



## **Board Charter and Standards of membership of Board of Directors**

### **Introduction**

The objective of this Charter is to regulate the Board of Directors' function through determining how it shall assume its duties and responsibilities. It also defines the roles within the Board's organizational structure and their respective duties and working procedures.

based on the Companies Law, and the Corporate Governance Regulation issued by CMA and the Company's Bylaw and other related laws and regulations. .

### **Chapter One:**

#### **Board composition:**

The company's Board of Directors consists of 7 members elected by the general assembly of shareholders, the number of members shall not be less than three for a period of three years, in accordance with Article (17) of the company's Bylaw, and the cumulative voting system is followed when the members of the Board of Directors are elected in the general assembly in accordance with Article (5) of the Implementing regulation of Companies Law issued by the Capital Market Authority and Article (33) of the Company's bylaw.

#### **Appointment of Board members:**

The general assembly elects the members of the Board of Directors for a period of three years, and they may be re-elected unless the Company's Bylaw stipulate otherwise.

The company's management shall notify the Capital Market Authority of the names of the members of the Board of Directors and their membership descriptions within five working days from the date of the start of the term of the Board of Directors or from the date of their appointment - whichever is sooner- and any changes that occur to their membership within five working days from the date of the changes taking place.

#### **Board of Directors Duties and Responsibilities:**

- a. The Board of Directors represents all shareholders, and it must perform the duties of care and loyalty in managing the company and everything that would safeguard its interests, develop and maximize its value.
- B. The company's Board of Directors bears responsibility for its work, even if it delegates to committees, bodies, or individuals to exercise some of its powers.
- C. The Board of Directors has a responsibility to protect the Company from illegal, abusive or improper acts and practices.

### **The main functions of the Board of Directors:**

Taking into account the duties established for the General Assembly in the Companies Law and its Executive Regulations and the Company's Bylaw, the Board of Directors shall have the widest powers in managing the company and directing it to achieve its objectives.

A- Establishing the company's main plans, policies, strategies and objectives, supervising their implementation and reviewing them periodically, and ensuring the availability of the human and financial resources necessary to achieve them, including:

1. Develop, review and direct the company's comprehensive strategy, main work plans, and risk management policies and procedures.
2. Determining the optimal capital structure for the company, its strategies and financial objectives, and approving all kinds of discretionary budgets.
3. Supervising the main capital expenditures of the company, and owning and disposing of assets.
4. Setting performance objectives and monitoring implementation and overall performance in the company.
5. Periodically reviewing and approving the organizational and functional structures of the company.

B- Setting systems and controls for internal control and general supervision over them, including:

1. Develop a written policy to address actual and potential conflict of interest cases for each of the members of the Board of Directors, executive management and shareholders, including misuse of the company's assets and facilities, and misconduct resulting from transactions with related parties.
2. Ensure the integrity of the financial and accounting systems, including those related to the preparation of financial reports.
3. Ensuring the application of appropriate control systems to measure and manage risks, by developing a general perception of the risks that the company may face, creating an environment familiar with the culture of risk management at the company level, and presenting it transparently with stakeholders and related parties to the company.
4. Annual review of the effectiveness of the company's internal control procedures.

C- Preparing clear and specific policies, standards and procedures for membership in the Board of Directors - in a manner that does not conflict with the mandatory provisions of related regulations - and put them into practice after approval by the General Assembly.

D- Develop a written policy regulating the relationship with stakeholders in accordance with the provisions of this regulation.

E- Establishing policies and procedures that ensure the company's compliance with laws and regulations and its commitment to disclosing material information to shareholders, creditors and other stakeholders, and verifying compliance by the executive management with them.

F- Supervising the company's financial management, its cash flows, and its financial and credit relations with third parties.



G- Propose to the extraordinary general assembly what it deems appropriate regarding the following:

1. Increase or decrease the company's capital.
2. Dissolving the company before the term specified in the Bylaw or deciding its continuation.

H- Proposing to the Ordinary General Assembly what it deems appropriate regarding the following:

1. Using the company's reserves in the event that it was not allocated for a specific purpose in the Company's Bylaw.
2. Forming additional reserves or financial allocations for the company.
3. The method of distributing the company's net profits.

I- Preparing and approving the company's interim and annual financial statements before publishing them.

J- Preparing and approving the Board of Directors' report before its publication.

