

Membership Policies, Standards, and Procedures in the Company's Board of Directors

Approved by the General Assembly on 23 March 2021.

First: Membership Policies and Standards in the Company's Board of Directors:

- The nominee for board membership must not have been previously convicted of a crime involving dishonor or trust, must not be insolvent or bankrupt, and must not be disqualified from board membership in accordance with any applicable regulations or instructions in the Kingdom.
- A board member shall not hold membership on the boards of more than five publicly listed companies simultaneously.
- The nominee must not be a government employee.
- The nominee shall possess the necessary professional competence, experience, knowledge, skill, and independence to be able to perform duties effectively and competently.
- The nominee shall have **leadership capabilities**, possessing the necessary leadership skills to empower others, drive performance, and apply best practices in effective management while adhering to professional values and ethics.
- The nominee shall demonstrate **competency**, including relevant educational qualifications, professional skills, personal attributes, training levels, and practical experience related to the company's current and future activities, or in management, economics, accounting, law, or governance, as well as a willingness to learn and undergo training.
- The nominee shall possess **directional capabilities**, including technical, leadership, and managerial skills, rapid decision-making abilities, and understanding of the technical requirements of workflow, and shall be able to provide strategic direction, planning, and a clear future vision.
- The nominee shall have **financial knowledge**, and be capable of reading and understanding financial data and reports.
- The nominee shall maintain **good health**, without any health impediments preventing it from performing duties and responsibilities, and shall possess the personal and professional attributes necessary for effective performance.
- The nominee shall demonstrate effective communication skills and strategic thinking.
- The nominee for board membership shall adhere to principles of honesty, integrity, loyalty, care, and concern for the interests of the company and shareholders, prioritizing them over personal interests. The relationship between a board member and the company shall be a sincere professional one, including disclosure of any material information to the company before executing any transaction or contract with the company or any of its subsidiaries and avoiding transactions that may present a conflict of interest, ensuring fairness in dealings and compliance with the provisions regarding conflicts of interest as stated in the governance regulations, and fulfilling the duties and responsibilities outlined in the Companies Law, Capital Market Law, the company's articles of association, and other relevant regulations.
- Diversity in educational qualifications and practical experience shall be considered, prioritizing nominees with the requisite skills for board membership.

- The number of independent members shall not be less than two or one-third of the board members, whichever is greater.
- An independent member shall maintain complete independence in its position and decisions, and none of the disqualifying factors stated in Article 20 of the governance regulations shall apply to such member.
- A board member shall represent all shareholders and shall act in the overall interest of the company, not merely in the interests of the group it represents or that voted for its appointment to the board.
- A board member's membership shall terminate upon resignation, death, dismissal by a resolution of the General Assembly, conviction of any crime involving dishonor or trust, bankruptcy, or insolvency, or if it becomes unfit for board membership in accordance with any applicable regulations or instructions in the Kingdom.
- A board member shall resign before the end of its term if it loses eligibility to serve as a board member, becomes unable to perform its duties, or cannot allocate the necessary time or effort to fulfill its responsibilities on the board. In cases of conflict of interest, the member may choose to obtain a license from the General Assembly, renewable annually, or to resign.

Second: Membership Procedures in the Company's Board of Directors

- The Remuneration and Nominations Committee shall be responsible for coordinating with the company's executive management to announce the opening of nominations for membership in the company's board in accordance with the Companies Law, Governance Regulations, and Capital Market Authority Instructions.
- A shareholder shall have the right to nominate itself or another person(s) for board membership, limited to the proportion of its ownership in the capital.
- The nominee for board membership in the company's board of directors shall declare its intention by notifying the company's management within the timeframes specified in the applicable regulations, circulars, and decisions. This notification shall include a biography of the nominee detailing its qualifications and practical experience, as well as the completion of any forms issued by the Capital Market Authority.
- The nominee for board membership in the company's board shall disclose to the board and the General Assembly any conflicts of interest that include:
 - a) Having a direct or indirect interest in transactions and contracts made on behalf of the company for its board the nominee wishes to be nominated.
 - b) Participating in any work that would compete with the company or its branches in the line of their operated business.

- A nominee who has previously held board membership in any joint-stock company shall state the number and dates of the boards of directors of the companies in which it has held membership.
- A nominee who has previously held membership in the company's board shall attach to the nomination notice a statement from the company's management regarding the last term in which it held board membership, including the following information:
 - a) The number of board meetings held during each year of the term.
 - b) The number of meetings attended in person and the attendance percentage of total meetings.
 - c) The permanent committees in which the member participated, the number of meetings each committee held during each year of the term, the number of meetings attended, and the attendance percentage of total meetings.
- The nature of the membership, specifying whether the member is executive, non-executive, or independent.
- The nature of the membership, clarifying whether the member is applying in its personal capacity or as a representative of a legal entity.
- The Remuneration and Nominations Committee, in coordination with the company's executive management, shall provide the Capital Market Authority with the biographies of the nominees for membership in the company's board in accordance with the biography template for nominees for membership in publicly listed companies on the Saudi Stock Exchange (Tadawul), along with any copies of the nomination notice and attachments.
- The Remuneration and Nominations Committee shall implement any observations received from the competent authorities regarding any nominee.
- Voting in the General Assembly shall be limited to those who have nominated themselves in accordance with the aforementioned policies, standards, and procedures.

Final Provisions

This policy shall be implemented and adhered to by the company as of the date of its approval by the General Assembly of shareholders. The content of this policy shall be reviewed as needed based on recommendations from the board and the Remuneration and Nominations Committee, and any amendments shall be submitted to the General Assembly of shareholders for approval at its next meeting.