



شركة مصنع مياه الجوف الصحية
Al Jouf Healthy Water Bottling Co.

Board Membership Policies, Standards and Procedures

Al-Jouf Mineral Water Company

Board Membership Policies, Standards and Procedures

preamble:

These policies aim to set clear and specific criteria and procedures for membership in the Board of Directors of Al-Jouf Mineral Water Company (the Company), in implementation of the provisions of Paragraph (3) of Article Twenty-Two of the Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) and the date of 16/5/1438 AH corresponding to 13/2/2017 AD.

First: Composition of the Board of Directors:

The following shall be taken into account in the composition of the Board of Directors:

- 1) The number of its members is proportional to the size of the company and the nature of its activity, without prejudice to what is stated in the company's articles of association.
- 2) That the majority of the members are non-executive.
- 3) The number of its independent members shall not be less than two members, or one third of the members of the Board, whichever is greater.

Second: Appointment of Board Members:

- 1) The company's articles of association specify the number of members of the board of directors, provided that it is not less than three and not more than eleven.



- 2) 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 articles of association stipulate otherwise.
- 3) It is required that a member of the Board of Directors not be a member of five joint stock companies listed on the market at the same time.
- 4) 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 earlier, and any changes that occur to their membership within five working days from the date of the occurrence of the changes.

Third: Conditions for Board Membership:

- 1) Leadership ability: by having leadership skills that qualifies him to grant powers in a way that leads to motivating performance and applying best practices in the field of effective management and adherence to professional values and ethics.
- 2) Efficiency: by having the academic qualifications, appropriate professional and personal skills, level of training, and scientific expertise related to the company's current and future activities, management, economics, accounting, law or governance, as well as the desire to learn and train.
- 3) The ability to direct: by having technical, leadership and administrative capabilities, speed in decision-making, understanding the technical requirements related to workflow, and being able to strategically direct, plan and have a clear future vision.
- 4) Financial knowledge: by being able to read and understand financial statements and reports.
- 5) Health fitness: This is because he does not have a health impediment that hinders him from exercising his duties and competencies.

The General Assembly, when electing members of the Board of Directors, shall take into consideration the recommendation of the Remuneration and



Nomination Committee and the availability of the personal and professional components necessary to effectively perform their duties in accordance with what is stated in this article.

Fourth: Membership procedures in the company's board of directors:

- 1) The Remuneration and Nomination Committee shall coordinate with the executive management of the company to announce the opening of nominations for membership of the Board of Directors in accordance with the Companies Law and the Companies Government Regulations.
- 2) The Remuneration and Nomination Committee shall submit its recommendation to the Board of Directors regarding the nomination for membership of the Board in accordance with the aforementioned policies and criteria.
- 3) Whoever wishes to nominate himself for membership of the company's board of directors must announce his desire by notification to the company's management according to the periods and dates stipulated in the applicable laws, regulations, circulars and resolutions, and this notification must include an introduction to the candidate in terms of his biography, qualifications, and practical experience.
- 4) The candidate who has previously served as a member of the board of directors of a joint stock company must indicate the number and date of the boards of directors of the companies to which he has held membership.
- 5) The candidate who previously held the membership of 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 became a member of the board, including the following information:
 - The number of board meetings held during each year of the term.
 - The number of meetings attended by the member in person, and the percentage of his attendance to the total meetings



- 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 attended, and the ratio of his attendance to the total meetings.
- The capacity of the membership must be clarified, ie whether the member is an executive member, a non-executive member or an independent member.
- The nature of membership must be clarified, ie whether the member is a candidate in his personal capacity or is a representative of a legal person.

6) The Remuneration and Nominations Committee, in coordination with the company's executive management, shall provide the Capital Market Authority with the CVs of the candidates for membership of the company's board of directors, according to the CV template for the candidate for membership of the board of directors of a joint stock company listed in the Saudi Stock Exchange.

7) The Remuneration and Nomination Committee shall implement any observations received from the competent authorities regarding any candidate.

8) Voting in the General Assembly is limited to those who have nominated themselves in accordance with the aforementioned policies, criteria and procedures.

Fifth: The candidate's disclosure of a 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) Having a direct or indirect interest in the business and contracts made for the company's account.
- 2) His participation in a business that would compete with the company, or its competition in one of the branches of the activity that he is engaged in.

Sixth: Effective Date:



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These policies shall be effective from the date of their approval by the General Assembly.