K- Ensuring the accuracy and integrity of the data and information to be disclosed, in accordance with the applicable disclosure and transparency policies.

L- Establishing effective communication channels that allow shareholders to see on a continuous and periodic basis the various aspects of the company's activities and any material developments.

M- Forming specialized committees emanating from the Board and determines the duration of the committee, its powers and responsibilities and the number of its members shall be determined in accordance with the relevant laws and regulations., and how the board will monitor them. The formation decision also includes naming the members and defining their tasks, rights and duties, along with evaluating the performance and work of these committees and their members.

N- Determining the types of remunerations granted to the company's employees, such as fixed remunerations, performance-related remunerations, and remunerations in the form of shares, in a manner that does not conflict with the Implementing regulation of the Companies Law for Listed Joint Stock Companies and in accordance with NRC recommendations.

O- Notifying the Ordinary General Assembly when convened of the businesses and contracts in which any Board member has a direct or indirect interest; the notification shall include the information provided by the member of the Board as per paragraph (14) of Article (28) of Corporate Governance Regulations and shall be accompanied by a special report of the Company's external auditor.

P- Setting the values and standards that govern work in the company.

### **Distribution of duties and tasks:**

The organizational structure of the company must include defining the terms of reference and distributing tasks between the Board of Directors and the executive management in accordance with the best principles and standards of corporate governance, improving the efficiency of the company's decision-making, and achieving a balance in the powers and authorities between them. To this end, the Board of Directors must:



- 1- Approving the internal policies related to the company's work and its development, including defining the tasks, duties and responsibilities assigned to the various organizational levels.
- 2- Adopting a written and detailed policy defining the powers delegated to the executive management, and a table showing those powers, the method of implementation and the delegation period. The Board of Directors may request the executive management to submit periodic reports on its practices of the delegated powers.
- 3- Identifying the matters on which the Board reserves the power to decide.

**Separation of positions:**

A- Subject to the provisions of the Company's Bylaw, the Board of Directors shall appoint from its members a Chairman and a Vice-Chairman, and may appoint from its members a Managing Director or a Chief Executive Officer.

B- It is not permissible to combine the position of Chairman of the Board of Directors or Vice President with any other executive position in the company - including the position of the Managing Director, Chief Executive Officer or General Manager - even if the Company's Bylaw stipulate otherwise.

C- The Board of Directors shall specify the duties of the chairman, his deputy, and the managing director - if any – or Chief Executive Officer and their responsibilities in a clear and written form if the Company's Bylaw do not include that.

D- In all cases, a person may not have the exclusive authority to make decisions in the company.

**Supervising the executive management:**

The Board of Directors is responsible for forming the executive management of the company, regulating how it operates, controlling and supervising it, and verifying that it performs the tasks entrusted to it, and for this purpose it must:

A- Develop the necessary administrative and financial policies.

B- Ensure that executive management is operating in accordance with the policies approved by it.

C- Choosing and appointing the CEO, and supervising his work.

D- Appoint the manager of the internal audit unit or department, or the internal auditor and dismiss him and determine his remuneration

e- Holding periodic meetings with the executive management to discuss the course of work and the obstacles and problems encountered, and to review and discuss important information regarding the company's activity.

f- Setting performance standards for the executive management in line with the company's objectives and strategy.

g- Reviewing and evaluating the performance of the executive management.

H- Setting succession plans for the company's management.

### **Functions and tasks of the executive management:**

Taking into account the powers assigned to the Board of Directors under the provisions of the Companies Law and its implementing regulations, the Executive Management is responsible for implementing the plans, policies, strategies and main objectives of the company in order to achieve its objectives. The following are included in the executive management's duties and tasks:

