelligence at Arab National Bank, a public joint stock company, operating in the field of banking, from 2018 to date. Public Joint Stock Company - Kingdom of Saudi Arabia • Director of Retail Risk Management at Bank Saudi Fransi, a public joint stock company, operating in the field of banking, from 2013 to 2018. Public Joint Stock Company - Kingdom of Saudi Arabia • Senior Manager of Project Management at Credit Agricole, a French public shareholding company, working in the field of banking, from 2010 AD until 2013 AD. Public joint stock company - France. • Project Risk Manager at Credit Agricole, a French public shareholding company, working in the field of banking from 2008 until 2009. Public joint stock company - France • Quantitative Marketing Analyst, Credit Agricole, a French public shareholding company, working in the field of banking, from 2005G until 2007G. Public joint stock company - France |

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Roy Rajeh Alkhory – Member of the Credit & Risk Management Committee:

| | |
|--|--|
| Date of appointment in the committee (current term) | <ul style="list-style-type: none"> 13th June 2023 |
| Academic and professional qualifications | <ul style="list-style-type: none"> Bachelor's degree in Banking & Finance Number of specialized training Courses and certificates in Banking & Finance. |
| Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom | <ul style="list-style-type: none"> Member of the Risk and Credit Management Committee at the SHL Finance Company from June 2023 up to date - Public Joint Stock Company - Kingdom of Saudi Arabia. Head of Special Assets Management from Jan 2023 to date – Arab National Bank - Public Joint Stock Company - Kingdom of Saudi Arabia. Head of Credit Review – Bankmed Group, as from 2018 to October 2022 – Joint Stock Company – Republic of Lebanon. Head of Corporate Banking Support Department – BSF from 2007 to 2018 - Public Joint Stock Company - Kingdom of Saudi Arabia. Held many banking and financing positions in the Republic of Lebanon and Kingdom of Saudi Arabia. |

Alaa Ibrahim Assaly – Member of the Credit & Risk Management Committee:

| | |
|--|--|
| Date of appointment in the committee (current term) | <ul style="list-style-type: none"> 13th June 2023 |
| Academic and professional qualifications | <ul style="list-style-type: none"> Bachelor's degree in Computer Engineering – King Fahad University – 2001. Number of certificates and training courses in the information Security and protection of Cyber Security. |
| Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom | <ul style="list-style-type: none"> Member of the Risk and Credit Management Committee SHL Finance Company from June 2023 to date - Public Joint Stock Company - Kingdom of Saudi Arabia Chief Information security head – Arab National Bank from 2017 to date - Public Joint Stock Company - Kingdom of Saudi Arabia Deputy head of information security department from 2013 to 2018 - Public Joint Stock Company - Kingdom of Saudi Arabia Manager of information security section from 2009to 2013 – Bank Albilad - Public Joint Stock Company - Kingdom of Saudi Arabia Worked as information security officer in the Arab National Bank from 2003 to 2009 - Public Joint Stock Company - Kingdom of Saudi Arabia. |

Nominations and Remunerations Committee:

A Brief Description of the Committee's Tasks and Terms of Reference:

- Evaluating the performance of the members of the council and its committees. The committee also evaluates the strengths and weaknesses of the council and its committees, and proposes to address any deficiencies, if any.
- Recommendations to the Board of Directors regarding the nomination of members of the Board and its committees and following up on obtaining the approval of the Central Bank of Saudi Arabia.
- Following-up the independence of the independent members on an annual basis, and ensuring that there is no conflict of interest in case the member occupies the position of membership of the board of directors of another company that has interests with the company.

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- Ensuring that an introductory program is set for the new members of the Board of Directors and its committees and the nature of their work.
- Reviewing and approving the company's compensation and benefits policies. The committee also reviews and recommends all forms of compensation to members and trustees of the board and committees.
- Reviewing human resource policies and procedures and development goals that include performance indicators to be achieved within incentive and reward programs.
- Reviewing and recommending the appointment of executive managers in the company in accordance with the company's policies and objectives.

A Statement of the Members of the Nominations and Remunerations Committee:

| NAMES | Nationality | Membership Type (Chairman/Member) | Membership Status (Executive, Non-Executive, Independent) |
|-------------------------------------|--------------------|--|--|
| Ayham M. Al-Yousef (Chairman). | Saudi | Chairman- Member of BoD | Independent |
| Obaid Abdullah Al-Rasheed (Member). | Saudi | Member- Vice Chairman of BoD | Non-Executive |
| Faris Ibrahim Al-Humaid (Member). | Saudi | Member- Member of BoD | Independent |
| Bader Nahes Al-Otaibi (Member). | Saudi | Member- Member of BoD | Non-Executive |

The Nomination & Remuneration Committee (NRC) Held (2) Meetings During the year 2024, According to the Attached Statement of Attendance Record for Each Meeting.

| Meeting Nos.: | 1 | 2 |
|----------------------------|--------------------|---------------------|
| Dates: | 10 Mar-2024 | 08 Sept-2024 |
| Ayham M. Al-Yousef. | Present | Present |
| Obaid Abdullah Al-Rasheed. | Present | Present |
| Faris Ibrahim Al-Humaid. | Present | Present |
| Bader Nahes Al-Otaibi. | Present | Present |

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Current and Previous Jobs and Professional Qualifications of the Members of the NRC other than the Members of the Board of Directors:

Bader Nahes Al Otaibi – NRC Member:

| | |
|--|--|
| Date of appointment in the committee (current term) | <ul style="list-style-type: none"> 22nd March 2023 |
| Academic and professional qualifications | <ul style="list-style-type: none"> Executive Leadership Program (Michigan Ross, USA) MBA in International Business Management (INSEEC University, France) EMBA, second class honor (Al-Yamamah University) Bachelor of Science in Human Resources (King Abdulaziz University) Postgraduate certificate in International Management and Leadership (Washington State University) Diploma in Computer Programming (Institute of Public Administration) Art of Successful Negotiations (Harvard Law School) Various leadership courses |
| Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom | <ul style="list-style-type: none"> Chairman of the Board for Arabian Heavy Equipment Leasing Co. (AHEL). Chairman for Nomination and Compensation Committee in Tanimah Program (National Program for Community Development in the Regions) Member of Board Committee for Nomination Remuneration Committee (NRC) of Saudi Home Loan (SHL) – listed company. Member of Board Committee for Nomination Remuneration Committee (NRC) of ANB Capital (Investment Arm of Arab National Bank – Subsidiary) Board Committee Chairman for Nomination Remuneration Committee (NRC) of Arabian Heavy Equipment Leasing Co. (AHEL). Member of Cross-Sell Committee, Strategy Committee, Management Executive Committee, Chairman of Personnel Committee and Member of Compliance Information Security Committee in ANB. |

The Sharia Committee:

A Brief Description of the Committee's Duties and Powers:

- Reviewing all the company's products and contracts and ensuring their compliance with Sharia provisions and controls.
- Verifying the company's commitment to executing its transactions in accordance with the provisions of Islamic Sharia.
- Reviewing and approving the company's Shari'a supervision reports and works and making observations thereon.
- Contributing to what serves the development of performance and the legal commitment of the company and the preservation of its legal identity in policies, standards, procedures and the like.

Statement of the Members of the Sharia Committee:

| Name | Nationality | Membership Type (Chairman - Member) | Membership Status (Executive, Non-Executive, Independent) |
|--|-------------|-------------------------------------|---|
| Sheikh Abdullah bin Sulaiman Al-Manea | Saudi | Chairman | Independent |
| Sheikh Dr. Abdullah bin Muhammad Al-Mutlaq | Saudi | Member | Independent |
| Sheikh Dr. Muhammad bin Ali Al-Qari | Saudi | Member | Independent |
| Sheikh Dr. Yousef Bin Abdullah Al Shubaili | Saudi | Member | Independent |

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The Sharia Committee Held Two Meetings During 2024 AD, According to the Statement Attached to the Attendance Record:

| Name | First meeting: 22/05/2023 AD | Second meeting: 28/05/2023 AD |
|--|-------------------------------------|--------------------------------------|
| Sheikh Abdullah bin Sulaiman Al-Manea | Present | Present |
| Sheikh Dr. Abdullah bin Muhammad Al-Mutlaq | Present | Present |
| Sheikh Dr. Muhammad bin Ali Al-Qari | Present | Present |
| Sheikh Dr. Yousef Bin Abdullah Al Shubaili | Present | Present |

Sheikh Abdullah bin Suleiman Al Manea, Chairman of the Sharia Committee:

Sheikh Abdullah, an advisor and member of the Royal Court in the Kingdom, and a member of the Supreme Judicial Authority of the Royal Court since its establishment in 1391 AH. He was appointed as Vice President for Scholar Research, Fatwa, Preach and Guidance in 1396 AH. He is a member of the Islamic Jurisprudence Academy of the Organization of the Islamic Conference. He worked as a President of the Courts of Makkah Al-Mukarramah, and a former judge of the Court of Cassation in Makkah Al-Mukarramah.

Sheikh Abdullah is a member of Sharia Supervisory Committees in a number of Saudi banks. He is also a member of several Sharia boards and entities, including the Accounting and Auditing Organization of Islamic Financial Institutions located in Bahrain. Moreover, he supervised a number of doctoral theses, participated in the discussion of a number of master's and doctoral theses, collected a number of legal rulings (interpretative opinions) and wrote a number of books on Islamic finance.

Sheikh Dr. Abdullah Al Mutlaq, Member of the Sharia Committee:

Sheikh Abdullah is a member of the Standing Committee of Scholar Research and Fatwa. Sheikh Abdullah obtained a Ph.D. from Imam Muhammad bin Saud University in Riyadh in 1404 AH. He was previously a chairman of the Comparative Jurisprudence Department at the university. Sheikh Abdullah is a member of Sharia Supervisory Committees in a number of Saudi banks. Besides, he supervised a number of doctoral theses, participated in the discussion of a number of master's and doctoral theses, collected a number of legal rulings (interpretative opinions) and wrote a number of books in the field of Islamic finance.

Sheikh Dr. Muhammad Ali Al-Qari, Member of the Sharia Committee:

Sheikh Al-Qari is a professor of Islamic Economics at King Abdulaziz University in Jeddah, and a former director of the Islamic Economics Research Center at the same university. Sheikh Al-Qari received the Scientific Award of the Islamic Development Bank in Islamic banking and financial sciences of 2004. He is an expert at the Islamic Jurisprudence Academy of the Organization of the Islamic Conference and the Islamic Jurisprudence Academy of the Muslim World League.

Sheikh Al-Qari is a member of the editorial boards of a number of academic publications in the field of Islamic financial services and jurisprudence, including the journals issued by the Jurisprudence Academy of the Muslim World League, Islamic Economic Studies of the Islamic Development Bank, Islamic Economics of the International Association of Islamic Economics in London, and the Advisory Board of the Harvard Series in Sharia Islamic. Sheikh Al-Qari is a member of many Fatwa and Sharia Supervisory Boards in many banks and financial institutions. He is also an author of several books and articles on Islamic finance in both Arabic and English. Besides, he is a frequent speaker at conferences held around the world as well as being a visiting professor at Harvard University in 1995. Sheikh Al-Qari holds a Ph.D. from the University of California.

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Professor Dr. Youssef bin Abdullah Al-Shubaili, Member of the Sharia Committee:

Professor of Comparative Sharia Jurisprudence at the Higher Judicial Institute, holds a Doctorate Degree (PHD) with excellent degree with first class honors in Comparative Sharia Jurisprudence from the Higher Judicial Institute, and is an expert in the International Islamic Jurisprudence Academy, and Chairman and member of a number of committees in commercial disputes. He is a chairman and member of a number of Sharia committees for Islamic financial institutions, a member of the Advisory Committee of the Scientific Society of Saudi Islamic Banking, a (former) member of the Board of Directors of the General Authority for the Guardianship of the Funds of Minors and the like, and a (former) member of the Advisory Council of the Center for Jurisprudential Excellence in Contemporary Sharia Issues. He supervised and discussed dozens of academic researches for Master's and PHD degrees in Sharia jurisprudence and regulations, and he has many published academic papers on Islamic financial transactions and zakat issues.

