



Policy, criteria and procedures for membership in the
Board of Directors

Thob AL-Aseel Company

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Subject	Page Number
Definitions	4
Preamble	6
Introduction	6
Public Policy	7
Criteria and requirements for membership in the Board of Directors	7
The Characteristics must met by a member of the Board of Directors	10
Procedures for candidacy for the Board of Directors Membership	11
Candidacy Members of the Board of Directors	13
Enforcement and Publication	14

Article 1: Definitions:

A	Words and Phrases	Meanings
1	Companies law	Companies law issued by Royal Decree No. (A/3) date 28-01-1437
2	Capital Market Authority	Capital Market Law Royal Decree No. (M / 30) dated 02/06/1424 AH
3	Listing rules	Listing rules Listing rules approved by the Board of the Capital Market Authority
4	Corporate Governance	Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 5/16/1438 AH corresponding to 2/13/2017 AD based on the Companies Law issued by Royal Decree No. A / 3 dated 28/1/1437 AH amended By Resolution of the Capital Market Authority Board of Directors No. 3-57-2019 dated 9/15/1440 corresponding to 5/20/2019 .
5	Authority	Capital Market Authority
6	Market	The Saudi Stock Exchange Company (Tadawul) or the Saudi Stock Exchange, as the context requires.
7	Company	Thob AL-ASEEL co
8	Board of Directors	The company Board of Directors
9	Shareholders	Shareholders of the company
10	The General Assembly	is an association formed from the company's shareholders according to the provisions of the Companies Law and the Company's Articles of Association.
11	Related party	A.) Substantial Shareholders of the company. B.) Board members of the Company or any of its affiliates and their relatives.

		<p>C.) Senior Executives of the Company or any of its affiliates and their relatives.</p> <p>D.) Board members and Senior Executives of Substantial Shareholders of the company.</p> <p>E.) Entities, other than companies, owned by a Board member or any Senior Executive or their relatives.</p> <p>F. Companies in which a Board member or a Senior Executive or any of their relatives is a partner.</p> <p>G.) Companies in which a Board member or a Senior Executive or any of their relatives is a member of its Board of directors or is one of its Senior Executives.</p> <p>H.) Joint stock companies in which a member of the Board or a Senior Executive or any of their relatives owns (5%) or more, subject to the provisions of paragraph (D) of this definition.</p> <p>I. Companies in which a Board member or a Senior Executive or any of their relatives has influence on their decisions even if only by giving advice or guidance.</p> <p>J.) Any person whose advice or guidance influence the decisions of the Company, the Board and the Senior Executives.</p> <p>K.) Holding companies or affiliates. Advice or guidance that is provided on a professional basis by a person licensed to provide such advice shall be excluded from the provisions of paragraphs (I) and (J) of this definition.</p>
12	Affiliate	A person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
13	Cumulative Voting	A method of voting for electing Board members that gives each shareholder a voting capacity equivalent to the number of shares he/she owns , and by which the shareholder is entitled to either exercise all of his/her votes towards one nominee or to divide his/her votes towards several nominees without any duplication of such votes.
14	Controlling Interest	Controlling Interest: The ability to influence actions or decisions of another person directly, indirectly, individually or collectively with a relative or an affiliate through: (A) owning %30 or more of the voting rights in a company, (B) having the right to appoint %30 or more of the administrative team members

15	Remunerations	Amounts, allowances, dividends and the like, periodic or annual bonuses linked to performance, long or short term incentive plans and any other in-kind benefits except the actual reasonable expenses and fees incurred by the company to enable the Board member to perform his dutie

Article 2: Introduction

This policy aims to clarify the criteria and procedures for membership in the Board of Directors, and the provisions of this policy shall be applied in accordance with the Articles of Association, the articles of association of the company and the relevant regulations governing the business of the company without prejudice to the provisions of the Companies Law, the Financial Market Law, the Corporate Governance Regulations, the regulatory controls for the listed joint stock companies and the list of terms used in the market rules And other related systems.

Article 3: Preamble

This policy clarifies the importance of the policies, procedures, conditions and standards for membership in the Board of Directors, along with the statement of the conditions and qualifications that must be met by the membership candidates for the Board of Directors of the company, given that the Board of Directors is entrusted with setting up a system of governance and providing the appropriate environment for its implementation and then following up and monitoring the application.