- 1- Executing the company's internal policies and regulations approved by the Board of Directors.
- 2- Proposing the company's strategy, annual and interim action plans, investment policies and mechanisms, financing, risk management, and plans for managing emergency conditions and their implementation.
- 3- Suggesting the optimal capital structure for the company and its financial strategies and objectives.
- 4- Proposing the company's main capital expenditures and acquisition and disposition of assets.
- 5- e- Suggesting the organizational and functional structures of the company and submitting them to the Board of Directors for approval.
- 6- Implementing internal control systems and procedures, and generally overseeing them, including:
  - a. Implementation of a conflict of interest policy.
  - b. Proper application of financial and accounting systems, including those related to the preparation of financial reports.
  - c. Implementing appropriate control systems to measure and manage risks, by developing a general perception of the risks that the company may face, creating an environment familiar with the culture of risk reduction at the company level, and presenting it transparently to the Board of Directors and other stakeholders.
- 7- Implementing the Company's Corporate Governance rules effectively, to the extent they do not conflict with the provisions of these Regulations, and proposing amendments thereto if needed;
- 8- Implementing the policies and procedures that ensure the company's compliance with the rules and regulations and its obligation to disclose material information to shareholders and stakeholders.
- 9- Providing the Board of Directors with the information necessary to exercise its duties and making recommendations regarding the following:
  - a. Increase or decrease the company's capital.
  - b. Dissolving the company before the term specified in its Bylaw or deciding its continuation.
  - c. Use of the company's consensual reserves.
  - d. Formation of additional reserves for the company.
  - e. The method of distributing the company's net profits.
- 10- j- Suggesting a policy and types of remuneration to be granted to employees, such as fixed remuneration, performance-related remuneration, and remuneration in the form of shares.
- 11- K- Preparing periodic financial and non-financial reports on the progress made in the company's activity in light of the company's strategic plans and objectives, and presenting such reports to the Board of Directors.
- 12- L- Managing the daily work and managing its activities, as well as managing the company's resources in an optimal manner and in accordance with the company's objectives and strategies.

- 13- M- Active participation in building and developing a culture of ethical values within the company.
- 14- N- Implementing internal control and risk management systems, verifying the effectiveness and adequacy of those systems, and ensuring compliance with the risk appetite approved by the Board of Directors.
- 15- O- Proposing internal policies related to the company's work and its development, including defining the tasks, duties and responsibilities assigned to the various organizational levels.
- 16- P- Suggest a clear policy for delegating business to it and the method for its implementation. P- Suggesting the powers to be delegated to it, the decision-making procedures and the term of the delegation, provided that it submits periodic reports on its exercise of those powers.
- 17- Q- Providing the members of the Board of Directors, and the non-executive members in particular, and the committees with all the necessary information, data, documents and records, provided that they are complete, clear, not misleading, and in a timely manner; To enable them to perform their duties and tasks.

#### **Competencies and Duties of the Chairman or Chairman's Deputy of the Board of Directors:**

Without prejudice to the duties of the Board of Directors, the Chairman of the Board of Directors or Chairman's Deputy - if any- shall lead the Board, supervise its workflow and effectively perform its functions. The competencies and duties of the Board Chairman or the Chairman's Deputy shall include in particular the following:

1. Ensuring that the members of the Board obtain - in a timely manner - complete, correct and non misleading information.
2. Verify that the Board of Directors discusses all essential issues in an effective and timely manner.
3. Representing the company before others in accordance with the provisions of the Companies Law and its implementing regulations and the Company's Bylaw.
4. Encouraging the members of the Board to exercise their duties effectively and in the interest of the company.
5. Ensuring the existence of channels for effective communication with shareholders and communicating their opinions to the Board of Directors.
6. Encouraging constructive relations and active participation between the board and the executive management and between executive, non-executive and independent members, and creating a culture that encourages constructive criticism.
7. Preparing the agenda for the meetings of the Board of Directors, taking into account any issue raised by a member of the Board of Directors or raised by the auditor, and consulting with the members of the Board and the CEO when preparing the agenda of the Board.
8. Holding meetings on a regular basis with non-executive board members without the presence of any executive in the company.
9. In addition to the above, the chairman of the board or Chairman's Deputy is responsible for the relevant duties mentioned in the matrix of powers approved by the Board of Directors.



### **Appointing the CEO after the end of his services as Chairman of the Board of Directors:**

The CEO may not be appointed as the chairman of the company's Board of Directors during the first year of termination of his services.

### **Principles of honesty and loyalty:**

Each member of the Board of Directors, and its chairman, shall abide by the principles of honesty, trustworthiness, loyalty, care and concern for the interests of the company and shareholders and prioritizing them over his personal interest, including in particular the following:

A- Honesty: That the relationship of the board member with the company is a sincere professional relationship, and that any influential information is disclosed to it before executing any deal or contract with the company or one of its subsidiaries.

B- Loyalty: The member of the Board of Directors avoids transactions that involve a conflict of interest, while verifying the fairness of the transaction, and observing the provisions relating to conflict of interest in these regulations.

