



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

Board Membership Policies, Criteria and Procedures

Aljouf Mineral Water Bottling Co.



Board Membership Policies, Criteria and Procedures

Introduction:

These policies aim to set clear and specific criteria and procedures for membership in the Board of Directors of Aljouf Mineral Water Bottling Co. (the Company), and the policy has been prepared in accordance with the Company's Articles of Association, Companies Law and Corporate Governance Regulations.

First: Composition of the Board of Directors:

The composition of the Board of Directors shall consider the following:

1. The number of its members is proportional to the size of the company and the nature of its activity, without prejudice to the provisions of the company's articles of association.
2. The majority of non-executive members must be non-executive members.
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 more.

Second: Appointment of the members of the Board of Directors:

1. The company's association articles determine the number of members of the board of directors, if it shall not be less than three and not more than eleven.
2. The General Assembly shall elect the members of the Board of Directors for a period of four years, and they may be re-elected unless the Company's Articles of Association provide otherwise.
3. A member of the Board of Directors shall not be a member of the five joint stock companies listed on the Exchange 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 qualities within five working days from the date of commencement of the Board of Directors session or from the date of their appointment, whichever is earlier, and any changes to their membership within five working days from the date of the changes.

Third: Conditions of membership of the Board of Directors:

1. Leadership ability: **by** having leadership skills that qualify 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. Competence: **by** having the appropriate academic qualifications, professional and personal skills, level of training, and scientific experience 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. 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 clear future vision.
4. Financial knowledge: to be able to read and understand financial statements and reports.
5. Health fitness: **because** he does not have a health barrier that hinders him from exercising his duties and competencies.

The General Assembly shall, when electing the members of the Board of Directors, consider the recommendation of the Remuneration and Nomination Committee and the availability of the personal and professional assets necessary to perform their duties effectively in accordance with this Article.



Fourth: Procedures for membership of the company's board of directors:

1. The Remuneration and Nomination Committee shall coordinate with the Company's Executive Management 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 recommend to the Board of Directors regarding nomination for membership of the Board in accordance with the policies and criteria.
3. Those who wish to nominate themselves for membership of the Company's Board of Directors must declare their desire by virtue of a notification to the Company's management in accordance with the periods and dates stipulated in the applicable laws, regulations, circulars and decisions, and this notification must include a definition of the candidate in terms of his CV, qualifications, and work experience.
4. A 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 in which he is a member.
5. The candidate who has previously served as a member of the Board of Directors of the Company shall attach to the notification of nomination a statement from the Company's management for the last session in which he assumed membership of the Board, including the following information:
 1. Number of Board meetings that took place during each year of the session.
 2. Number of meetings attended by Asala members and percentage of attendance at the total meetings
 3. The standing 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 ratio of his attendance to the total meetings.
 4. The status of membership must be clarified, i.e. whether the member is executive, non-executive or independent.
 5. The nature of membership must be clarified, i.e. whether the member is a candidate in his personal capacity or a representative of a legal person.
6. The Remuneration and Nomination 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 Board of Directors of the Company in accordance with the CV form of the candidate for membership of the Board of Directors of a joint stock company listed on the Saudi Stock Exchange.
7. The Remuneration and Nomination Committee shall implement any observations received from the competent authorities about any candidate.
8. Voting in the General Assembly shall be restricted to those who have nominated themselves in accordance with the above-mentioned policies, criteria and procedures.

Fifth: Candidate's Disclosure of Conflict of Interest:

Whoever wishes to nominate himself for membership of the Board of Directors shall 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. The existence of a direct or indirect interest in the business and contracts made for the company's account.
2. Participating in a business that would compete with the company or compete with it in one of the branches of the activity it engages.