

Policies, standards and procedures for membership in the Board of Directors

Jarir Marketing Company

2024

Issued by the regular General Assembly resolution at its meeting held on
25/12/2017

And amended by the decision of the Regular General Assembly at its meeting
held on 30/5/2024

Article One: Introduction, Definitions and Objectives:

1. The "Jarir Marketing Board Business Policy" was prepared pursuant to paragraph (c) of the article. (34) Of the CMA Council's Corporate Governance Regulation by Decision No. (8-16-2017) and the date (1438/5/16) corresponding (2017/2/13) based on the regulation of companies issued by Royal Decree No. M/3 and date (1437/1/28) as amended by CMA Council Decision No. 8-5-2023 and date (1444/6/25) Corresponding (2023/1/18) in accordance with the Corporate Regulations promulgated by Royal Decree No. M/132 of 1443/12/1.

2. Unless otherwise provided in the context of the text, the following words and expressions shall mean the meanings before them:

“Policy”: Jarir Marketing Board Membership Policy, Standards and Procedures.

“Governance Regulation”: CMA's Corporate Governance Regulation.

“Company”: Jarir Marketing Company.

“General Assembly”: An association constituted by the company's shareholders under the terms of the Corporate and Foundation Regulations.

"Board of Directors" or "Board": Board of Directors of Jarir Marketing.

3. The policies aim to clarify the composition of the Board of Directors, the criteria and conditions for membership, the policies and procedures for nomination for membership in the Board of Directors, and the expiration of membership.

Article Two: Composition of the Board of Directors:

The Board of Directors shall consist of eight members elected by the General Assembly for a term not exceeding four years. The composition of the Board of Directors shall consider the fact that most of the members are non-executive and that the number of its independent members shall not be less than one third of the members of the Board in accordance with the requirements established by the Rules of Governance.

Article Three: Standards and conditions for membership in the Board of Directors:

It is required that a member of the Board of Directors be a professionally competent person who possesses the necessary experience, knowledge, skill, and independence, enabling him to carry out his duties efficiently and competently, provided that the General Assembly, when electing members of the Board of Directors, takes into account the recommendations of the company's Remuneration and Nominations Committee and the availability of the personal and professional capabilities necessary to perform their duties properly. Effective, and the member (or candidate for membership) in the Board of Directors must have the following:

1. He must not have been previously convicted of a crime against honor or trust, and must not be insolvent, bankrupt, or unfit for membership in the Council in accordance with any law or instructions in force in the Kingdom of Saudi Arabia.
 2. He must not serve as a member of more than five joint stock companies listed on the Saudi Stock Exchange at the same time.
-

3. To represent all shareholders, and to be committed to exercising the duties of honesty, trustworthiness, loyalty and diligence in managing the company and everything that would achieve its interests and the interests of its shareholders, develop it and maximize its value.
 4. That any of the symptoms of independence stipulated in the Governance Regulations do not apply to the independent member.
 5. Competence: By providing scientific qualifications, professional skills, appropriate personality, level of training and practical experience relevant to the company's current and future activities or management, economy, accounting, law or governance, as well as a desire for learning and training.
 6. Ability to guide by providing technical, leadership, managerial and decision-making capabilities, accommodating substantive workflow requirements and being able to provide strategic direction, planning and a clear vision for the future.
 7. Financial knowledge: by being able to read and understand financial statements and reports.
 8. Health fitness: The fact that he has no health impediment impedes him from exercising his functions and competencies.
 9. To comply with all disclosure requirements and avoid conflicts of interest and competition established by the company and subject to it under the relevant regulations and instructions.
-

Article Four: Policies and procedures for nomination for membership in the Board of Directors:

1. Every shareholder in the company may nominate himself or one or more other persons for membership in the Board of Directors in accordance with the provisions of the Companies Law and its executive regulations.
 2. The Company publishes the announcement of candidacy to the Board of Directors on the website of the Saudi Stock Exchange "Tadawul" and its website and in any other means determined by the Capital Market Authority well in advance of the end of the session of the Board of Directors to invite persons wishing to nominate to the Board of Directors, provided that the nomination is open for at least one month from the date of the announcement.
 3. Any person wishing to be nominated to the Board of Directors shall submit to the Company his CV containing his qualifications and practical experiences, a detailed statement of the boards of directors of the shareholding companies and the committees that he assumes its membership and the determination of membership status (executive, non-executive or independent) and any other documents required by the Company in accordance with statutory requirements.
 4. Anyone who wishes to nominate himself for membership in the Board of Directors must disclose to the Board and the General Assembly any cases of conflict of interest - in accordance with the procedures decided by the Capital Market Authority - which include:
 - The presence of a direct or indirect interest in the business and contracts carried out on behalf of the company.
 - Participation in work that would compete with the company or compete with it in one of the branches of activity it practices.
 5. The Remuneration and Nominations Committee studies the applications of candidates for membership in the Board of Directors, ensures that the instructions and regulations are implemented, and that all required data is completed in accordance
-

with the relevant policies and regulatory requirements, and submits its recommendation to the Board of Directors.

6. The company announces on the website of the Saudi Stock Exchange "Tadawul" the information of the candidates for membership of the Board of Directors when publishing or directing the invitation to convene the General Assembly, which includes a description of their experiences, qualifications, skills, jobs, and previous and current memberships. The company provides a copy of this information at its headquarters and through its website.

7. The number of candidates for the Governing Council whose names are submitted to the General Assembly must exceed the number of seats available so that the Assembly has an opportunity to choose from among the candidates.

8. Cumulative voting is used to elect the Board of Directors; The voting right for a share may not be used more than once.

9. Voting in the General Assembly is limited to the candidates for Board of Directors whose names are announced.

10. The Board of Directors appoints a Chairman and Vice Chairman from among its elected members.

11. The company shall notify the Capital Market Authority of the names of the members of the Board of Directors and their membership positions within five working days from the date of the start of the Board of Directors session or from the date of their appointment - whichever is earlier - and any changes that occur to their membership within five working days from the date of the changes occurring.

Article Five: Termination of Board of Directors membership:

1. Membership in the Board of Directors, or part of it, ends in one of the following cases:
 - At the end of the council term.
 - The member expires in accordance with any applicable regulations or instructions in the Kingdom.
-

- To dismiss the Board or some of it by the Ordinary General Assembly without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time.
 - By terminating the membership of anyone who fails to attend three consecutive meetings of the Board without a legitimate excuse by the Ordinary General Assembly based on the recommendation of the Board of Directors.
 - By resignation, if it is at an appropriate time, otherwise the resigning person will be liable to the company for any damages resulting from the resignation.
2. When a member's membership in the Board of Directors expires through one of the termination methods, the company shall notify the Capital Market Authority and the Saudi Stock Exchange "Tadawul" immediately with a statement of the reasons for this.
3. If a member of the Board of Directors resigns, and he has observations on the company's performance, he must submit a written statement thereof to the Chairman of the Board of Directors, and this statement must be presented to the members of the Board of Directors.
4. If the position of a member of the Board of Directors becomes vacant during the term of membership, the Board has the right to appoint a temporary member to the vacant position, if he is one of those who possess experience and competence. The Ministry of Commerce and the Capital Market Authority shall be notified of this according to the prescribed statutory period, and the appointment shall be presented to the Ordinary General Assembly. At its first meeting to approve it, the new member will complete the term of his predecessor considering what is stated in the company's bylaws.
5. If the necessary conditions are not met for the Board of Directors to convene due to the number of its members being less than the minimum stipulated in the companies' bylaws or the company's bylaws, the remaining members must invite the
-

ordinary general assembly to convene within sixty days to elect the necessary number of members.

Article Six: Access and Publication:

Policies shall be effective (and any subsequent amendments thereto) from the date of their approval by the General Assembly. The Company shall publish them to shareholders and the public through its website and in accordance with any statutory requirements imposed by the organizers.