C- Care and attention: by performing the duties and responsibilities stipulated in the Companies Law, the Capital Market Law and their Implementing Regulations, the Company's Bylaw and other relevant regulations.

### **Duties of board members:**

Each member of the Board of Directors, through his membership in the Board of Directors, performs the following tasks and duties:

1. Submitting proposals to develop the company's strategy.
2. Monitoring the performance of the executive management and the extent to which it achieves the company's goals and objectives.
3. Reviewing the company's performance reports.
4. Verify the integrity the company's financial statements and financial information.
5. Verify that the company's financial control and risk management systems are strong.
6. Determining the appropriate levels of remuneration for members of the executive management.
7. Expressing an opinion on the appointment and dismissal of members of the executive management.
8. Participation in the development of the succession and replacement plan for the company's executive positions.
9. Full compliance with the provisions of the Companies Law and the Capital Market Law and their implementing regulations and related regulations and the bylaw when exercising his membership duties in the Board, and refraining from undertaking or participating in any act that constitutes mismanagement of the company's affairs.
10. Attending the meetings of the Board of Directors and the General Assembly, and not being absent from them except for a legitimate excuse notified to the Chairman of the Board in advance, or for urgent reasons.

11. Allocate sufficient time to carry out his responsibilities, and to prepare for and participate in the meetings of the Board of Directors and its committees effectively, including asking related questions to the company's senior executives.
12. Studying and analyzing all information related to the matters looked into by the Board before expressing an opinion on the same.
13. Enabling other members of the Board of Directors to express their opinions freely, and urging the board to deliberate on topics and to survey the opinions of specialized members of the company's executive management and others if the need arises.
14. Informing the Board of Directors completely and immediately of any interest it has, whether direct or indirect, in the business and contracts that are carried out for the company's account, and that such reporting shall include the nature and limits of that interest, the names of any persons concerned with it, and the expected benefit to be obtained directly or indirectly. From that interest, whether that interest is financial or non-financial, and that member shall not participate in voting on any decision issued in this regard, in accordance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
15. Informing the Board of Directors fully and immediately of his participation - direct or indirect - in any business that would compete with or compete with the company - directly or indirectly - in one of the branches of his activity, in accordance with the provisions of the Companies Law and the Capital Market Law and their implementing regulations.
16. Not divulging or disclosing any secrets discovered through his membership in the Board to any of the company's shareholders - unless this is during the meetings of the General Assembly - or to third parties, in accordance with the provisions of the Companies Law and the Capital Market Law and their implementing regulations.
17. Acting on complete information, in good faith, with due diligence and care, for the benefit of the company and all shareholders.
18. Awareness of his duties, roles and responsibilities arising from membership.
19. Develop his knowledge in the field of the company's activities and business and in the related financial, commercial and industrial fields.
20. Resignation from the membership of the Board of Directors in the event that he is unable to fully fulfill his duties in the Board.

**Duties of an independent member:**

Subject to Article (29) of the Corporate Governance Regulations, an independent board member must actively participate in the performance of the following tasks:

A- Expressing an independent opinion on strategic issues, company policies and performance, and appointing members of the executive management.





b- Verify that the interests of the company and its shareholders are taken into consideration and presented in the event of any conflict of interest.

C- Supervising the development of corporate governance rules, and monitoring the implementation of them by the Executive Management.

### **Board of Directors working procedures:**

#### **Board meetings:**

A- Subject to the provisions of the Companies Law and its implementing regulations, the Board of Directors shall hold regular meetings to effectively carry out its duties, and also hold its meetings whenever the need arises.

B- The Board of Directors holds at least four meetings per year, with no less than one meeting every three months.

C- The Board of Directors meets at the invitation of its Chairman or at the request of a member of its members. The invitation to the meeting must be sent to each member of the board at least five days prior to the date of the meeting, accompanied by the meeting agenda and the necessary documents and information. Unless the situation calls for the meeting to be held urgently, the invitation to the meeting may be sent, accompanied by the meeting agenda and the necessary documents and information, within a shorter period of time.