Article 4: Public Policy

The general policy for membership in the company's board of directors is the terms and conditions according to which the selection is made from among the candidates applying for membership of the board through comparison between them, as stipulated in paragraph (3) of Article Twenty-Two of the Corporate Governance Regulations, and what is also stipulated in the Companies Law and the Articles of Association The Company and the Corporate Governance Regulations and Listing Rules issued by the Board of the Capital Market Authority.

Article 5: Criteria and requirements for membership in the Board of Directors

The board shall be responsible for reviewing the conditions and they shall be skilled professionals who have experience, skills and independence necessary for fulfilling his duties efficiently and competently. When electing the Bored of Directors Members , the following shall be available in the member of the candidate for the membership of the Board of Directors, in particular:

- 1- Saudi Nationality: The candidate must be a Saudi.
- 2- Experience: having an appropriate amount of experience in the following areas:
 - A- Financial accounting and corporate finance, especially with regard to trends in the debt and equity markets, as well as understanding the concepts of internal financial controls.
 - B - Evaluate and control risks in the fields and the environment pertaining to the company's business.
 - C- Managing companies, and understanding management trends in general and in the areas in which the company's business is active.
 - D- Experience in areas related to the company's business.
 - E- Experience in global markets, and foreign business norms and practices

3- Academic qualification: It is recommended that a member of the board of directors hold a qualification related to the following specializations:

A- The law.

B- Financial, including the accounting background.

C- Marketing.

D- Operations of companies 'activities.

E- The main fields in which companies operate, including real estate expertise.

F- Corporate governance.

G- Human resources

H- Risk management.

I- Banking business.

4- Knowledge and ability: Have an adequate understanding of the contents of the financial statements and other financial reports, systems and accounting standards, read and understand budgets, income statements and cash flows, and extrapolate the indications of financial equations and other indicators to evaluate the performance of the company.

5-Independence: he/she must present a point of view objectively, shall adhere to all the requirements of disclosure and avoid conflicts of interest and completion that the Company determines and is subject to according to the relevant laws and instructions

6- The Ability to Direct : the member candidate shall have the technical, leadership, management capacities .

7- Honor and Fidelity: He must not have been convicted of a crime involving dishonor or dishonesty.

8-Non-issuance against him from the Capital Market Authority .

- Not to compete with the company: not to be involved in any business that would compete with the company or to trade in one of the branches of activity that the company is practicing except after obtaining the approval of the general

assembly, in accordance with the controls laid down by the competent authority, and subject to what Article (72) stipulates. Of the Companies Law, and articles forty-sixth and forty-seventh of the Corporate Governance Regulations.

10- NO conflict of interest: that he has no direct or indirect interest in the business and contracts that are made for the account of the company in accordance with Article (71) of the Companies Law, except with a license from the Ordinary General Assembly and in accordance with the controls laid down by the competent authority.

11- Membership of the board of directors of another company: He shall not be a member of the board of directors of more than five joint-stock companies listed simultaneously.

12- Prior written approval from the relevant authorities: It is required for anyone who has previously held or been dismissed from the board of directors of Safit to obtain prior written approval from the relevant authorities before he can run for membership in the company's board of directors.

13- Commitment to membership terms and articles: Full compliance with the provisions of the Companies Law, the Financial Market Law and their implementing regulations, the relevant regulations, and the Articles of Association when exercising the duties of his membership in the Board, and refraining from doing or participating in any act that constitutes an abuse of the company's affairs.

14- Diversity: taking into account the diversity in academic qualifications and professional experience when selecting members, as this diversity contributes to providing all the talents, skills and experiences that the council needs as a team to support current resources and provide talent for future needs.

15- Personal interview: Approval of conducting a personal interview with the Company's Nominations and Remuneration Committee

Article 6 : The Characteristics must met by a member of the Board of Directors

Due to the importance of the board member in managing the company, it requires that he have a number of personal characteristics - in addition to membership conditions - enabling him to fully perform his duties towards the company, and taking into account Article 29 of the Governance Regulations, the availability of several features in Member of the Board of Directors, including, in particular, the following:

1- Integrity and Responsibility: High ethical standards, integrity, and strength of personality in the member's professional and personal dealings, the ability to discuss issues accurately and in depth, ask insightful questions, express reservations and not vote in favor of what he objects to, and show the imprints of intelligence and wisdom and reflect on the decisions taken, and the preparations for bearing Consequences of accountability.

