



**Policies, standards and procedures for membership in
the Board of Directors of the Arab Sea Information
Systems Company**





Note: The authority of the Secretary of the Nomination and Remuneration Committee is to amend these policies after obtaining the approval of the amendment from the committee. The amended version must be approved by the Board of Directors or whoever is authorized to do so, and it must be properly disclosed to the relevant parties.

Contents

Preamble

Article 1: Formation of the Board of Directors

Article 2: Appointing the members of the Board of Directors

Article 3: Conditions for membership in the Board of Directors

Article 4: Procedures for membership in the company's board of directors

Article 5: Vacancy of Board Membership

Article 6: Candidate Disclosure of Conflict of Interest

Article 7: Effective Date





Preamble

These policies aim to set clear and specific standards and procedures for membership in the Board of Directors of the Arab Sea Information Systems Company, hereinafter referred to as (the company), in implementation of the provisions of Paragraph (3) of Article Twenty-Two of the Governance Regulations issued by the Capital Market Authority.

Article 1: Formation of the Board of Directors:

1. The company's board of directors consists of 6 members elected by the general assembly of shareholders for a period not exceeding three years, with reference to Article (16) of the Company's Articles of Association and in accordance with Article (12) of the Corporate Governance Regulations issued by the Capital Market Authority, and the voting system is followed. Cumulative upon election of members of the Board of Directors in the General Assembly in accordance with Article (8) of the Corporate Governance Regulations issued by the Capital Market Authority and Article (34) of the Company's Articles of Association.
2. The majority of the members of the company's board of directors must be non-executive members in accordance with Article (16) of the Corporate Governance Regulations issued by the Capital Market Authority, and although the company's articles of association do not specify the number of independent members required in the company's board of directors, the requirements of The Financial Market Authority (Article 16) stipulates that one-third of the board members or at least two members (whichever is more) of the board of directors shall be independent.
3. A person of legal capacity - who is entitled according to the company's articles of association to appoint his representatives to the board of directors - may not vote on choosing the other members of the board of directors. (When applicable).

Article 2: Appointing the members of the Board of Directors

1. Members of the Board of Directors are elected by the General Assembly for a period of three years, and they may be re-elected unless the company's articles of association stipulate otherwise.
2. The company's management shall notify the Capital Market Authority of the names of the members of the board of directors and their membership qualifications within five working days from the date of the start of the session of the board of directors or from the date of their appointment - whichever is the earliest - and any changes to their membership within five working days from the date of the changes taking place.

Article 3: Conditions for membership in the Board of Directors





1. The Board must deal with future changes in the Board and plan for them. One of the most important responsibilities of the Board is to evaluate and select candidates to serve as members of the Board of Directors. The Nomination and Remuneration Committee is responsible for the nomination and initial evaluation of potential Board members. The role of the committee has been explained in more detail in its bylaws.
2. The member eligible for membership in the Council must not have a criminal record or have been previously convicted of a crime involving breach of honor or trust.
3. It is required that a member of the board of directors be of professional competence who possesses the necessary experience, knowledge, skill and independence in order to be able to carry out his duties efficiently and competently, and it is taken into account that in particular the following shall be met:
 - 1) Leadership ability (possessing leadership skills and adhering to professional values and ethics when exercising his powers.)
 - 2) Competence (availability of appropriate educational qualifications, professional and personal skills, level of training and practical experiences related to the company's activities and the desire to learn and train.)
 - 3) The ability to direct (the speed of decision-making and familiarity with the technical requirements necessary for work, planning and vision.)
 - 4) Financial knowledge (reading and understanding financial statements and reports.)
 - 5) Health fitness
 - 6) Obtain a university degree
 - 7) The ability to demonstrate the highest ethical standards
 - 8) The ability to make important and immediate contributions to discussions and decision-making in the board.
 - 9) The ability to allocate sufficient time and effort to perform the tasks in his capacity as a board member.
 - 10) It is a condition that a member of the board of directors should not occupy the membership of five joint stock companies listed on the market simultaneously.