D- The meeting shall not be valid unless attended by half of the Board members (by themselves or on behalf/delegation), provided that the number of attendees shall not be less than three including the chairman of the board or his representative, unless the Company's Bylaw provide for a larger percentage or number. If a Board member delegates another Board member to attend the board meetings, the delegation must be in accordance with the following controls:

-A member of the board of directors may not represent more than one member in attending the same meeting;

-The delegation must be approved and given in writing;

-It is not permissible for the assignee to vote on the decisions that the regulations prohibit the assignee to vote on.

e- Board resolutions are issued by the majority of the votes of the members of the board present (authenticity or on behalf of) at the meeting., and if the votes are equal, the vote of the chairman is deciding. The Board resolutions by circulation and urgent matters presenting them to all members unless one of the members requests, in writing, the board meeting for deliberation. Those decisions shall be issued by the majority of the votes of the members of the Board, and these resolutions shall be presented to the Board in the upcoming meeting to be recorded in the minutes of the meeting.

#### **Board members' notes:**



A- If any of the members of the Board of Directors has comments about the performance of the company or any of the presented topics and they have not been decided upon at the Board meeting, they must be written down and the actions taken by the Board or deemed to be taken regarding them should be indicated in the minutes of the Board of Directors meeting.

b- If a member of the Board of Directors expresses an opinion different from the board's decision, it must be recorded in detail in the minutes of the board meeting.

#### **Organizing attendance at board meetings:**

1- The process of attending the Board of Directors' meetings must be regulated, and members' irregular attendance at such meetings must be dealt with according to company's law

2- An independent member of the Board of Directors must ensure that he attends all meetings in which important and fundamental decisions affecting the company's position are taken.

#### **Board meeting agenda:**

A- The Board of Directors shall approve the agenda when it convenes. In the event that any member objects to this schedule, this must be recorded in the minutes of the board meeting.

B- Each member of the Board of Directors has the right to suggest adding any item to the agenda.

#### **Exercising the functions of the Board of Directors:**

A- The Board of Directors shall exercise its powers and duties in leading the company within the framework of prudent and effective controls that allow the measurement and management of risks and limit their effects.

B - Subject to paragraph (b) of Article (20) of the Corporate Governance Regulations, the Board of Directors may - within the limits of its duties- delegate one or more of its members or committees or others to carry out certain duties or activities.

C- The Board of Directors shall set an internal policy that outlines the work procedures in the Board of Directors and aims to urge its members to work effectively to abide by their responsibilities towards the company.

D- The Board of Directors shall organize its work and allocate sufficient time to carry out the tasks and responsibilities entrusted to it, including preparing for the meetings of the Board and committees, and emphasizing the coordination, recording and keeping of the minutes of its meetings.

#### **The secretariat of the Board of Directors:**

The Board of Directors appoints a secretary from among its members or from others, and the terms of reference and remuneration of the secretary are determined by a decision of the Board of Directors -



unless the Company's Bylaw include provisions in this regard - provided that these duties include the following:

- 1- Documenting the meetings of the Board of Directors and preparing minutes for them that include the discussions and deliberations, indicating the place and date of the meeting and the time of its beginning and end, documenting the Board's decisions and voting results, keeping them in a special and organized record, writing down the names of the attending members and the reservations they made – if any – and signing these Minutes from all members present.
- 2- Keeping the reports submitted to the Board of Directors and the reports prepared by the Board.
- 3- Providing the members of the Board of Directors with the board's agenda, working papers, documents and information related to it, and any additional documents or information requested by any board member related to the topics included in the meeting agenda.
- 4- Verify that the members of the Board of Directors adhere to the procedures approved by the Board.
- 5- Informing the members of the Board of Directors of the dates of the Board's meetings sufficiently before the specified date.
- 6- Presenting the draft minutes to the members of the Board of Directors to express their views on them before signing them, within seven to ten working days from the date of the meeting. In the event that the Secretary does not receive any observations or visuals within ten working days of receiving the draft minutes, it shall be considered as an acknowledgment of approval.
- 7- Circulating the minutes of the Board's meetings to the members for approval within five to seven working days. The Secretary shall send the minutes of the meeting within three working days in cases that require rapid completion as determined by the Chairman of the Board.
- 8- Verify that the members of the Board of Directors obtain a complete and prompt copy of the minutes of the Board meetings and information and documents related to the company.
- 9- Coordination between the members of the Board of Directors.
- 10- Organizing a record of disclosures of the members of the Board of Directors and the Executive Management.
- 11- Carrying out correspondence and correspondence on behalf of the Board of Directors and according to the directives of the Board of Directors or its Chairman.
- 12- Maintaining the confidentiality of information and all documents of the Board of Directors, shareholders' assemblies and other related documents.
- 13- Contacting the relevant government agencies and coordinating with them to hold shareholders' assemblies.
- 14- Providing assistance and advice to the members of the Board of Directors.
- 15- The Secretary of the Board of Directors may not be dismissed except by a decision of the Board of Directors.