The Means on which the Board of Directors Relied on in Evaluating its Performance, the Performance of its Committees, the Executive Administration and the External Entity that Conducted the Evaluation and its Relationship with the Company, if any.

In implementation of the governance policies issued by the Central Bank of Saudi Arabia, as well as adopting the best practices in this regard, after the company was listed on the main financial market in April 2022, the Board of Directors, in its second meeting held on 28/06/2022 AD, issued an evaluation policy of the members of the Board and its committees. The evaluation focused on the following data:

- 1- Self-assessment of the performance of the members of the Council.
- 2- Performance evaluation of the Executive Committee.
- 3- Performance evaluation of the audit committee.
- 4- Performance evaluation of the Credit and Risk Management Committee.
- 5- Evaluating the performance of the Nomination and Remuneration Committee.

The company confirms that it is in the process of external consultant assistant to be assigned to conduct the evaluation based on the Board direction in its meeting held on 18th December 2024, but rather all evaluation forms and reports of the members of the Board and Committees were submitted to the attention of the Chairman and members of the Nominations and Remunerations Committee.

Remuneration and Compensation Policy of Members of the Board, its Subcommittees and the Executive Administration:

The company applies the policy of remuneration and compensation of the Board of Directors, its subcommittees and the executive administration approved by the General Assembly of Shareholders held on December 22, 2021 AD according to the recommendation of the Board of Directors and the Nominations and Remuneration Committee

This policy included the main and effective principles of best practices and standards in accordance with the supervisory regulations and instructions. The policy also aims to attract the appropriate competencies to accomplish the tasks and responsibilities of the Board of Directors and its committees in line with the company's activity, strategy and objectives.

It aims to urge the members of the Board of Directors for the success and development of the company in the long term, and to enhance the effectiveness of risk management and achieve the integrity and stability of the

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company's financial position. The policy has established a number of controls that must be considered when determining remuneration, including, but not limited to, the remuneration fairness and suitability with the member's competencies, works and responsibilities that the members of the Board of Directors undertake and bear to be achieved during the fiscal year. The rewards must be fair and commensurate with the results of the periodic evaluation of the performance of the members of the Board of Directors and its committees, and the performance and evaluation of the executive administration.

A Statement of the Remuneration Approved for the Members of the Board of Directors of 2024:

| | Fixed Remunerations | | | | | | | Variable Remunerations | | | | | End of service remuneration | Grand total | Expenses allowance |
|--------------------------------------|---------------------|--|--|------------------|--|--|------------------|------------------------|------------------|----------------------------|---------------------------|---------------------------------------|-----------------------------|-------------|--------------------|
| | A certain amount | Allowance for attending committee sessions | Total allowance for attending committee sessions | In-kind benefits | Rewards for technical, administrative and advisory works | Remuneration for the chairman, managing director or secretary if he is a shareholder | Total | Profits percentage | Periodic bonuses | Short-term incentive plans | Long-term incentive plans | Shares granted (the value is entered) | | | |
| First: Independent Members | | | | | | | | | | | | | | | |
| Ayham Muhammad Al-Youssef | 250,000 | 3,000 | 18,000 | - | - | - | 268,000 | - | - | - | - | - | - | - | - |
| Fares Ibrahim Al-Humaid | 250,000 | 3,000 | 18,000 | - | - | - | 268,000 | - | - | - | - | - | - | - | - |
| Abdulaziz S. Alanbar | 220,000 | 3,000 | 18,000 | - | - | - | 238,000 | - | - | - | - | - | - | - | - |
| Abdulah S. Alsheikh | 220,000 | 3,000 | 18,000 | - | - | - | 238,000 | - | - | - | - | - | - | - | - |
| Mohammed A. Alghannam | 52,000 | 3,000 | 3,000 | - | - | - | 55,000 | - | - | - | - | - | - | - | - |
| Total | 1,235,000 | 90,000 | 90,000 | - | - | - | 1,325,000 | - | - | - | - | - | - | - | - |
| Second: Non-executive members | | | | | | | | | | | | | | | |
| Youssef Abdullah Al-Shalash | 250,000 | 3,000 | 18,000 | - | - | - | 268,000 | - | - | - | - | - | - | - | - |
| Obaid Abdullah Al-Rasheed | 250,000 | 3,000 | 18,000 | - | - | - | 268,000 | - | - | - | - | - | - | - | - |
| Ahmed Saleh Al-Dehailan | 250,000 | 3,000 | 15,000 | - | - | - | 265,000 | - | - | - | - | - | - | - | - |
| Kamal Amin Khodr | 250,000 | 3,000 | 15,000 | - | - | - | 265,000 | - | - | - | - | - | - | - | - |
| Ziad Naim Alsha'ar | 250,000 | 3,000 | 18,000 | - | - | - | 268,000 | - | - | - | - | - | - | - | - |
| Total | 1,435,000 | 96,000 | 96,000 | - | - | - | 1,531,000 | - | - | - | - | - | - | - | - |
| Third: Executive Members | | | | | | | | | | | | | | | |
| None | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

A Statement of the Remuneration Approved for Members of Committees of the Board in 2024:

| Total | Allowance for Attending Sessions | Fixed Bonuses (Except for Attendance Allowance for Sessions) | Total |
|-------------------------------------|----------------------------------|--|----------------|
| Executive Committee Members: | | | |
| Kamal Amin Khodr | 33,000 | 100,000 | 133,000 |
| Ahmed bin Saleh Al-Dehailan | 33,000 | 100,000 | 133,000 |
| Ziyad Naim El Chaar | 21,000 | 100,000 | 121,000 |
| Abdulaziz S. Al-Anbar | 33,000 | 100,000 | 133,000 |
| Total SR: | 120,000. | 400,000 | 520,000 |
| Audit Committee Members: | | | |
| Muhammad bin Suleiman Al-Aqeel | 24,000 | 100,000 | 124,000 |
| Ahmed bin Saleh Al-Dehailan | 24,000 | 100,000 | 124,000 |
| Yazid bin Omar Al-Suwailem | 24,000 | 100,000 | 124,000 |
| Thamer Musfer Alwadi | 24,000 | 100,000 | 124,000 |

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| Members of the Nomination and Remuneration Committee: | | | |
|--|----------------|----------------|----------------|
| Ayham Muhammad Al-Youssef | 6,000 | 100,000 | 106,000 |
| Obaid Abdullah Al-Rasheed. | 6,000 | 100,000 | 106,000 |
| Faris Ibrahim Al-Rashid Al-Humaid. | 6,000 | 100,000 | 106,000 |
| Bader Nahes Al-Otaibi. | 6,000 | 100,000 | 106,000 |
| Total | 24,000 | 400,000 | 424,000 |
| Shariah Committee Members * : | | | |
| Sheikh Abdullah bin Sulaiman Al-Manea | 10,000 | 120,000 | 130,000 |
| Sheikh Dr. Abdullah bin Muhammad Al-Mutlaq | 10,000 | 120,000 | 130,000 |
| Sheikh Dr. Muhammad bin Ali Al-Qari | 10,000 | 180,000 | 190,000 |
| Sheikh Dr. Yousef bin Abdullah Al-Shubaili | 10,000 | 120,000 | 130,000 |
| Total | 40,000 | 540,000 | 580,000 |
| Ibrahim Abdullah Al Jaser. | 18,000 | 79,000 | 97,000 |
| Total SR: | 114,000 | 479,000 | 593,000 |
| Members of the Risk Management Committee: | | | |
| Kamal Amin Khodr | 12,000 | 100,000 | 112,000 |
| Abdulelah S. Al-Shaikh | 12,000 | 100,000 | 112,000 |
| Pierre-Com Liege | 12,000 | 100,000 | 112,000 |
| Roy R. Al-Khory | 12,000 | 100,000 | 112,000 |
| Alaa Ibrahim Assaly | 3,000 | 58,000 | 61,000 |
| Total SR: | 51,000 | 458,000 | 509,000 |

* - Remuneration of Shariah committee is based on the agreement with them.

Executive Management Members:



Bandar Saeed Al-Ghamdi

| | |
|--|---|
| Position | <ul style="list-style-type: none"> • Chief Executive Officer |
| Date of appointment | <ul style="list-style-type: none"> • 16/08/2020 AD |
| Academic and professional qualifications | <ul style="list-style-type: none"> • Bachelor of Business Administration from King Abdul-Aziz University, Kingdom of Saudi Arabia in 2007. |
| Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom | <ul style="list-style-type: none"> • Chief Executive Officer of the company, from 2020 AD to date. • Member of the Executive Committee of the SHL Finance Company from 2020 AD to 10/04/2021 AD - Kingdom of Saudi Arabia. • General Manager of Assets of Retail Banking at Al Bilad Bank, a public shareholding company, working in the field of banking, from 2015 AD to 2020 AD. Kingdom of Saudi Arabia. • Assistant General Manager of Assets of Retail Banking at Al Inma Bank, a public joint stock company, operating in the field of banking, from 2007G to 2015G. Kingdom of Saudi Arabia |

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Abdulaziz Rasheed Al Taleb.

| | |
|---|--|
| Position | <ul style="list-style-type: none"> • Chief Operating Officer |
| DATE OF APPOINTMENT TO | <ul style="list-style-type: none"> • 28TH APRIL 2024 |
| Academic and Professional Qualifications. | <ul style="list-style-type: none"> • Mr. Al-Talib holds a Master's degree in Science from the United States of America, with over 20 years of banking experience. |
| Current and Previous Positions and Companies in which he served as a member of the Board of Directors inside or outside the Kingdom. | <ul style="list-style-type: none"> • Mr. Al-Talib is a key pillar in implementing SHL Finance's strategy through 2029 through his role on the Strategy Steering Committee. • Head of Credit Operations at Arab National Bank from 2018 to 2024 • Senior Manager in Corporate Management at SABB Bank from 2014 to 2018 • Senior Manager in Corporate Management at SABB Bank from 2014 to 2018 • Head of Corporate Services at Arab National Bank from 2010 to 2014 • Head of Islamic Banking Operations at Arab National Bank from 2007 to 2010 • Director of the Corporate Services Unit at Arab National Bank from 2005 to 2007 • Drives the company's operational efficiency by identifying areas for process improvement and implementing best practices. Develops and monitors operating budgets, ensuring efficient use of resources while maintaining financial stability. Leading and developing high-performance teams across various functions, fostering a culture of accountability, performance, and growth. • Mr. Al-Talib has gained a wide range of experience throughout his career, including commercial operations, corporate banking, Islamic banking operations, implementing international standards, and credit monitoring with leading banks. |

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Abdullah Al Shamrani

| | |
|--|---|
| Position | <ul style="list-style-type: none"> ● Chief Financial Officer |
| Date of Appointment | <ul style="list-style-type: none"> ● 23/07/2023 |
| Academic and Professional Qualifications | <ul style="list-style-type: none"> ● Bachelor's degree in Financing from the University of King Fahad for Petroleum and Minerals -2012 ● Obtained Professional Training and Courses in Finance and Banking Sectors. |
| Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom | <ul style="list-style-type: none"> ● Head of the Treasury Department – Amlak International for Financing – from June 2019 to July 2023 – Joint stock listed company – Kingdom of Saudi Arabia. ● Manager of the Treasury Dept. National Bank of Qatar – from June 2017 to June 2019 - Joint stock listed company – Kingdom of Saudi Arabia. ● Responsible officer for Treasury client's solutions – Saudi Hollandi Bank – from March 2013 to June 2017 - Joint stock listed company – Kingdom of Saudi Arabia. |



Muhammad Abdul Rahman Al-Asaad

| | |
|---|--|
| Position | <ul style="list-style-type: none"> ● Chief Risk Officer |
| Date of Appointment | <ul style="list-style-type: none"> ● 12/01/2020 |
| Academic and professional qualifications | <ul style="list-style-type: none"> ● Master of Financial Economics from Ohio University, USA, 2013. ● Bachelor of Business Administration and Marketing from Applied Science University, Jordan in 2000. |
| Current and previous positions and companies in which he served as a member of their board of directors inside or outside the Kingdom. | <ul style="list-style-type: none"> ● Chief Risk Officer, from 2020 to date - Kingdom of Saudi Arabia ● Senior Manager of Individual Risk and Collection of the private sector at Al-Rajhi Bank, a public shareholding company, working in the field of banking, from 2018 AD to 2020 AD - Kingdom of Saudi Arabia. |

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| | |
|--|--|
| | <ul style="list-style-type: none"> • Senior Manager Corporate Credit Strategy at Al Rajhi Bank, a public joint stock company, working in the field of banking, from 2016 AD to 2018 AD - Kingdom of Saudi Arabia. • Individual Risk Manager at Al-Rajhi Bank, a public joint-stock company, working in the field of banking, from 2014 AD to 2016 AD - Kingdom of Saudi Arabia. • Director of Real Estate Finance at Emirates NBD Bank (Saudi Arabia Branch), an Emirati public shareholding company, working in the field of banking, from 2013 AD to 2014 AD - Kingdom of Saudi Arabia. • Director of Credit Policies and Procedures at Al Inma Bank, a public joint stock company, working in the field of banking, from 2009 AD to 2010 AD - Kingdom of Saudi Arabia. • Director of Product Development at Amlak International Real Estate Finance Company, a public shareholding company, working in the fields of real estate financing, from 2008 AD to 2009 AD - Kingdom of Saudi Arabia. |
|--|--|

Statement of Remuneration and Compensations Paid to Five Senior Executives Who Received the Highest Remunerations, Including the Chief Executive Officer and The Chief Financial Officer:

Remunerations of the company's senior executives are determined according to the recommendation of the Nominations and Remunerations Committee and the Board of Directors' approval of the relevant policy. The salaries, allowances, compensations and end of service rewards are determined according to the human resources policies approved by the company according to employment contracts and related regulations and applications. As for the annual bonuses, they are granted in line with the strategic objectives of the company to motivate the senior executives to achieve the general objectives of the company.