Article 4: Procedures for membership in the company's board of directors





- 1) The Nomination and Remuneration Committee coordinates with the executive management of the company to announce the opening of the door for nomination for membership of the company's board of directors for a period of no less than thirty days.
- 2) The Nomination and Remuneration Committee submits its recommendation to the Board of Directors regarding nomination for Board membership in accordance with the aforementioned policies and criteria.
- 3) Those who wish to nominate themselves for membership in the company's board of directors must declare their desire according to a notification to manage the company according to the terms and dates stipulated in the laws, regulations, circulars and decisions in force, and this notification must include an introduction to the candidate in terms of his CV, qualifications and practical experience in accordance with the requirements of the stated statutory requirements in the candidacy announcement.
- 4) The candidate who previously held the membership of the board of directors of a joint stock company must indicate the number and date of the boards of directors of the companies that he assumed membership.
- 5) The candidate who previously held a membership in the company's board of directors must attach to the nomination notification a statement from the company's management about the last term in which he took up the membership of the Board of Directors, including the following information:
 - 1- The number of board meetings that took place during each year of the term.
 - 2- The number of meetings attended by the member originally, and the percentage of his attendance for the total meetings.
 - 3- 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 attended, and the percentage of his attendance to the total meetings.
 - 4- The membership status must be clarified, that is, whether the member is an executive, a non-executive member, or an independent member.
 - 5- The nature of the membership must be clarified, that is, whether the member is a candidate in his personal capacity or if he is a representative of a legal person.
 - 6- The Nomination and Remuneration Committee, in coordination with the executive management of the company, provides the Capital Market Authority with the CVs of the candidates for membership in the company's board of directors according to the CV template for a candidate for membership in the board of directors of a joint stock company listed in the Saudi Stock Exchange.
- 7- The Nomination and Remuneration Committee must implement any observations received from the competent authorities about any candidate.
- 8- Voting in the General Assembly is restricted to those who nominate themselves according to the aforementioned policies, criteria and procedures.
- 9- Voting in the general assembly on the item for electing the board of directors is cumulative.





Article 5: Vacancy of Board Membership

- 1) In the event that the position of a member of the council becomes vacant during the term of membership as a result of his resignation or dismissal or otherwise (such as death, criminal conviction, disability, bankruptcy, etc.), the council may appoint a temporary member to replace him according to the arrangement in obtaining votes in the assembly. The one who elected the Council, provided that this appointment is presented at the first meeting of the Ordinary General Assembly for approval, and the new member completes the term of membership of his predecessor.
- 2) Article (16) of the company's bylaw requires that members of the board of directors (6) be members.
- 3) The resignation decision shall be deemed effective from the date of notifying the Chairman of the Board of Directors of the resignation, or at any other time agreed upon. If the resigning member of the Board of Directors has observations on the performance of the company, he must submit a written statement about them to the Chairman of the Board of Directors, and this statement must be presented to the members of the Board of Directors. Administration.
- 4) If it is proven to the board of directors that a board member has violated his duties in a way that harms the interests of the company or provided misleading or incorrect information upon candidacy, the board may dismiss him and appoint a replacement for him, provided that this appointment is accompanied by the approval of the ordinary general assembly.

Article 6: Candidate Disclosure of Conflict of Interest

- 1) Whoever wishes to run 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 prescribed by the Capital Market Authority, including:
 - 1- Existence of a direct or indirect interest in the business and contracts that are concluded in the interest of the company.
 - 2- His participation in a business that would compete with the company or compete with it in one of the branches of the activity that it is practicing.

Article 7: Effective Date

1. These policies shall be enforced from the date of their approval by the General Assembly.
2. It is within the authority of the Board of Directors to make any amendments to these policies under the authorization of the General Assembly of shareholders, provided that such modifications are in accordance with the laws and regulations of the relevant authorities.