**Secretary terms:**

The Board of Directors shall determine the conditions that must be met by the Secretary of the Board of Directors, provided that they include any of the following:

1. To have a university degree in law, finance, accounting or its equivalent, and to have relevant practical experience of no less than three years.
2. To have at least five years of relevant work experience.

**Training:**

The company is keen to inform the members of the Board of Directors and the executive management about the progress of the company's work and activities, especially the company's strategy and objectives, the financial and operational aspects of the company's activities, the obligations of the members of the Board of Directors and committees, their duties, responsibilities and rights. The company is also strengthening training mechanisms so that members of the Board of Directors and the executive management receive continuous training programs and courses for the purpose of developing their skills and knowledge in areas related to the company's activities.

**Support:**

The company's executive management shall provide the members of the Board of Directors, non-executive members in particular, and the company's committees, with all the necessary information, data, documents and records, provided that they are complete, clear, true and not misleading, and in a timely manner, to enable them to perform their duties and tasks.

**Evaluation:**

The Board of Directors, based on the proposal of the Nominations Committee, sets the necessary mechanisms to annually evaluate the performance of the Board, its members and committees, and the executive management. The evaluation procedures and standards are in accordance with the provisions of Article (39) of the Corporate Governance Regulations issued by the Capital Market Authority.

**Chapter two:**



### **Policies and standards of the membership of the company Board of Directors**

1. The nominee shall be professionally capable and has the required experience, knowledge, skill and independence, which enable him/her to perform his/her duties efficiently. In accordance with the terms of membership of the Board of Directors mentioned later in this Charter.
2. The nominee shall have effective ability of communication and strategic thinking.
3. The nominee shall be a person of at least 25 years of age.
4. The nominee shall not be previously convicted of dishonor or dishonesty crime, decided as bankrupt, has made arrangements or conciliation with his creditors or unfit for the Board membership in accordance with any law or instructions applied in the Kingdom.
5. The nominee shall not be a board member of more than 5 listed joint stock companies simultaneously.
6. The nominee shall not be a government employee.
7. Taking variety of academic qualifications and practical experience into consideration and giving priority of nomination to the required needs of persons having appropriate skills for the Board of Directors.
8. The number of independent members shall not be less than one third of the Board of Directors and the majority of the Board members shall be of Non-Executive Directors.
9. In the case of independent member, the independent member shall not have any case contradicting to independency as mention in article (19) of corporate governance regulation.
10. The board member shall represent all shareholders and shall abide by what realizes the interests of the company in general and not what realizes the interests of the group he represents or the group that voted in favor of his appointment as a board member.
11. The membership of the board member terminates by his resignation, death or by termination by a general assembly decision rendered by 51% votes of the shares represented in the meeting or if the board member is previously convicted of dishonor or dishonesty crime, decided as bankrupt, has made arrangements or conciliation with his creditors or unfit for the Board membership in accordance with any law or instructions applied in the Kingdom.
12. The board member must resign before the end of his board membership period if he loses capacity for work as a board member, if he is unable to practice his works or if he is unable to allocate the necessary time or effort to perform his tasks in the board. In case of conflict of interests, the board member shall choose either to obtain a permit from the general assembly to be renewed annually or to resign.

### **Procedures of the Company board membership**

1. The Committee of Nominations and Remuneration shall coordinate with the executive administration of the company to announce opening nomination for the company board membership in accordance with the Law of Companies, the Circulars of the Ministry of Commerce and Investment and Companies Governance regulation.
2. The Committee of Nominations and Remuneration shall submit its recommendation to the Board of



Directors on nomination for the board membership in accordance with the aforementioned policies and standards.

3. Any shareholder, who is interested in nomination to the company board, shall declare his wish by notifying the company administration in accordance with the applicable laws, regulations, instructions and decisions. This notice shall include an introduction of the nominee with respect to his curriculum vitae, his qualifications and his work experience.