The Table Below Shows the Remuneration and Compensation Paid to Senior Executives, Including the Chief Executive Officer and Chief Financial Officer:

| Fixed Rewards: | | | | Variable Bonuses: | | | | | | End of service remuneration | Total remuneration of the executives on the behalf of the board, if any | Total |
|-----------------------|------------|------------------|------------------|--------------------------|------------------|----------------------------|---------------------------|---------------------------------------|----------------|-----------------------------|---|------------------|
| Salaries | Allowances | In-kind benefits | Total | Profits percentage | Periodic bonuses | Short-term incentive plans | Long-term incentive plans | Shares granted (the value is entered) | Total | | | |
| 4,329,500 | 789,125 | 0 | 5,118,625 | 0 | 750,254 | 0 | 0 | 0 | 750,254 | 0 | 0 | 5,868,879 |

The company is committed to disclosing the bonuses granted to senior executives in total, according to the requirements of the corporate governance regulations, without stating the details in order to protect the interests of the company and ensure job stability.

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Company's Dividend Policy:

The company applies Article (39) of the Articles of Association—after amendment and alignment with the new Companies Law and its Executive Regulations—which stipulates that “shareholders are entitled to their share of profits in accordance with the General Assembly resolution issued in this regard. The resolution shall specify the due date and distribution date. The entitlement to profits shall be for shareholders registered in the shareholders' records at the end of the due date. The Board of Directors must implement the General Assembly resolution regarding the distribution of profits to shareholders.

The Ordinary General Assembly may—by resolution renewed annually—authorize the Board of Directors to distribute interim dividends to shareholders semi-annually or quarterly in accordance with the procedures and rules regulating this matter issued by the competent authorities.”

The Board of Directors also issued a dividend distribution policy at its first meeting held on March 20, 2024. The Board of Directors is committed to enhancing shareholders' confidence in the company by striving to achieve fairness and balance when determining dividend distribution, considering cash flows from operations, available financial resources, investment requirements, long-term growth strategies, and internal and external factors. This is to achieve the company's interests and sustainability, maximize shareholder returns, and ensure the rights of stakeholders. Others.

To confirm this, the Board has adopted a clear dividend distribution policy ("Policy"), which sets out the procedures for distributing dividends to shareholders, in accordance with the Company's Articles of Association and relevant rules and regulations.

Dividends Announced and Distributed in 2024:

The company did not distribute dividends during the year 2024 AD due to the decrease in profits achieved at the end of the fiscal year 2023 AD.

Statement of the Names of the Companies in which the Company is a Shareholder:

| Company Name | Capital | Company Ownership Percentage | Company's Main Activity | Headquarters of the Company's Operations | Headquarters of Incorporation of the Company |
|-------------------------------------|-------------------------|------------------------------|---|--|--|
| Saudi Contract Registration Company | 37,500,000 Saudi Riyals | 2.23% | Registration of Financial Lease Contracts | Kingdom of Saudi Arabia, Riyadh | Kingdom of Saudi Arabia, Riyadh |

General Assemblies of Shareholders Held During 2024:

The Company Held (2) Shareholders meetings in 2024 the first Extra General Shareholder meeting was held on 18 /12/2024, and the General Assembly Meeting was held on 30th June 2023, and we will highlight the Agenda of each of these meetings:

First: The Agenda of the General Meeting (First Meeting) Held on 30th June 2024:

- 1- To review and discuss the Board of Directors Report for the fiscal year ended 31st December 2023. (attached).
- 2- To review and discuss the Financial Statements for the fiscal year ended 31st December 2023. (attached).
- 3- To vote on the External Auditors Report for the fiscal year ended 31st December 2023 after its discussion. (attached)
- 4- To vote on absolving the members of the Board of Directors from liabilities for the fiscal year ended 31st December 2023.

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- 5- To vote on the Board of Directors resolution on the appointment Mr. Mohammed bin Abdulrhman Al-Ghannam as independent member in the Board of Directors starting from the date of his appointment on 17th October 2023 up to the end of the current Board of Directors' term on 27th November 2025 in replacement of the previous none executive Board member Mr. Othman bin Khairy Bader. (C.V. attached)
- 6- To vote on Board of Directors resolution on the appointment of Mr. Ibrahim bin Abdullah Aljasir as an independent Board member starting from 17th March 2024 up to the end of the current Board of Directors' term on 27th November 2025 in replacement of the previous independent Board member Mr. Saud bin Abdulaziz Al-Gussaiyer. (C.V. attached)
- 7- Voting on the distribution of remuneration for the Board members for total amount of (2,846,000) two million eight hundred forty-six thousand for the year ended 31st December 2023 (attached).
- 8- Voting on the distribution of remuneration for the Board Committees members for total amount of (2,057,000) two million fifty-seven hundred thousand for the year ended 31st December 2023 (attached).
- 9- To vote on the appointment of the company's auditor from among the candidates based on the Audit Committee recommendation to examine, review, and audit the financial statements for the second, third and annual financial statements for the year 2024, and the first quarter of the year 2025, and to determine his fees. (attached).
- 10- To vote on delegating the Board of Directors to distribute Interim Profits on Quarterly or Simi Annual basis for the year 2024.
- 11- To vote on the transactions and contracts made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to the banking facilities (Islamic Tawarruq Financing) obtained from the Arab National Bank, with a total balance of 1.70 Billion Saudi Riyals as of December 31st , 2023, along with the consequences of these facilities such as burdens and costs in the amount of 117.3 Million Saudi Riyals during the same year and on the basis of the SIBOR of the bank's profit margin, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 12- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, the company amortizes the previous balance on a monthly basis until the end of those contracts. The unpaid part of the commission, paid to the Arab National Bank, was amounted to 12.1 Million Saudi Riyals as of December 31st, 2023. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 13- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to service fees, representing the value of administrative services provided by SHL Finance Company related to real estate financing contracts, sold to the Arab National Bank during 2014, according to the asset sale agreement signed with the Arab National Bank. The inclusive service revenues during the year were amounted to 4.4 Million Saudi Riyals, net after deducting the costs of services, and the balance of service fees due from the Arab National Bank was amounted to 0.5 Million Saudi Riyals as of December 31st, 2023. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 14- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to fair value of derivative financial instruments and hedging profit, during 2022, the company signed an interest rate swap agreement to hedge its exposure to interest rate risk on financing contracts with a fixed profit cost by exchanging prices between the fixed interest paid monthly. The positive fair value of the interest rate swap as of December 31st, 2023, was amounted to 26.95 Million Saudi Riyals, with a nominal amount of 179 Million Saudi Riyals. Hedging revenue recognized in the profit/loss statement during the year, was 6.5 Million Saudi Riyals, that appear deducted from the facility cost, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 15- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to the Service Level Agreement for Sharia supervision, on January 1, 2022, the company signed a Service Level Agreement (SLA) with the Arab National Bank regarding assigning the tasks of Sharia Compliance and Sharia Audit, for two years, at an amount of 10 Thousand Saudi Riyals monthly. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 16- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, , related to Credit-Sales (Murabaha Deposits), during the year, the company signed Credit-Sales (Murabaha Deposits) agreements with the Arab National Bank, as part of the company's strategy for the optimal use of available cash, as the outstanding balance of Credit-Sales (Murabaha Deposits), as of December 31st , 2023, the realized deposit profits, for the year, were amounted to 23K Saudi Riyals. The contract is considered as continuous dealings which is subject to annual review and renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 17- To vote on the transactions and contracts, made between the company and the shareholder, Dar Al Arkan Real Estate Development Company, which Board member Mr. Yousef Abdullah Al Shalash had indirect interest, represented in the fact that the company, during the year within its normal activity, financed clients to purchase ready housing units within the

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housing projects, developed by Dar Al Arkan Real Estate Development Company in various regions of the Kingdom and according to the customers' desire and choice. Total value of the residential units purchased from Dar Al Arkan Real Estate Development Company and financed to customers during the year 2023, was amounted to 3.8 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)

- 18- To vote on the transactions and contracts, made between the company and the shareholder, Tharawat Real Estate Assets Company, which the Board member Mr. Yousef bin Abdullah Al Shalash, has an indirect interest, and these amounts are represented in the rental value for offices space Nos. (004/103/104/303/304) rented by the company's Head Offices in Madarat Towers, located in Riyadh, Al-Wazarat district, with a total area of 1961 M2, according to the agreement signed between the company and Tharawat Real Estate Assets Company on 01/01/2020. The rents paid for the year 2023, were amounted to 2.18 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 19- To vote on the transactions and contracts, made between the company and Wasalt Real Estate Services Company, in which the Board member Mr. Youssef bin Abdullah Al Shalash, has an indirect interest. Whereas, on 01/07/2022, the company signed an annual real estate marketing services agreement with Wasalt Real Estate Services Company, in order to attract clients and finance them through the Company. The commissions paid to Wasalt Real Estate Services Company during the year 2023, were amounted to 0.11 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 20- To vote on the transactions and contracts implemented between the company and Quara Digital for Technical Support Services, in which the Board member Mr. Youssef bin Abdullah Al Shalash, has an indirect interest. Whereas, on 22/08/2022, the company signed an annual Technical Support Services Agreement with Quara Digital for Technical Support Services, in order to provide the necessary technical support for the company. The fees paid to Quara Digital for Technical Support Services during the 2023, were amounted to 0.17 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 21- To vote on the transactions and contracts, made between the company Al Khair Capital, which the Board member Mr. Yousef bin Abdullah Al Shalash had indirect interest, related to Credit-Sales (Murabaha Deposits), during the year, the company signed Credit-Sales (Murabaha Deposits) agreements with the Al Khair Capital, as part of the company's strategy for the optimal use of available cash, as the outstanding balance, of credit-sales (Murabaha Deposits), as of December 31st , 2023, was amounted to 31.1 Million Saudi Riyals, and the realized deposit profits for the year, were amounted to 1.1 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)

Names of the Board of Directors' Members Present at the General Assembly's Meeting:

- 1) Mr. Yousef bin Abdullah Alshelash - Board Chairman.
- 2) Mr. Obaid Al-Rasheed - Board Vice Chairman.
- 3) Mr. Mohammed Abdurrahman Al- Ghannam.
- 4) Mr. Kamal Bin Amin Khodr – Board Member.
- 5) Mr. Ayham Bin Mohammed Al Yousef -Board Member.
- 6) Mr. Ziad Naeem El Cha'ar - Board Member.
- 7) Mr. Faris Al-Rashid Al-Humaid – Board Member.
- 8) Mr. Abdulelah Saleh Al Shaikh – Board Member.
- 9) Dr. Ahmed S. Al-Dehailan – Board Member.
- 10) Mr. Abdulaziz Saleh Al-Anbar – Board Member.
- 11) Ibrahim bin Abdullah Al-Jasir – Board Member.

