



Board Of Directors Membership Policy and Procedures
Obeikan Glass Company

Introduction:

These policies aim to establish clear and specific standards and procedures for membership in the company's board of directors.

First: Composition of the Board of Directors

1. The company's bylaws specify the number of board members, which should not be less than three and should not exceed eleven.
2. The majority of board members must be non-executive members.
3. The number of independent board members should not be less than two members or one-third of the board members, whichever is greater.

Second: Appointment of Board Members

1. The General Assembly elects board members for a specified period according to the company's bylaws, provided that it does not exceed three years. Re-election is permitted unless the company's bylaws state otherwise.
2. A board member should not hold board membership in more than five listed joint-stock companies simultaneously.
3. The company must notify the regulatory authority of the names of board members and their qualifications within five working days from the start of the board's term or from their appointment, whichever is earlier, and any changes to their membership should be reported within five working days from the date of the changes.

Third: Requirements for Board Membership

A board member must be professionally competent and possesses experience, knowledge, skill and complete independence, enabling him to efficiently perform his/her duties. In particular, a board member must meet the following criteria:

1. Leadership Skills:

Possess leadership skills that qualify him to delegate authorities to stimulate performance and adhere to the best practices in effective management and professional ethics.

2. Competence:

Have relevant academic qualifications, professional skills, personality, training level, and practical experience related to the current and future activities of the company, management, economics, accounting, law, or governance. He should also have a desire for learning and training.

3. Ability to Guide:

Possess technical, leadership, managerial capabilities, the ability to make decisions swiftly, and understand technical requirements related to work processes. He should be capable of providing strategic guidance, planning, and clear vision for the future.

4. Financial Knowledge:

Be able to read and understand financial statements and reports.

5. Physical Fitness:

Have no health issues that hinders him from performing his/her duties and responsibilities.

Fourth: Termination of Board Membership

1. The company's bylaws should specify the procedures for the termination of board membership. Board membership ends upon the expiration of its term or the losing of the member's eligibility according to any applicable regulations or instructions in the Kingdom. The Ordinary General Assembly has the authority to dismiss all or some of the board members without violating the right of the dismissed member(s) to compensation if the dismissal occurs for unacceptable reasons or at an inappropriate time.
2. The Ordinary General Assembly, upon the recommendation of the board of directors, may terminate the membership of a board member who has been absent from attending three consecutive board meetings without a valid excuse.
3. The company must notify the regulatory authority and the CMA when the membership of one of the board members ends, by any means of termination, and the reasons that led to it.

4. If a board member resigns and has remarks on the company's performance, he must submit a written statement to the Chairman of the Board of Directors. This statement should be presented to the other board members.

Fifth: Membership Procedures in the Board of Directors

1. The Nominations and Remuneration Committee coordinates with the executive management of the company to announce the opening of nominations for membership in the Board of Directors for a period of not less than thirty days.
2. The Nominations and Remuneration Committee submits its recommendation to the Board of Directors regarding the nomination for membership in the board, in accordance with the previously mentioned policies and criteria.
3. Those who wish to nominate themselves for membership in the Board of Directors must declare their intention through a notification to the company's management, according to the specified periods and deadlines in the regulations, rules, circulars, and applicable decisions. This notification should include a description of the candidate, including their curriculum vitae, qualifications, and work experience, as required by the regulatory requirements stated in the nomination announcement.
4. Candidates who have previously served on the board of directors of a joint-stock company must state the number and dates of the boards of directors they have served on.
5. A candidate who has previously served on the board of directors of the company must attach to the nomination notification a statement from the company's management regarding the most recent term in which he/she served as a board member, including the following information:
 - The number of board meetings held during each year of the board's term.
 - The number of meetings attended by the member in person, and their attendance percentage out of the total number of meetings.
 - The standing committees in which the member participated, the number of meetings held by each committee during each year of the board's term, the number of meetings attended by the member, and their attendance percentage out of the total number meetings.