4. Any nominee who is a previous board member of a shareholding company should enclose the list of boards where he was a member and the list of standing committees in which he was a member.

5. Membership type shall be clarified, i.e. if the member is an executive member or a non-executive member or an independent member.

6. The membership nature shall be clarified, i.e. if the member is a nominee for himself or if he represents a legal person.

7. The Committee of Nominations and Remuneration shall coordinate with the executive administration of the company by sending copies of nominations notices, their attachments and a list of the names of the nominees to the General Department of Companies Ministry of Commerce and Investment.

8. The Committee of Nominations and Remuneration shall carry out any observations provided by the competent authorities on any nominee.

9. The General Assembly shall elect the Board members for the term stated in the Company's Bylaws which is three years. Board members may be re-elected, unless otherwise provided for in the Company's bylaws.

10. The General Assembly shall take into account, when electing members to the Board, the recommendations of the nomination committee and the availability of the personal and professional capabilities required performing their duties effectively pursuant to article 18 of corporate governance regulation.

11. Voting in the general assembly on those who are personally nominated in accordance with aforementioned policies, standards and procedures using accumulated voting method.

12. The Company shall notify the Capital Market Authority of the names of the Board members and description of their memberships within five business days from the commencement date of the Board term or from the date of their appointment, whichever is shorter, as well as any changes that may affect their membership within five business days from the occurrence of such changes.



### **Board Membership Conditions:**

It is required that a member of the Board of Directors be of professional competence who possesses the necessary experience, knowledge, skill and independence to enable him to perform his duties efficiently and competently, taking into account in particular the following:

1. Leadership ability: that a member of the Board of Directors possess leadership skills that qualify him to grant powers that lead to motivating performance and applying best practices in the field of effective management and adherence to professional values and ethics.
2. Efficiency: That the member of the Board of Directors possesses the appropriate academic qualifications, professional and personal skills. level of training, practical experience relevant to the company's current and future activities, management, economics, accounting, law or governance, as well as a desire to learn and train.
3. The ability to direct: That a member of the Board of Directors has technical, leadership, and administrative ability, speed in decision-making, and assimilation of technical requirements related to workflow, and that he is able to strategically direct, plan and have a clear future vision.
4. Financial knowledge: The board member should be able to read and understand the financial statements and reports.
5. Health fitness: That the member of the Board of Directors does not have a health impediment that prevents him from carrying out his duties and responsibilities.

### **Vacancy of Board Membership:**

In the event that the position of a member of the Board becomes vacant during the term of membership as a result of his resignation, dismissal, or otherwise (such as death, criminal conviction, disability, bankruptcy, etc.), the Board may appoint temporarily in the vacant position a person who has experience and competence based on the recommendation of the Nominations and Remuneration Committee, provided that he informs the Commercial Registry, as well as the Authority, of that within fifteen days from the date of appointment, and that the appointment be presented to the Ordinary General Assembly at its first meeting for approval. The appointed member completes the term of his predecessor.

If it is proven to the Board of Directors that a Board member has breached his duties to the detriment of the company's interests or provided misleading or incorrect information upon nomination, the Board may dismiss him and appoint a replacement for him, provided that such appointment is accompanied by the approval of the General Assembly. The membership of the Board ends in accordance with what is stipulated in Article (18) of the Company's Bylaw and other relevant regulations.



### **Candidate disclosure of conflict of interest:**

Whoever wishes to nominate himself for membership in the Board of Directors shall disclose to the Board and the General Assembly any cases of conflict of interest in accordance with the procedures established by the Capital Market Authority – including:

1. - Existence of a direct or indirect interest in the business and contracts made for the benefit of the company.
2. His participation in a work that would compete with the company, or its competition in one of the branches of the activity he is engaged in.

### **Revision and enforcement of the Charter:**

The Corporate Governance Department continuously reviews this regulation to ensure its compliance with the relevant laws and regulations. No amendment, deletion or addition of articles to this bylaw may be made without the approval of the company's Board of Directors and the general assembly. The provisions of these regulations shall be effective from the date of approval by the company's Board of Directors and the general assembly.

<b>Policy Name</b>	<b>Prepared by</b>	<b>Reviewed by</b>	<b>Recommended by</b>	<b>Approved by</b>	<b>Approval Date</b>
Board Charter and Standards of membership of Board of Directors v.2	Governance Department	NRC	The Board of Directors	General Assembly	19/06/2023