Names of the Chairmen of the Committees Present at the General Assembly's Meeting or Members of such Committees Attending on Their Behalf:

- 1- Dr. Mohammed Bin Suleiman Al Aqeel – Chairman of the Audit Committee.
- 2- Mr. Kamal Bin Amin Khodr – Chairman of the Executive Committee & Chairman of the Credit & Risk Management Committee.
- 3- Mr. Ayham Bin Mohammed Al Yousef - Chairman of the Nomination & Remuneration Committee.

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Second: The Agenda of the Extra General Meeting (First Meeting) Held on 18th December 2024:

- 1- Approval of the amendments of the company's Articles of Association to be consistent with the new Companies' Law, and re-arranging and numbering the Articles to be consistent with the proposed amendments.
- 2- Approval of the amendments the Audit Committee's Charter.

Names of the Board of Directors' Members Present at the Extra General Assembly's Meeting:

1. Yousef A. Al-Shelash – Chairman of the Board.
2. Obaid A. Al Rasheed – Vice Chairman of the Board.
3. Mohammed Abdulrahman Al-Ghannam. Board Member.
4. Kamal A. Khodr – Board Member.
5. Ayham Al-Yousef – Board Member.
6. Ziad Naeem El-Chaar – Board Member.
7. Faris Al-Rashid Al-Humaid – Board Member.
8. Abdulelah S. Al-Shaikh – Board Member.
9. Ahmed S. Al-Dehailan – Board Member.
10. Abdulaziz S. Al-Anbar – Board Member.
11. Ibrahim Abdullah Al-Jasir- Board Member.
12. Dr. Mohammed Sulaiman Al-Aqeel- Audit Committee Chairman.
13. Kamal A. Khodr – Chairman Risk & Audit-Com, and Chairman Executive Committee.
14. Ayham Al-Yousef – Chairman of the Nomination & Remuneration Committee (NRC).

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Number of the Company's Requests of the Register of Shareholders and the Reasons:

| Number | Date of the Request | Reasons for the Request |
|--------|---------------------|-------------------------|
| (1) | 02/01/2024 | Company Procedure |
| (2) | 18/12/2024 | Extra General Assembly |

Complied and Non-Complied Provisions of the Corporate Governance Regulations Issued by the Capital Market Authority as well as the Reasons:

The company is committed to applying all mandatory provisions of the Corporate Governance Regulations issued by the Capital Market Authority, as well as applying the main principles of governance in financial institutions issued by the Central Bank of Saudi Arabia. The table below shows the provisions that were not applied in the Governance Regulations and the reasons for that:

| SN. | Article of the Governance Regulations | Reasons for Non-Application |
|-----|--|--|
| 1 | Article Seven - Paragraph (d) - Appointing an official specialized in investor relations tasks | Guidance Clause |
| 2 | Article Thirty – nine - Evaluation | Guidance Clause - |
| 3 | Article fifty-one - Paragraph (C) - Chairing the Audit Committee | Guidance Clause |
| 4 | Article eighty- two - Employee Motivation | Guidance Clause |
| 5 | Article eighty-five - Social Responsibility | Guidance Clause - Partially implemented, as the company adopted a repair and maintenance program for poor and week social classes in 2024. |
| 6 | Article ninety-two - Governance Committee | Guidance Clause |

Actions taken by the Board of Directors to Inform its Members of the Shareholders' Proposals and Observations:

The company receives the opinions, suggestions and complaints of the shareholders through the e-mail announced on the company's website on Tadawul Co. and through phone calls where the Secretary of the Board is responsible for informing the Board of Directors of any substantial proposals or observations on the part of the shareholders. The company did not receive any proposals or observations during 2024.

The Company's Main Business Sectors and Departments:

1- Business, Product, and Marketing Development Sector:

In continuation of achieving the company's strategic objectives and keeping pace with market and financial industry changes, the Product and Business Development Department has worked to improve the company's performance and keep pace with market changes. This department follows the latest scientific standards before launching or developing any service or product. This is achieved through continuous research and study of the financial market, analyzing the strengths and weaknesses of competitors, and identifying the needs of customers and target segments with the goal of bridging the financing gap in the market. This then entails conducting feasibility studies for financial activities and products in the market to determine the feasibility of these activities and products. The best available investment opportunities and the creation and development of financing products that serve the financing activities that support the achievement of the company's strategic objectives. The products and business development team are also keen to study the important aspects of everything related to marketing strategies, sales strategies, product offerings, and the importance of using the latest technologies to raise the level of productivity, as the most important developments are applied at a record speed to continue the development of the company's performance and maintain its position in the financing market. Building on the achievements and qualitative leaps achieved in product and business development in previous years, 2024 witnessed a qualitative shift in terms of developing and offering digital services and automating financing procedures.

Key Activities and Achievements:

- Launch of the self-build product, which serves the individual sector (business owners, entrepreneurs, and high-net-worth individuals).
- Launch of the consumer financing product for residents.
- Continuous work and coordination with the Sales Department to double the company's individual sales targets for 2024.
- Continuous work and coordination with the Commercial Finance Group, High Net Worth Individuals, and Small and Medium Enterprises (SMEs) sector to achieve the sales targets for 2024.
- Establishing strategic working relationships with several strategic partners and service providers, in addition to opening new sales channels that serve the company's strategy and objectives, such as the Arab National Bank and Lean (Open Banking Services).
- Developing and regulating several policies and procedures specific to the company's business, in line with the best standards, clarifying the roles and responsibilities of each department.
- Developing all training materials for all products and conducting training for the company's departments to enhance knowledge of the products, their features, policies, and procedures. This is in addition to holding workshops aimed at enhancing service levels and contributing to achieving the company's objectives.
- Renewing the agreement and contract with two international companies (DD-Cap and Condor), headquartered in London, to provide commodity buying and selling services that serve the company's financing operations (Tawruq).
- Developing and testing the system for new financing products, in addition to the ongoing development of existing products, their features, and characteristics.
- Technical integration with multiple service providers to enhance efficiency and financing procedures for quick and easy access to financing, such as the Masdar service and the Tanweel platform.
- Management and development of the insurance policy for the financing portfolio in cooperation with Derayah Insurance Brokerage Company to achieve the highest quality standards for insurance services.

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- Participation in exhibitions supporting financing in the Kingdom of Saudi Arabia.
- Updating all visual designs and printed materials in branches to consolidate the company's new identity.
- Working on developing promotional and interactive advertising campaigns on search engines and social media platforms to raise awareness of new products. - Developing the content of the official website, updating content and adding all the requirements of the Saudi Central Bank and the Capital Market Authority.
- Increase awareness and education about financing products by disseminating simplified customer awareness messages and facilitating communication between them and the company by authenticating our approved social media pages.
- Cooperate with external entities and organizations to offer various offers to attract more customers, enabling them to own various properties according to their needs and access the various financing products provided by the company.

2- Commercial Finance, High Net Worth, and Small and Medium Enterprises (SMEs) Group Sector:

As part of the company's 2024 business growth strategy, the Commercial Finance, High Net Worth, and Small and Medium Enterprises (SMEs) Group provides financing programs and solutions that comply with Islamic Sharia law, in line with Vision 2030. As an extension of this role and to achieve its objectives, the group has developed financing programs that support enterprises in obtaining the necessary financing to develop and expand their activities. The group also works to finance commercial activities, businessmen and self-employed people. The group also seeks to achieve these goals through managing the relationship with customers to provide financing against real estate guarantees in accordance with the company's credit policies, as well as targeting financing new real estate developers as well as existing customers, in addition to developing a growth strategy based on financial gains and customer satisfaction. Customer portfolios are managed by a professional team appointed to manage the relationship with this segment according to the targeted regions (Central Region - Western Region - Eastern Region) and activate their role to attract this segment as well as communicate with existing customers. We also communicate with existing customers and seek out new target markets with innovative financing programs and products. The goal is to support and empower the business sector and commercial activities through the Kafala program, as well as the Small and Medium Enterprises Bank, with the aim of increasing financing opportunities for these enterprises and ensuring they receive the necessary funding. The Kafalah Program, with the participation of SHL Finance Company and other financing entities, celebrated a unique national achievement, as the program exceeded 100 billion riyals to guarantee small and medium enterprises. The group also works to ensure customer service and satisfaction, provide services at a high level of efficiency, respond to their requests, and respond to their comments and suggestions in record time. It also works to improve the work environment by enhancing efficiency, development, training, and attracting qualified national cadres to contribute to the growth and development of the company.

3- Sales Department (Retail):

The Sales Management developed and implemented plans and strategies, formulating objectives through the company's financing programs and products. These programs provide the highest levels of sales and service standards, communicating with the largest possible segment of customers, and building strong relationships with them. The management is constantly committed to identifying the main problems that hinder the sales process, discussing them with executive management, and finding effective solutions.

Key Activities and Achievements:

The company has gained widespread popularity in the real estate financing market due to its ongoing visits to all real estate development companies, real estate offices, and development projects, through the ongoing expansion of real estate infrastructure.

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The management's staff also regularly attends and participates in exhibitions and conferences to promote the company and its achievements and build relationships with customers through its products. This has contributed to a significant increase in sales compared to previous years

4- Operations Department:

Operations Department is one of the main departments in the company and supports other departments and divisions to ensure the progress of work in accordance with internal policies and procedures and legislation of various relevant authorities. It also works to develop and improve daily work procedures and business support in such way that serves the company's strategic objectives. The following sections belonged to Operations Department:

- 1- Credit section for individuals.
- 2- Evaluation, Guarantees and Real Estate Maintenance Section.
- 3- Closing and Disposals Section.

A- Credit Department:

Credit Department is dedicated to analyzing and assessing real estate and personal financing applications from individuals received by the company. Their focus lies in verifying customers' alignment with credit policies and swiftly issuing final approvals, enabling competitive turnaround times while upholding quality standards. Furthermore, the Department actively endeavors to enhance procedures and propose recommendations aimed at optimizing workflow efficiency and mitigating potential future risks to the company.

Most Important Works and Achievements:

- 1- Contributing to setting the necessary requirements in the system to launch personal finance products in accordance with credit policies and principles of responsible financing for individuals and testing them to ensure their validity and suitability.
- 2- Contributing to developing plans and implementing the project to convert existing variable lease contracts into fixed lease contracts and studying them for credit before implementation.
- 3- Concluding an agreement with a financial technology company through which technical services are provided that contribute to raising the level of efficiency of study procedures and approvals for real estate financing and personal financing applications.
- 4- Contributing to raising the level of quality and accuracy of customer data that is submitted to Credit Information Company
- 5- Applications are reviewed to ensure they comply with responsible financing standards.

B- Evaluation and Guarantees Department:

It is the department concerned with evaluating and examining all properties that customers wish to finance, and it is also the department concerned with examining, re-evaluating and maintaining properties after financing. Three sections are belonged to Evaluation Department, which are as follows:

First/Property Evaluation Section: It is the Section concerned with evaluating properties before financing to verify their fair market value and the quality of their construction.

Second/Maintenance Section: It is the Section concerned with assessing and treating damages that may occur to customers' properties during the validity period of the financing contract.

Third/Recovered Properties Section: It is the Section concerned with rehabilitating and maintaining properties recovered from clients and displaying them in the real estate market.

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Most Important Works and Achievements:

- Inserting Real Estate Maintenance Section under Evaluation and Guarantees Department.
- Preparing Evaluation and Guarantees Department policy and procedures.
- Updating the policy and procedures for repossessed properties.
- Modifying Maintenance Section procedures.
- Preparing procedures for in-kind registration and starting to register all of the company's properties according to regions and neighborhoods based on the directives of Real Estate General Authority

C- Closing and Clearance Department:

Clearances and Ownership Transfer Department is an important and complementary element in completing the customer's experience to obtain the property through the process of issuing checks and transferring ownership (selling, buying and mortgaging all types of properties), in addition to the final review process of customer files, which contributes to raising the level of customer satisfaction and improving the quality of procedures. The following tasks are belonged to Closing and Clearance Department:

First/Purchasing and mortgaging newly financed properties and selling and releasing the mortgage of paid properties, while ensuring that the approved procedures are followed and the required documents are completed.