- The membership type must be clarified, whether the member is an executive, non-executive, or independent.
 - The nature of the membership must be clarified, whether the member is nominated in a personal capacity or representing a legal entity.
6. The Nominations and Remuneration Committee, in coordination with the executive management of the company, provides the Capital Market Authority with the resumes of the candidates for membership in the Board of Directors, according to the "Curriculum Vitae Form for a Candidate for Membership in the Board of a Listed Company in the Saudi Stock Market."
 7. The Nominations and Remuneration Committee must implement any remarks received from relevant authorities regarding any candidate.
 8. Voting in the General Assembly is limited to those who nominated themselves in accordance with the aforementioned policies, standards and procedures
 9. Voting in the General Assembly for the election of the Board of Directors will be cumulative voting.

Sixth: Board Membership Vacancy

1. In the event that a position of a board member becomes vacant during the term of membership due to resignation, dismissal, or any other reason (such as unfortunate events like death, criminal conviction, disability, bankruptcy, etc.), the board may appoint someone to replace them based on the recommendation of the Nominations and Remuneration Committee. This temporary appointment of a new member should be presented for approval at the first ordinary general assembly meeting, and the new member will complete the remaining term of their predecessor.
2. Article 15 of the company's bylaws stipulates that the number of board members shall be seven (7).
3. The resignation shall be considered effective from the date of notification to the Chairman of the Board of Directors or any other agreed-upon date. If a resigning board member has any remarks regarding the company's performance, they must submit a written statement

to the Chairman of the Board of Directors, and this statement must be presented to the other board members.

4. If the Board of Directors determines that a board member has breached his/her duties in a way that harms the interests of the company or provided misleading or false information during his/her nomination process, the board may dismiss the member and appoint a replacement, provided that this appointment is conditional to approval of the Ordinary General Assembly.

Seventh: Independence Requirements

1. An independent board member must be capable of performing his/her duties, expressing his/her opinions, and voting on decisions objectively and impartially, in a way that enables the board to make sound decisions that serve the company's interests.
2. The board of directors must conduct an annual evaluation to assess the independence of the member and ensure that there are no relationships or circumstances that could impact or potentially affect their independence.
3. The following conditions, among others, are incompatible with the necessary independence of an independent board member:
 - a. Owning 5% or more of the company's shares or shares of another company within its group, or having a familial relationship with someone who owns such a stake.
 - b. Representing a legal entity that owns 5% or more of the company's shares or shares of another company within its group.
 - c. Having familial relationship with any of the board members in the company or another company within its group.
 - d. Having familial relationship with any of the senior executives in the company or another company within its group.
 - e. Being as a board member in another company within the company's group.
 - f. Having been employed within the last two years by the company, any party dealing with the company, or another company within its group, such as auditors or major suppliers, or owning controlling stakes in any of those parties during the last two years.
 - g. Having a direct or indirect interest in businesses and contracts carried out on behalf of the company.

- h. Receiving financial amounts from the company in addition to the remuneration for board membership or any of its committees that exceed SAR 200,000 or 50% of his remuneration received in the previous year for board membership or any of its committees, whichever is lower.
 - i. Participating in activities that compete with the company or trading in any one sector in which the company operates.
 - j. Having served for more than nine continuous or non- continuous years as a board member.
- 4. Transactions and contracts conducted with a board member for their personal needs, which require approval from the Ordinary General Assembly, are not considered to be against independence if such transactions and contracts are conducted under the same conditions and terms applied by the company to its contractors and stakeholders and fall within the company's ordinary business activities, unless the Nominations Committee determines otherwise.

Eighth: Disclosure of Conflict of Interest by Candidates

Anyone who wishes to nominate himself for membership on the board of directors must disclose to the board and the general assembly any conflicts of interest, in accordance with the procedures established by the Capital Market Authority, which include:

- 1. Having a direct or indirect interest in businesses and contracts conducted for the benefit of the company.
- 2. Participating in any business that competes with the company, or competes with it in any other sectors it operates in.

Ninth: Effective Date and Enforcement

This policy will be in effect from the date of its approval and adoption by the general assembly upon its approval.

Any amendments to this policy shall be within the authority of the board of directors, based on a delegation from the general assembly of shareholders, provided that such amendments comply with the relevant rules and regulations.