

Board of Directors Membership Standards and Procedures Policy

Item title	Suggested text (after modification)
Policy goal	Establishing clear and specific policies, standards and procedures for membership in the Board of Directors and putting them into effect after their approval by the General Assembly.
Politics	<p>The company seeks to have its senior leadership with expertise and capabilities that are compatible with its need to develop, compete, and achieve its goals, maintain its solid position among the leading companies, and to be in compliance with the requirements of the relevant competent authorities. The Company to maintain an updated database that includes the names of those with competencies and experience.</p> <p>The Nominations and Remuneration Committee, in cooperation with the company's Strategy Department, prepares a description of the basic competencies that must be present in the formation of the Board of Directors to ensure the achievement of the company's strategy, utilizing those competencies and identifies strengths, and then recommends to the General Assembly the names of candidates for Board membership, along with the competencies that each candidate possesses, to choose the most appropriate among of them.</p>
Nomination criteria for membership in the Board of Directors	<p>A member of the Board is required to be professionally capable and has the required experience, knowledge, skill and independence, which enable him/her to perform his/her duties efficiently. He/she shall have the following qualifications in particular:</p> <ul style="list-style-type: none"> ● Ability to lead: He/she shall enjoy leadership skills which enable him/her to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values. ● Competency: He/she shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training. ● Ability to guide: He/she shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements and developments related to the job. He/she shall also be able to provide strategic guidance and long-term planning and have a clear future vision. ● Financial knowledge: He/she shall have the ability to read and understand financial statements and reports. ● Physical fitness: He/she shall not suffer from any health issue that may hinder him/her from performing his/her duties and responsibilities.

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	<ul style="list-style-type: none"> • The candidate must have honesty and good behavior, and must not have previously been convicted of a crime involving moral turpitude or dishonesty in all its forms, and must not have been banned by the Capital Market Authority. • The candidate must have an academic qualification (university) and professional experience appropriate to the company's needs. • The candidate must have full legal capacity to occupy the position of member of the Board of Directors. • The candidate must not be a board member or currently work in or have an interest in a competing company. • The candidate must not be a member of the board of directors of more than five listed companies at the same time, including Qassim Cement Company. • If the candidate has any interest or is involved in any business or activity that would compete with the company's business, he must disclose this in the nomination application. • Complete the forms applied by the Capital Market Authority and Tadawul. • The Nominations and Remuneration Committee must ensure that the candidate meets the above conditions and approve him as a qualified candidate.
Board membership procedures	<p>The company announces on the exchange's website (Tadawul) and in any other means determined by the Capital Market Authority at least three months before the end of the Board of Directors term, the opening of nominations for Board membership for a new term with a fixed term and start and end dates. Provided that nominations remain open for at least one month from the date of the announcement, the most effective means of communicating with shareholders must be followed and no discrimination between them in providing information. The company's announcement includes the following:</p> <ul style="list-style-type: none"> • Specific dates for the dates, places, and manner of receiving nomination applications. • The information required to be provided by the candidate is a minimum of the following: <ul style="list-style-type: none"> ○ An introduction to the candidate, accompanied by a short CV of the candidate containing supporting documents.

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	<ul style="list-style-type: none"> ○ Submitting a signed copy in Arabic or English of the nomination forms for membership in the Board of Directors issued by the Capital Market Authority and the Saudi Tadawul Company. ○ Copy of a valid national ID for Saudi candidate. ○ Copy of a valid passport for non-Saudi candidate. ○ A statement of the companies and institutions whose board of directors or ownership it participates in, along with an explanation of the businesses practiced by those companies, especially if they practice businesses similar to the activities of the company or its subsidiaries, or compete with the company or its subsidiaries, or deal with the company or its subsidiaries. ○ Disclosure to the Board and the General Assembly of any cases of conflict of interest (in accordance with the procedures established by the Authority), including: <ul style="list-style-type: none"> » Having a direct or indirect interest in the business and contracts carried out on behalf of the company for which he/she wishes to run for the board of directors. » Participation in work that would compete with the company, or compete with it in one of the branches of activity it practices. ● A candidate who previously served as a member of the board of directors of a joint-stock company must state the number and date of the boards of directors of the company of which he/she served. ● If the candidate has previously served as a member of the company's Board of Directors, he must attach with the nomination application a statement supported by the company's management for the last term in which he/she served as a member of the Board, including the following information: <ul style="list-style-type: none"> ○ The number of Board of Directors meetings that took place during each year of the term, the number of meetings that the member attended in person, and his/her attendance percentage to the total number of meetings.

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	<ul style="list-style-type: none"> ○ The permanent committees in which the member participated, the number of meetings held by each of those committees during each year of the session, the number of meetings he/she attended, and the percentage of his/her attendance to the total number of meetings. ○ A summary of the financial results achieved by the company during the years of the session. ○ Proof of the candidate's classification according to the Capital Market Authority's classification (independent, executive, non-executive). ● The candidate shall submit the required information to the company's shareholders department sixty days before the date of the extraordinary general assembly held for that purpose. ● The Nominations and Remuneration Committee studies the files of applicants for Board of Directors membership and proposes to the Board names that meet the membership conditions in order to present them to the General Assembly. ● The company announces on the Exchange's website information about the nominees for the membership of the Board which fulfilled the conditions and has been approved by the Nominations and Remuneration Committee, upon calling for the General Assembly provided that this information includes the nominees' experience, qualifications, skills and their previous and current jobs and memberships. The Company shall make a copy of the mentioned information available in the Company's head office and its website. ● Voting in the General Assembly is limited to candidates for membership in the Board of Directors whose conditions have been approved by the Nominations and Remuneration Committee. ● When composing the Board, it must be taken into account that the number of its Independent Directors shall not be less than one-third of the Board members.

Approval: This policy was approved by the fiftieth Extraordinary General Assembly held on Monday 06/10/1445 (H) corresponding to 15/04/2024, based on the recommendation submitted by the Board of Directors in its meeting No. 230-01-2024 held on Wednesday 11/08/1445 (H) corresponding to 21/02/2024.