Second/Updating instruments and coordination

5- Customer Care Department:

The Customer Care Department serves more than seven thousand customers with the highest quality standards through the largest financing portfolio at the level of real estate financing companies. The policies and procedures of the Customer Care Department are also updated continuously in line with internal changes and legislation and in line with the regulations, controls and circulars of the Central Bank related to customer service.

The Most Important Tasks:

Achieving a major achievement for the Central Bank's complaints handling team by reaching 100% of the number of complaints that were successfully responded to within the standard time for the complaint, which exceeded the required rate from the Central Bank, which is 80%.

Achieving 82% in the customer satisfaction rate, which exceeded the required rate from the Central Bank, which is 70%.

Linking most departments to the Customer Care Management System to receive requests or complaints through the system, which contributed to activating the speed of response to customer requests and the ease of monitoring and follow-up.

Developing a working mechanism with the relevant internal departments, including service level agreements and a mechanism for escalating complaints to ensure that they are processed within the regular period.

Focus on the continuous development of front-line employees' knowledge of the company's products by providing training programs by the relevant departments.

Contact Center:

In line with the company's goals to increase customer satisfaction by responding to their inquiries and suggestions and dealing with complaints with the highest quality standards, the Customer Care Department seeks to provide the best means of communication through:

*The Toll-Free number * Messaging and E-mail service * Branch services * SAMA Care platform * Social media (WhatsApp - Twitter).

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The Contact Center Performs the Following Tasks:

- Processing outgoing and incoming calls from current and potential customers.
- Finding effective means of communication through the latest digital channels that enable them to communicate easily and conveniently at times that suit them.
- Live/direct conversations and notifications with customers.
- Analyzing data related to customer calls and reducing the waiting time for response to calls

7- Information Technology Department:

The IT department is the cornerstone of the organization, playing a vital role in streamlining business operations and achieving company goals. IT improves operational efficiency and supports the implementation of new solutions and integration while ensuring the stability of existing systems.

By encouraging collaboration among IT members, each member contributes specialized knowledge that allows for quicker issue resolution and enhanced support for business units and our customers. This collaboration not only boosts responsiveness but also reduces risks, meet the guidelines set forth by the central bank, and underpins digital transformation initiatives.

Key IT Services:

- Business analysis and project management services.
- System enhancement and software solutions.
- Internal & External Integration Services.
- Advisory and support for IT digital transformation initiatives.
- Vendors & Contracts Management.
- Application Support and Maintenance.
- Technical Support & Ticketing system management.
- Business Intelligence and Analytics.
- Infrastructure Management.
- Security Services.
- Networking and database management services.
- Data Privacy & Data Backup and Recovery.
- Business continuity.
- Support audit requirements (internal and external).
- Provide Technical solutions to ensure adherence to central bank regulations.

Achievements:

In 2024, the Information Technology Department (IT) has achieved several important milestones, including:

Data Quality Management:

- Identifying and resolving data quality issues on a daily, weekly, and monthly basis, resulting in compliance with the SIMAH finance score of 99.956%.

Technical Support:

- Streamlining the management of technical support requests across various business channels.

Enhancing SHL Systems:

- Successfully executing around: (15) major projects, (4,500) Requests and (50) changes order (CR) to business, regulatory, and audit needs.

Middleware Services:

- Laid the foundation for middleware and integration services, enabling seamless communication between our core system and external systems, which led to the launch of our first digital channel, Apply Now.
- Integrated with numerous third-party services, including ABSHIR, NATHER, DDCAP, MASDAR, TAHQAQ, Digital Contract, open banking, and SIMAH V2, establishing a basis for future digital channels, such as a mobile app.

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Strategic Infrastructure Upgrade Projects

- Successfully completed various infrastructure initiatives, including upgrades to our network, systems.

Enhancing Cybersecurity:

- Implemented advanced security measures and protocols, resulting in a significant reduction in vulnerabilities and improved protection of sensitive data against cyber threats. Regular security audits and training sessions were conducted to ensure ongoing compliance and awareness across the organization.

Disaster Recovery (DR) for 2023 ,2024

- Successfully conducted two disaster recovery 5 days activities on our DR site during working hours, which was required by SAMA and this lead to have solid DR site which allowed SHL to use it on demand and which is actually happened this year.

Key Achieved Projects

New Digital Channels:

- 1st Digital Chanel for Customers-Apply Now-Customers.
- 2nd Digital Chanel for Staff -Apply Now-Staff.
- 3rd Digital Channel for Apply Now – Fraud Handling.

Middleware Services:

- Automate & Integrate with many 3rd party Services: ABSHIR, NATHER, DDCAP, MASDAR, TAHQAQ, Digital Contract, Open Banking, and SIMAH V2.

Risk Management Dashboard.

- Delivered around (150) reports for Risk department to support Risk department to reduce manual efforts and support Risk demands from SAMA.

SME Revamp & Enhancement

- Revamp SME phase 1 system by providing new facilities, to simplify users journey and customer experience, which lead to simplify the application flow.

SADAD - Fees Allocation

- Provide new feature to collect customers fees through SADAD instead of manually collect the fees.

AML System Alerts modifications

- Review and revamp current AML system in order to make sure its matching our compliance and regulatory needs and expectations.

Other Core System Enhancement CRs:

- In house development for around 50 CR to improve system performance, business needs, adheres with SAMA and user's experience/ customer journey.

Infrastructure, IT Security and Business Continuity Projects

- New Email Service (Microsoft Exchange)
- External Audit - Deloitte (2022 ,2023)
- Forti Mail, FortiSanbox and FortiGate.
- SHL Network Upgrade (3 Phases).
- 5 Days Disaster Recovery for 2024
- Multi Factor Authentication Project.
- NAC (Network Access Control) Solution.

Future Goals

In the upcoming year, the Information Technology Department (IT) has set several objectives to achieve:

- IT main goal is to align with full support in Digital Transformation Initiatives for IT like:
 - Provide new mobile APP for SHL.
 - Upgrading Core Systems.
 - Upgrading Finance Systems.
 - Build SHL API Gateway as per best practice.
 - Provide new Omni-Channels.
- Manage SHL BAU (Business as usual) activities:

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- Build SHL Private Cloud.
- Core system Enhancement & Support.
- Hardware & Software Tech Refresh.
- Developing IT Skills.

8- Compliance Department:

Compliance with regulations, laws and instructions is one of the most important foundations of SHL Finance Company's success, maintaining its reputation and credibility, and providing it with protection from regulatory penalties. Compliance is also a comprehensive and multi-faceted responsibility, and falls on all parties in the company, starting with the Board of Directors and senior management and ending with all employees, each according to his powers and tasks assigned to him.

Compliance Department focuses on the following objectives:

- ❖ Strengthening the relationship with regulatory authorities.
- ❖ Listing all regulations and laws of the applicable regulatory authorities.
- ❖ Educating employees about the importance of compliance by preparing training courses and sending awareness messages.
- ❖ Preventing risks of non-compliance (reputational risks/penalties/operational risks).
- ❖ Maintaining sound values and practices.
- ❖ Creating mechanisms that combat financial crimes, in particular combating money laundering and terrorist financing.
- ❖ Providing advice on the risks of non-compliance within the company and working with senior management to include compliance with regulations and laws in the policies, procedures and work steps for all products and services provided.

Culture of Compliance:

Ensuring compliance with regulations begins with the highest echelons of the company's leadership. It is crucial that the Board of Directors and senior management serve as exemplars in both work management and compliance practices. Effective compliance hinges on instilling a corporate culture wherein high standards of honesty and professional integrity are upheld. It's imperative for management to consistently emphasize the importance of fostering a culture of compliance throughout the organization. Compliance with regulatory requirements isn't solely the responsibility of the Compliance Department; rather, it's a shared obligation for every individual within the company. Recognizing that compliance is integral to the company's business and operational activities, each employee bears the responsibility of upholding it to help achieve organizational goals and implement an effective regulatory compliance program.

The Most Prominent Tasks Carried Out by Compliance Department:

- ❖ Obtaining a No-objection Certificate from Saudi Central Bank to change the company's name to (SHL Finance Company).
- ❖ Obtaining a No-objection Certificate from Saudi Central Bank to amend the company's articles of association.
- ❖ Obtaining a No-objection Certificate from Saudi Central Bank to renew the license for SHL Finance Company.
- ❖ Obtaining a No-objection Certificate from Saudi Central Bank to add consumer financing activities and financing small and medium enterprises.
- ❖ Obtaining a No-objection Certificate from Saudi Central Bank to appoint and nominate members of the Board of Directors and emerging committees for the new session.
- ❖ Obtaining a no-objection certificate from Saudi Central Bank to provide electronic services to SHL Finance Company.

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9- Legal and Governance Department:

The role of Legal and Governance Department revolves around framing governance in the company in line with the provisions of the main governance principles in financial institutions subject to supervision of the Central Bank and the Companies Law, governance regulations and related regulations issued by Capital Market Authority in addition to the financing laws and regulations and the circulars, regulations and controls issued by the Central Bank.

Legal Department bears responsibility of advocating for the company's rights and ensuring that cases are handled promptly and judiciously to safeguard the company's interests, reputation, and safety. This entails representing the company in legal proceedings with the aim of resolving cases in such manner that upholds its rights while adhering to legal protocols. Furthermore, the Department plays a pivotal role in the debt collection process by representing the company before relevant judicial bodies such as the Execution Court and the Committee for Resolving Financing Disputes. Moreover, the Legal Department serves as a vital resource for providing legal guidance, advice, and opinions across all divisions and departments of the company. Through the expertise of a highly skilled and experienced team, the Department offers comprehensive legal protection, both theoretically and practically, ensuring the company's compliance with legal requirements and mitigating potential risks. Some of the key tasks and responsibilities of the legal department include:

- Updating and preparing governance regulations in accordance with the requirements of the main governance principles for financing companies issued by the Central Bank, as well as working to issue all regulations in accordance with the requirements of Capital Market Authority after completing the company's public offering process and issuing the new companies' system and updated regulations from Capital Market Authority.
- Reviewing and updating the regulations and policies of the Board of Directors committees and the company's articles of association, as well as preparing and approving Sharia Committee regulations in accordance with the Sharia governance policy issued by the Central Bank.
- Representing and following up on cases brought by the company or filed by clients before Financing Disputes Committee.
- Coordinating and following up on performance with the external law firm that represents the company in lawsuits filed by the company or against the company, whether by clients or any third party.
- Following up on cases in government departments and some police departments regarding legal procedures as a plaintiff or defendant.
- Contributing effectively to the process of collecting debts from defaulting clients by pleading before Enforcement Court, Public Judiciary, and Committee for Resolving Financing Disputes.
- Assuming the secretarial duties of the Board of Directors and the committees emanating from the Board of Directors in accordance with the policy and regulations of the company's Legal Department.

10- Collection Department:

Collection Department within SHL Finance Company plays a critical role in managing all collection activities and operations internally. Recognizing the significance of Collection Department within the credit cycle, the company places great emphasis on enhancing these processes by leveraging insights gleaned from collection reports and data. Backed by the unwavering support of the company's executive management, the Collection Department possesses invaluable experience in effectively managing its operations. This includes adeptly balancing the company's interests with the rights of customers, achieved through understanding of the underlying reasons for customer delays and defaults in meeting their obligations. Comprised of skilled professionals, the Collection Department boasts a team of qualified individuals equipped with the requisite expertise to handle collection operations proficiently. They

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meticulously implement controls and regulations prescribed by regulatory and supervisory authorities, ensuring compliance and adherence to industry standards.

11- Human Resources Department:

Human Resources and Administrative Support Department plays a pivotal role in formulating strategic and operational plans aimed at attracting, nurturing, and retaining Saudi talent. Additionally, it provides comprehensive administrative support to all sectors within the company. A core function of this sector involves implementation of training programs designed to enhance both technical proficiency and leadership skills among employees, thereby fostering a culture of continuous improvement aligned with the company's overarching objectives. Moreover, the sector is committed to achieving Saudization targets across all company sectors, with a notable achievement of 92% by the end of 2024. Efforts persist into 2025 to further develop company sectors in accordance with the evolving needs and regulations mandated by Saudi Central Bank, ensuring alignment with the company's growth trajectory.