2- Trust: to be consistent, responsible and supportive in dealing with others, respect for others, openness and openness to the opinions of others and the desire to listen to them.

3- Leadership: Possessing the necessary leadership skills

4- Commitment to his duties as a member of the council: fully prepared and willing to fulfill the membership requirements of the council committees efficiently, including - but not limited to -:

Attending and participating in all meetings of the board of directors, and meetings of the board committees of which he is a member.

B. Always ready to help prepare for and participate actively in every meeting.

C. Expressing a desire to attend to the administration upon request to provide advice and advice.

Dr. Assume all responsibilities regarding the company's business.

e. Disclosure of any influential information before executing any deal or contract with the company or one of its subsidiaries.

5-Desire to learn and know: the desire to learn and development, and in particular those important issues that affect the company (including operation,

technology and market information), and the roles and responsibilities of board members (including the general legal principles facing board members)

Article 7: Procedures for candidacy for the Board of Directors Membership

After the approval of the Board of Directors for opening the nomination of membership of board of Directors , and approval of the period for submitting applications for candidacy and the agenda of the General Assembly, in order to vote on the appointment of members of the Board of Directors whenever required by the rules or circumstances of the case, according to the following procedures:

1- Announcing the opening of candidacy for membership of the Board of Directors on the company's website, the market's website, and in any other means specified by the Authority, provided that the door for candidacy remains open for at least one month from the date of the announcement.

2- Shareholders wishing to be a Member in the company's board of directors or to nominate another person must do the following:

A- Submit an application notify the company's management of the desire to nominate himself/herself.

B- Fill out Form No. (3) issued by the Capital Market Authority, which can be obtained from the Commission's website.

C- Candidates must submit their applications to the company in one of the following ways:

- Attendance at the company's headquarters.

-By post, PO Box: 23236, Riyadh: 11426, Attention of the Nominations and Remuneration Committee.

Email: NR@alaseel.com

- Attach a copy of his qualifications and experiences in the field of company business

3- Candidates must submit their applications with the following documents:

A- A separate record of the important and significant works and achievements of the candidate in his membership in the boards of directors he held or in the higher executive and administrative positions he held during the previous ten years, and the current work.

B- A statement of the boards of directors of the companies that he has assumed membership and their periods, and a letter notarized by each company that includes the membership period, the number of sessions of each session, the percentage of the member's attendance of those sessions and the committees emanating from the joint membership board and his attendance rate in it, and a summary of the financial results achieved by the companies that have assumed membership of the boards Manage them during each year of the cycle.

C- A statement of the shareholding companies that he is still holding.

D- A statement of the companies that he participates in managing or owning and engaging in similar businesses.

E- A copy of the national identity card / family card (if any), the commercial register for companies and institutions, the candidate's contact numbers, and three personal photos of him.

4- The candidate must submit a certified Arabic translation of any record or documents written in a foreign language.

5-Examining applications by the Nominations and Remuneration Committee for qualified candidates for membership, indicating the number of applicants for membership and those who were initially selected for personal interviews, and justifications for recommending qualified members to fill membership, and recommending that to the Board of Directors

6- Announce for an ordinary general assembly to vote on the appointment of the vacant members of the Board of Directors in accordance with the recommendations of the Board of Directors and the Nominations and

Remuneration Committee, after obtaining the approval of the competent authorities on that.

7- The membership form of the listed companies' boards of directors is sent to the Capital Market Authority after completing the above-mentioned procedures

Article 8: Election of Members of the Board of directors

The company announces on the market's website information about candidates for membership of the board of directors when publishing or directing the invitation to convene the general assembly, provided that this information includes a description of the candidates' experiences, qualifications, skills, jobs, past and current memberships, and the company must provide a copy of this information in its headquarters and website. .

2- The cumulative vote must be used in the election of members of the Board of Directors, so that the right to vote for the share may not be used more than once.

3- Voting in the general assembly is restricted to candidates for membership of the board of directors whose information the company has announced in accordance with Paragraph (1) of this Article.

Article 9: Enforcement and Publication

This policy shall be enforced as of the date of its approval by the General Assembly, and it shall be i to the concerned parties, and the Board of Directors shall review this policy as required by the need and upon the recommendation of the Nominations and Remuneration Committee, and it shall not be amended except with the approval of the General Assembly.