12- Finance Department:

Financial management is concerned with studying the best ways to use capital in order to maximize the market value of the company and maximize the wealth of shareholders to achieve survival and sustainable growth. It also determines the company's financial objectives in the short, medium and long term, as well as prepares estimated budgets with revenues, expenses and cash flows, and compiles and analyzes financial data in administrative reports to assist senior management in making decisions and following corrective measures for plans and the financial system.

13- Internal Audit Department:

Under guidance of Audit Committee, Audit Department is concerned with assisting the Board of Directors in fulfilling its oversight responsibilities by monitoring and reviewing integrity of the company's financial reports and the effectiveness of the internal and external audit functions. It also focuses on financial performance, new and emerging risks, crisis management, business continuity and flexibility.

It is also a priority for the Department to consider ongoing performance in terms of future planning and development of business continuity arrangements at the company level and monitor implementation of the business strategy and its impact on the company's internal control and risk management processes.

Most Achievements:

- The work plan of Internal Audit Department approved by the Audit Committee was 100% completed and implemented according to the approved timetable.
- Integrity of handling all observations of Saudi Central Bank by the concerned departments was confirmed through final inspections by Internal Audit Department and through the provision of professional consultations by the Department.
- A number of advisory tasks were provided to the executive management upon its request.
- Five meetings were held with Internal Audit Committee to discuss all observations and ensure adherence to the dates specified for treatment.
- All observations were processed 100% according to the dates specified with the concerned departments, and the integrity of the processing was confirmed.

Internal Audit Department confirms soundness of the company's internal control procedures and efficiency of its control system based on the results of examination for all departments in accordance with Internal Audit Department's plan approved by the Audit Committee.

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Company's Social Responsibility:

Corporate social responsibility has been one of the company's core objectives since its inception. This includes humane treatment of the heirs of deceased clients by finding and proposing solutions that enable them to continue benefiting from the properties financed for their inheritors. Believing in the importance of corporate social responsibility, the company launched the "One Community" initiative during Ramadan 2019 under the umbrella of "Ramadan of Giving." This initiative aims to restore and rehabilitate dilapidated homes that need maintenance and renovation for poor and needy families. A number of volunteers from across the community work to foster a spirit of initiative and giving, and to strengthen the bonds of brotherhood among members of society. During 2024, the company contracted with the National Housing Development Foundation (Sakn) to renovate the homes of families most in need. Praise be to God, the renovation of (25) homes was completed at a cost estimated at approximately (128,300) thousand riyals. The renovation and maintenance of all homes was completed within a period not exceeding one month from the start of work on this project, which had a significant impact on the targeted beneficiaries, making their homes safer and warmer. The company's community initiative will be published and promoted on social media and relevant news channels.

A Statement of Any Sanction, Penalty, Precautionary Measure, or Precautionary Restriction Imposed on the Company, with a Statement of the Reasons for the Violation, the Agency that Signed it, and Ways for Treating and Avoiding it in the Future:

1. Penalties / Restrictions / Precautionary Measures Issued By The Central Bank of Saudi Arabia:

| Subject of the Violation | Fiscal year 2022 | | Fiscal year 2021 | |
|--|----------------------------|---|----------------------------|---|
| | No. of Executive Decisions | Total Amount of Financial Penalties in Saudi Riyals | No. of Executive Decisions | Total Amount of Financial Penalties in Saudi Riyals |
| Violation of the supervisory and regulatory instructions of the Central Bank of Saudi Arabia | 1 | 0 | 2 | 85,000 |
| Violation of the Central Bank of Saudi Arabia's customer protection instructions | 0 | 0 | 0 | 0 |
| Violation of the Central Bank of Saudi Arabia's instructions regarding due diligence in combating Anti- Money Laundering and Terrorism Financing | 0 | 0 | 0 | 0 |

The company confirms that no fines or penalties were imposed on the company during 2024 by the Central Bank. As for decisions during 2024, the company adhered to the corrective plan and all observations that were shared with the Central Bank at the time.

2. Sanctions and Penalties of Violations Imposed by other Government Entities:

The company confirms that no fines or penalties were imposed on the company by any governmental or supervisory authority during 2024.

Risk Management Department:

The SHL Finance Company pays very high attention to managing the risks that the company may be exposed to during the performance of its business. The risk department is considered one of the most important and specialized department in any financing activities. This department is headed by the Chief Risk Officer in the company and is organizationally affiliated to the Credit and Risk Management Committee (CRMC) emanating from the Board of Directors (BOD). The risk department is affiliated with many departments, including cyber-security management, credit risk, operational risk and Commercial Credit. The risk management plays a fundamental role in identifying the risks to which the company is exposed, whether financial or non-financial, for example but not limited to: credit, liquidity, market, operational and others. In addition, the company's risk management monitors and manages risks and mitigates them by setting policies and procedures that outlines the roles and responsibilities for managing the various risks in the company and the role of each administrative level in managing these risks, starting from the BOD as well as the executives and employees of the company. The risk management defines quantitative and qualitative standards for accepting all types of risks. These standards are approved by the CRMC and the BOD on a regular basis. Those standards and their levels are submitted to the CRMC and the BOD periodically. It should be noted that the CRMC Meeting is held on a quarterly basis or as needed. Through this committee, the main risks and their levels are discussed; sub-committees such as the Cyber-security Committee and the Business Continuity Committee are reviewed; and recommendations and suggestions are submitted to the company's board and administration.

Risks that the Company Faces or is Likely to Face in the Future:

1- Regulatory Risk:

SHL is a Public Joint-stock Company and its activities are regulated by the Central Bank of Saudi Arabia (SAMA) and the Capital Market Authority (CMA). Failure to comply with these requirements, will lead to substantial negative risks to the company's performance that may lead to material losses such as financial fines or to strategic and reputation risks such as suspending the company's license. In addition, the company has agreements with government agencies related to programs and initiatives that the company finances the beneficiaries. These agreements obligate the company to commit to certain regulatory provisions in its operational procedures to ensure compliance with those agreements. Furthermore, there are many regulations and bylaws to which the company is subject in its activities and which are supervised by government bodies and agencies, for example but not limited to the General Authority for Zakat, Tax and Customs, Municipalities and others. The company's failure to comply with these rules and regulations may cause material losses such as fines or organizational risks that may negatively affect the company's reputation and continuity.

2- Strategic Risk:

The financing sector is considered one of the vital sectors that undergo continuous dynamic changes. Due to the rapid changes and intense competition in the business sector, SHL is keen to have a clear and flexible strategy to achieve the company's goals. The company is keen to set short and long-term goals to achieve this strategy and to review these goals periodically by the company's administration and board committees. Some risks may arise on the company's performance related to the possibility of that the company's strategy does not keep pace with the rapid changes in the market, regulatory requirements, technical development or any mistakes by the company's administration in achieving and constantly following up the performance of the company's strategy. These risks are likely to have a negative impact on the company's financial performance.

3- Market and Business Risk:

The company mainly operates in the financing sector, which is a competitive sector full of products and competitors from banks and various financing companies. In view of the large market size and the continued demand for various financing products, the company is exposed to risks that may arise from the intensity of competition and the possibility of the entry of new competitors, whether local or global, that have greater financial or marketing capabilities which may affect the company's ability to keep up with these competitors, whether with financing prices offered to customers, new products offered, staff leakage, and so on. This competition may affect the company's market share or the company's loss of a segment of its customers and thus the company's financing portfolio and profits will decrease.

Reputational Risk:

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The company's endeavor to maintain an excellent reputation is one of the important things that SHL Company always strives to achieve. Examples the risks that the company may be exposed to, in this regard include, but are not limited to, frequent customer complaints, which may affect the company's reputation with current and future customers, whether through customer services or social media, or the company's inability to interact with these complaints and resolve them quickly and effectively. Also, the company may be exposed to reputational risks as a result of poor financial results, which may lead to a decline in the value of the company's shares in the financial market, or operational losses such as a malfunction in the systems, cases of fraud or poor service provided by the company's employees, the company repeatedly obtaining regular violations from the Central Bank, or other judicial procedures against the company which may lead to the material negative impact on the company's performance in the future.

4- Credit Risk:

The SHL Finance Company is exposed to credit risks mainly as it operates in the financing activity. The credit risks are considered major risks of the company as they result from the possibility of delay or failure of the financed clients in paying the payments agreed upon in the financing contracts, in whole or in part, at the times specified for maturity throughout the financing period. The company limits the impact of credit risks by adopting advanced methodologies for managing credit risks including designing policies and criteria for granting credit commensurate with the company's risk strategy and reviewing these credit policies periodically according to the performance of the credit portfolio and according to market changes. Credit policies include criteria for granting each segment of customers, different products, criteria for accepting real estate and real estate evaluation, credit history, etc. Credit policies are constantly reviewed by the Risk Committee and approved by the BOD. In addition, the performance of the credit portfolio is constantly reviewed by the risk department and risk committee. The necessary recommendations, to mitigate credit risks, are submitted to the BOD periodically. In addition, there is a specialized team for credit for both the retail and commercial segments, composed of employees with high experience in credit analysis. The company allocates and reviews a form for provisions for credit losses, according to the standards imposed by SAMA, which is reviewed by a specialized third party so that this form is updated annually or whenever changes arise that require it, in addition to being reviewed by the risk department and risk committee and approved by the BOD. Besides, the company has a team specialized in collections and it constantly follows up, on late and defaulted customers to urge them to pay.

5- Operational Risk:

It is well known that financing procedures include errors that may result in financial losses or risks affecting the company's reputation with clients. These risks include, but are not limited to, the risks resulting from fraud, non-verification of customer documents proving income and credit capacity, errors in documenting legal documents such as contracts, which may lead to the loss of legal cases in addition to the risks of inefficiency of technical systems. Besides, the risk of business continuity is an operational risk that may result in times of disasters, crises, pandemics, etc. These risks may cause material operating losses that may adversely affect the company's financial results. The company manages these risks through a team specialized in operational risks and business continuity. The company has designed policies, procedures and standards for operational risks to define roles and responsibilities for managing operational risks and reviewing them continuously.

6- Collateral Value Risk:

The company finances through the guarantee of real estate assets for most of its portfolio. The liquidation value of these assets may be affected in the event that some clients default, especially in times of economic recession, or if liquidation takes place on a large scale in the market, which may lead to a crisis in providing cash liquidity and thus affect the financial statements. In order to measure the expected impact of these risks, the company performs stress tests on the real estate portfolio using hypotheses of the impact of the real estate value on 3 levels (current prices, better than current prices, less than current prices) with an appropriate discount rate for the value of real estate and using approved real estate price indicators.

7- Liquidity Risk:

Liquidity risk arises from the company's inability to provide sufficient cash flows to cover short or long-term obligations. Since the company's activity is real estate financing, this requires lending customers for long periods that may not be commensurate with the shorter borrowing periods from banking institutions from which the company usually borrows to provide the necessary liquidity, which may cause a gap between the periods of lending and borrowing which may result in the company's inability to fulfill its obligations. Therefore, this may have a negative impact on the company's

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financial results. The company takes several steps to mitigate liquidity risks, including, but not limited to, diversifying funding and liquidity sources from several banking institutions, government programs such as the Saudi Refinancing Company, and periodic cash flows from the company's activity. In addition, the company follows up liquidity risk indicators on a regular basis and submits reports to the risk committee on the performance of those indicators, in addition to the specialized policies and procedures of liquidity risk management approved by the risk committee and the BOD. They include the roles and responsibilities for managing those risks and early warning indicators for detecting liquidity risks.

8- Interest Rate Risk:

Due to the long period of real estate financing for clients, there may be risks of interest rates fluctuating associated with the SIBOR rate during the financing period which may lead to the possibility that the company incurs losses represented by the difference between the prices at which customers were financed and the prices after the increase which leads to an increase in the cost of financing the company's facilities from banks. In addition, some of the real estate financing that is provided to customers, are financing at a fixed interest rate throughout the financing period, which is likely to expose the company to some losses in the event that interest rates rise to higher levels. Therefore, the company seeks to mitigate these risks by implementing tools to hedge against the rise in interest rates for financing with a fixed interest rate, financing with a high profit margin that covers any possible rise in the SIBOR index, or financing with a variable profit margin in anticipation of any rise in prices.

9- IT & Cyber-Security Risks:

There is no doubt that the failure of technical systems, is one of the most important risks that the company is exposed to, due to its direct impact on the company's performance. Most of the sector's business is carried out through technical systems. In addition, technical risks may arise from the lack of qualified staff for developing or maintaining the technical systems which may cause a negative impact on the competitive position of the company through the length of the procedures and the dissatisfaction of customers. Also, the company's systems are subject to cyber-attacks that may result from the impact of the company's business and systems, in addition to the possibility that customer information and data and the company's sensitive data will be hacked or lost, which may result in a material negative impact on the company's reputation and performance.

10- Legal Risk:

The company may be exposed to many legal risks, including legal disputes with all parties that the company deals with, such as disputes with clients or former owners of real estate in the event that there are construction defects in the financed real estate. It also includes disputes with the Financing Dispute Settlement Committee, or disputes with any other parties. Legal risks generally arise from the company's loss of legal cases filed by or against the company, against other parties, which may cause material losses that affect the company's financial performance. The company always seeks to mitigate these risks by reviewing the cases that the company lost, analyzing the reasons that led to this, and developing corrective measures to prevent the recurrence of these losses.

11- Insurance Coverage Risk:

Insurance coverage, of some risks, is very important to protect the company from material losses that the company may be exposed to such as the risk of death and total or partial disability of the funded clients, in addition to insurance of funded real estate or insurance against cyber-security risks and data protection of clients or insurance against the mistakes of the company's employees and executives. The lack of insurance coverage of these risks may lead to material losses with a negative impact on the company's financial results. It should be noted that the company is likely to be exposed to the non-approval of the insurance companies of the insurance coverage of some cases for several reasons, including the lack of proper disclosure by customers in the health declaration or errors related to the documents submitted to the insurance companies.

12- Human Capital Risk:

The company's employees are considered one of the most important assets that any facility must maintain, train and continuously develop their capabilities to ensure their loyalty and continuity. Since the high competition in the labor market, may expose the company to the loss of distinguished employees with high experience, on whom the company depends greatly. The job leakage of distinguished employees especially in specialized majors, may have a negative impact on the company's performance and continuity.

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Transactions and Contracts with Related Parties During the Fiscal Year 2024:

During its business cycle, the company contracted with a number of related parties as follows:

| Name | Date Created | Nature of the Agreement | Duration | Amount |
|--|--------------|---|----------|--|
| Arab National Bank | 02 Aug-2021 | Credit Facilities | 5 years | Financing costs paid: SAR 134 million Outstanding balance of facilities: SAR 1.74 billion |
| Arab National Bank | 21 Nov-2021 | Hedging Agreement for Murabaha Products | 20 years | The agreement was terminated in January 2024, and the total hedging losses during the year amounted to SAR 0.95 million. |
| Arab National Bank | 01 Jan-2022 | Sharia Supervisory Service Level Agreement | 2 years | 10 thousand S. Riyals every month. |
| Arab National Bank | 30 Mar-2014 | Service Agreement - Sold portfolio | - | 3.4 million riyals (due is (0.3 million Riyals). |
| Arab National Bank | 01 July 2010 | Deferred Commissions Agreement. | - | Amount due 9.8 Million S. Riyals. |
| Dar Al Arkan Real Estate Development Company | 26 May 2021 | Financing Customers to Purchase Residential Units | - | Transactions Amount: 2.17 Million S. Riyals |
| Quara Digital Company | 22 Aug-2022 | Technical support services | Annual | 0.125 Million S. Riyals |
| Al Khair Capital Company | 11 May 2023 | Murabaha Deposit Agreement | - | Murabaha Returns 1.27 Million S. Riyals |
| Tharawat Real Estate Assets Company | 2020 | Renting the company's headquarters in Riyadh | Annual | 2.18 Million S. Riyals |

The company also confirms that there are no businesses or contracts concluded with the company that have a direct interest for a member of the Board of Directors, the executive administration, or any natural person related to any of them.

A Description of The Company's Important Plans and Decisions - Including Structural Changes to The Company, Expansion of Its Business, Or Cessation of Its Operations and Future Prospects of The Company's Business:

Since its inception, the company has worked to build a distinguished customer base by providing products and services in its field of activity, contributing to the provision of suitable housing that meets their aspirations and indirectly contributes to family and community stability and sustainable economic development in the Kingdom of Saudi Arabia. Over the course of its long history, the company has built a broad customer base across the Kingdom's cities and regions. In 2014, it was awarded the Best Service Provider for Individual Customers by Bankers Middle East. The company also enjoys a distinguished position in terms of responding to customer complaints and feedback.

The company has adopted a policy and strategy that focuses on expanding and developing its products by adding new activities, such as consumer finance and financing for small and medium-sized enterprises (SMEs). The company obtained no-objection approval from the Central Bank to engage in these activities in December 2022. The company launched consumer finance and SME financing products in mid-2023. The Board of Directors also approved the company's strategic plan for a period of (5) years, starting in 2025. The company contracted with the consulting firm Ernst & Young, a firm specializing in this field. The company's strategy and work plan were developed after a comprehensive survey of the financing market inside and outside the Kingdom and the identification of available opportunities for the company to achieve leadership

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in the field of financing, according to a clear strategy and plan. This prioritizes digital transformation by adopting the best practices and technical systems to achieve business growth and customer service, while considering and implementing the best technical controls that ensure the integrity of transactions and the preservation of information about the company, customers, and stakeholders. The company also obtained the approval of the Central Bank to provide electronic services for the products and services it provides to its customers, that enhances the efficiency of customer services, in addition to marketing the company's products. The company also seeks to enhance its competitive capabilities and generate revenues for its shareholders by taking advantage of appropriate opportunities in its field of activity through projects included in the Kingdom's Vision 2030 initiative and contributing to development by financing proposed projects to achieve sustainable development in the Kingdom. The company also confirms that there are no plans to cease operations, limit its activities, or restructure it. Rather, the company seeks to expand its business and activities to achieve appropriate returns for its shareholders, employees, and stakeholders.

Company Financial Statements:

Balance Sheet:

| Description (In Thousands Saudi Riyals) | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|------------------|------------------|------------------|------------------|------------------|
| Financing Portfolio - Net | 4,337,259 | 4,183,161 | 4,122,820 | 4,088,089 | 4,199,138 |
| Other assets | 176,208 | 200,198 | 206,009 | 316,595 | 265,499 |
| Total assets | 4,513,467 | 4,383,359 | 4,328,829 | 4,404,684 | 4,464,637 |
| Loans & facilities | 2,756,546 | 2,667,085 | 2,551,268 | 2,653,075 | 2,819,884 |
| Other obligations | 69,283 | 55,621 | 68,843 | 61,675 | 58,687 |
| Total Liabilities | 2,825,829 | 2,722,706 | 2,620,111 | 2,714,750 | 2,878,571 |
| Equity | 1,687,638 | 1,660,653 | 1,708,718 | 1,689,934 | 1,586,066 |
| Total Liabilities and Equity | 4,513,467 | 4,383,359 | 4,328,829 | 4,404,684 | 4,464,637 |

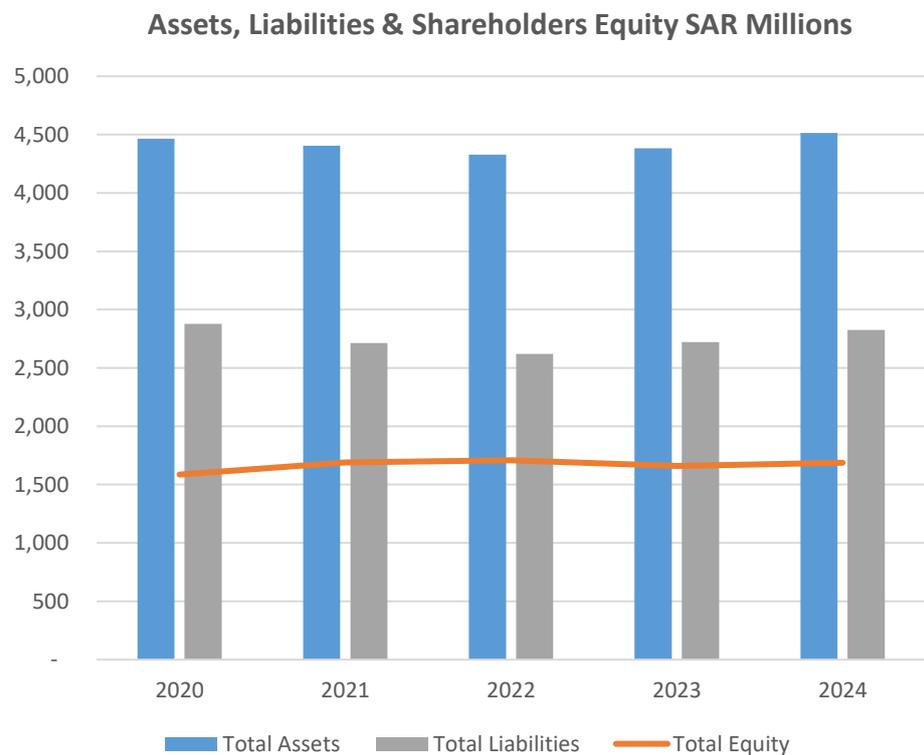
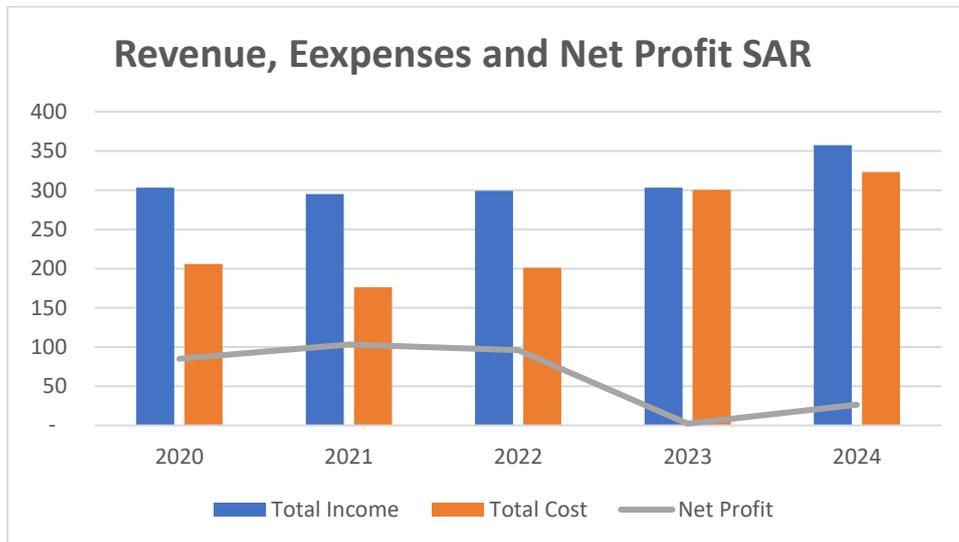
Income Statement:

| Description (In Thousands Saudi Riyals) | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Financing Contracts Revenue | 350,474 | 297,915 | 261,856 | 277,408 | 290,115 |
| Other operating income * | 6,767 | 5,318 | 37,277 | 17,827 | 13,227 |
| Total revenue | 357,241 | 303,233 | 299,133 | 295,235 | 303,342 |
| Borrowing cost | -209,204 | -187,849 | -106,706 | -74,077 | -93,168 |
| Other operating expenses * | -119,523 | -116,158 | -115,942 | -110,986 | -105,098 |
| Provision of credit losses | 5,385 | 3,664 | 21,458 | 8,840 | -7,500 |
| Total cost | -323,342 | -300,343 | -201,190 | -176,223 | -205,766 |
| Total income before Zakat & tax | 33,899 | 2,890 | 97,943 | 119,012 | 97,576 |
| Zakat & income tax * | -7,371 | -564 | -2,053 | -15,816 | -12,461 |
| Net profit after Zakat & tax | 26,528 | 2,326 | 95,890 | 103,196 | 85,115 |

- Other operating revenues include administrative fees and real estate evaluation fees for the financed properties after deducting evaluation costs. It also includes early repayment revenues and revenues from managing sold portfolios.
- Other operating expenses include general and administrative expenses, selling and marketing expenses, and insurance expenses on the financing portfolio.

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The following graph highlights the historical growth and movements in the numbers of the Saudi Home Finance Company during the past five years:



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Main Financial Indicators:

| Description | 2024 | 2023 | 2022 | 2021 | 2020 |
|-------------------------|-------|-------|-------|-------|-------|
| Earning per Share (EPS) | 0.27 | 0.02 | 0.96 | 1.03 | 0.85 |
| Return on Equity ROE) | 1.57% | 0.14% | 5.61% | 6.11% | 5.37% |
| Return on Assets ROA) | 0.59% | 0.05% | 2.22% | 2.34% | 1.91% |
| Debts to Equity (D/E) | 1.67% | 1.64% | 1.53% | 1.61% | 1.81% |

Here is a Geographical Analysis of the Company's Total Revenues:

| Description (In Thousands Saudi Riyals) | 2024 | 2023 |
|--|----------------|----------------|
| Central Region | 207,441 | 165,629 |
| Western Region | 68,316 | 63,461 |
| Eastern Region | 58,869 | 53,145 |
| Northern Region | 4,914 | 6,665 |
| Southern Region | 10,934 | 9,015 |
| Total S.Riyals | 350,474 | 297,915 |

Clarification of any Material Differences in the Operating Results of the Previous year:

| Description (In Thousands Saudi Riyals) | 2024 | 2023 | Change | % |
|--|-----------------|-----------------|----------------|--------------|
| Financing Contracts Revenue | 350,474 | 297,915 | 52,559 | 18% |
| Other Operating Income | 6,767 | 5,318 | 1,449 | 27% |
| Total Revenue | 357,241 | 303,233 | 54,008 | 18% |
| Cost of Borrowing | -209,204 | -187,849 | -21,355 | 11% |
| Other Operating Expenses | -119,523 | -116,158 | -3,365 | 3% |
| Provision for Credit Losses | 5,385 | 3,664 | 1,721 | 47% |
| Total Expenses | -323,342 | -300,343 | -22,999 | 8% |
| Net Profit before Zakat and Tax | 33,899 | 2,890 | 31,009 | 1073% |
| Zakat and Income Tax | -7,371 | -564 | -6,807 | 1207% |
| Net Income after Zakat and Tax | 26,528 | 2,326 | 24,202 | 1040% |

- The company's total revenue increased by 18% compared to the previous year, primarily driven by higher revenue generated from financing contracts.
- The total cost for 2024 increased by 8% compared to the previous year, mainly due to the rise in borrowing costs from banks during the year.
- The company achieved a net profit before Zakat and income tax of SAR 33.9 million in 2024, marking a 1073% increase compared to the previous year. The net profit after Zakat and income tax amounted to SAR 26.5 million in 2024, reflecting a 1040% increase compared to the previous year.

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Information Related to Loans from Banks and Financial Institutions:

| Description (In Thousands Saudi Riyals) | 2024 | 2023 |
|--|------------------|------------------|
| Balance at beginning of the year | 2,667,085 | 2,551,268 |
| New facilities | 350,000 | 455,000 |
| Paid during the year | -256,674 | -344,570 |
| Fees on facilities | 208,726 | 187,849 |
| Fees paid during the year | -212,591 | -182,462 |
| Balance at the year end | 2,756,546 | 2,667,085 |

A Statement of the Value of Statutory Payments that Have Been Paid and Due for Zakat, Taxes, Fees, or any other Dues that have Not Been Paid Until the End of The Annual Financial Period, with a Brief Description and an Indication of Their Reasons:

The statutory payments due by the company during 2023 include zakat, income tax due, value-added tax, and amounts due to the General Organization of Social Insurance in exchange for insurance contributions for employees. The following table shows the data of those payments:

| Description (in Thousands Saudi Riyals) | Reasons | Paid during the year | Due up the year end and not paid |
|--|------------|----------------------|----------------------------------|
| General Authority for Zakat, Tax and Customs - The amount of zakat due on the Saudi partner and the income tax due on the foreign partner according to the provisions and regulations of the General Authority for Zakat and Income. | Regulatory | 526 | 6,168 |
| General Authority of Zakat, Tax and Customs - Value Added Tax due on supplies subject to the Value Added Tax Law and its Executive Regulations. | Regulatory | 879 | 71 |
| General Authority for Zakat, Tax and Customs - Withholding tax in accordance with the provisions and regulations of the General Authority of Zakat and Income. | Regulatory | 75 | 0 |
| General Organization for Social Insurance in accordance with the provisions of the labor Law | Regulatory | 5,357 | 415 |
| Labor office - including fees for renewal of residency and work permits. | Regulatory | 129 | 0 |
| Licenses and fees - They represent the licensing fees that the company pays to the regulatory authorities in return for licensing the activity, including the Central Bank of Saudi Arabia, Tadawul, Ida'a and the Ministry of Investment. | Regulatory | 828 | 0 |

Addendum (1): Admissions:

The Board of Directors, according to the information available to it, in all material respects, acknowledges that:

- The account records were prepared correctly.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the company's ability to continue its activities.
- According to the best information available to it, in all material respects, there is no business or contracts to which the company is a party, or in which there was an interest of a member for the company's board of directors or the executive management, or for any person related to any of them.
(Except within the limits stipulated in Article No. 56 of the executive regulations of the Finance Companies Control Law, issued by the Central Bank of Saudi Arabia, or what has been disclosed in the financial statements and this report).
- There are no recommendations of the Audit Committee during 2024 related to a conflict between it and the decisions of the Board of Directors, or related to the Board's refusal to take them into account regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor.
- There are no arrangements or agreements under which one of the company's shareholders waived any rights in the profits.
- There are no arrangements or agreements under which a member of the company's board of directors or a senior executive waived any remuneration.
- No recommendation was issued by the Board of Directors to change the auditor before the end of the period for which he was appointed, nor was this recommended by the Audit Committee.
- There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors regarding the appointment and dismissal of the company's auditor, determining his fees and evaluating his performance, or appointing the internal auditor.
- There are no shares or debt instruments issued to any subsidiary company.
- There are no treasury shares withheld by the company.
- There are no investments or reserves established for the benefit of the company's employees during 2024.
- There is no refund, purchase or cancellation by the company of any recoverable debt instruments and the value of the remaining securities.
- There are no transfer or subscription rights under transferable debt instruments or contractual securities, or memorandums of subscription rights or similar rights issued or granted by the company.
- There are no categories and numbers of any convertible debt instruments, any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2024.
- There is no interest, contractual securities, and subscription rights belonging to the members of the company's board of directors, senior executives, and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or those rights during the fiscal year 2024.
- The financial statements have been prepared in accordance with the international accounting standards and the directives of the supervisory authorities. The Board, of Directors, acknowledges that there is no material difference from the accounting standards, approved by the Saudi Organization for Certified Public Accountants.

SHL Finance Company - Board of Directors' Report 2024 Addendum (2): Sharia Compliance Report 2024:



بسم الله الرحمن الرحيم

التقرير السنوي للجنة الشرعية للعام ٢٠٢٤م

فترة التغطية من
(٢٠٢٤/١٢/٣١ إلى ٢٠٢٤/١/١م)

الحمد لله وحده والصلاة والسلام على من لا نبي بعده وعلى آله وصحبه.

السادة رئيس وأعضاء مجلس إدارة شركة سهل للتمويل الموقرين
السلام عليكم ورحمة الله وبركاته.. وبعد:

بناء على الفقرة الخامسة من البند (إعداد التقارير) من (سياسة اللجنة الشرعية) لشركة سهل للتمويل، والفقرة السابعة من المادة التاسعة من تعليمات الحوكمة الشرعية في شركات التمويل الصادرة من البنك المركزي والتي تنص على أن من مسؤوليات اللجنة الشرعية: (إعداد تقرير سنوي عن توافق أعمال التمويل التي تقوم بها شركة التمويل مع أحكام ومبادئ الشريعة الإسلامية ورفعها للمجلس).

بناء عليه تتقدم اللجنة الشرعية لشركة سهل للتمويل بالتقرير التالي:

خلال العام ٢٠٢٤م تم عقد اجتماعين للجنة الشرعية لشركة سهل للتمويل وتم خلالها إصدار (٩) قرارات (منها ما يتضمن الموافقة على أكثر من اتفاقية أو عقد) تتعلق بأعمال وخدمات ومنتجات الشركة المتوافقة مع الشريعة الإسلامية.

كما قامت اللجنة الشرعية بمراجعة تطبيق العقود المتعلقة بالعمليات والمنتجات المقدمة من الشركة خلال السنة المنتهية في (٢٠٢٤/١٢/٣١م)، وذلك عن طريق فريق الالتزام الشرعي القائم بأعمال مراقبة تنفيذ هذه المنتجات والخدمات وفق القرارات الصادرة عن اللجنة الشرعية، لغرض تكوين رأي حول مدى الالتزام الشرعي في عمليات الشركة وما إذا كانت الشركة قد عملت ضمن أحكام ومبادئ الشريعة الإسلامية وطبقاً للقرارات والقواعد والتوجيهات المحددة الصادرة من اللجنة الشرعية.

وقد تضمنت المراجعة الفحص على أساس الهيئة لكل نوع من العمليات والمستندات المتعلقة بها والإجراءات المتبعة من قبل الشركة.

إن الإدارة القانونية بالتعاون مع الرقابة الشرعية مسؤولة عن التحقق من قيام الشركة بأعمالها طبقاً لأحكام ومبادئ الشريعة الإسلامية وإن مسؤولية اللجنة الشرعية هي تكوين رأي مستقل بناء على مراجعة أعمال الشركة وفقاً للمستندات التي تم الاطلاع عليها، وتقديم التقرير إلى حضراتكم.

لقد قامت اللجنة الشرعية بالاطلاع على التقرير السنوي لأعمال الالتزام الشرعي ومناقشته والحصول على جميع المعلومات والمستندات الضرورية التي تمكن من الحصول على أدلة كافية تعطي تأكيداً معقولاً بأن الشركة لم تخالف أحكام ومبادئ الشريعة الإسلامية في أعمالها.

الصفحة ١ من ٢

SHL Finance Company - Board of Directors' Report 2024



وعليه فإننا نقرر ما يلي:

إن العقود والعمليات والمعاملات التي تم إبرامها من قبل الشركة خلال السنة المنتهية في (٢٠٢٤/١٢/٣١م) والتي قمنا بمراجعة التقرير الصادر بشأنها من قبل فريق الالتزام الشرعي قد جاءت وفق أحكام ومبادئ الشريعة الإسلامية، مع الإشارة إلى وجود بعض الملحوظات التي يجري العمل على تصحيحها مع إدارة الشركة.

واللجنة تشكر الله تعالى على توفيقه ثم تشكر وتقدر للقائمين على الشركة تعاونهم وحرصهم على تفهمهم وتطبيق قرارات اللجنة الشرعية وفق أحكام الشريعة الإسلامية السمحة، وتسال الله العلي القدير الهدى والسداد، وصلى الله وسلم على نبينا محمد وعلى آله وصحبه أجمعين.

والسلام عليكم ورحمة الله وبركاته.

اللجنة الشرعية لشركة سهل للتمويل

| التوقيع | الصفة | الاسم |
|---------|--------|---|
| | رئيساً | معالي الشيخ/ عبد الله بن سليمان المنيع |
| | عضواً | معالي الشيخ د/ عبد الله بن محمد المطلق |
| | عضواً | فضيلة الشيخ د/ محمد بن علي القرني |
| | عضواً | فضيلة الشيخ د/ يوسف بن عبد الله الشيبلي |

الصفحة ٢ من ٢

Conclusion

In conclusion, the Chairman and members of the Board of Directors express their thanks to the Honorable Shareholders, the Chief Executive Officer of the Company and all the employees of the Company for their support and unlimited granting that contributed to the development of the Company and the achievement of its goals.

Chairman

Youssef Abdullah Al-Shalash

SHIL

شركة سهل للتمويل
SHL FINANCE COMPANY