



## Criteria for nomination for membership of the Board of Directors

### Rawasi Al-Binaa Investment Company

#### 1- Formation of the Board of Directors

1. The company is managed by a board of directors consisting of (5) five members elected by the ordinary general assembly of shareholders for a period not exceeding three years.
2. The members of the Board of Directors represent all the shareholders of the company, and Members of the Board of Directors represent all shareholders of the Company and shall discharge their duties with due care and loyalty in managing the Company, safeguarding its interests, promoting its growth and maximizing its value. and loyalty in managing the company and everything that would preserve its interests, develop it, and maximize its value.
3. The tasks and responsibilities of the members of the Board of Directors and their remuneration shall be determined according to the company's Articles of Association and the governance regulations issued by the Capital Market Authority and the Companies Law in the Kingdom, and they can be viewed in detail through the company's Board of Directors Regulations.

#### 2- Conditions for candidacy for membership of the Board of Directors

1. It is required that a member of the Board of Directors be of professional competence who possesses the necessary experience, knowledge, skill and independence, in order to enable him to carry out his duties efficiently and competently, taking into account that he shall, in particular, have the following:
2. To have leadership skills that qualify him to grant powers in a way that leads to motivating performance, applying best practices in the field of effective management, adhering to professional values and ethics, and the ability to communicate effectively, think and plan strategically.
3. The candidate shall possess appropriate academic qualifications, professional skills, personal attributes, training and practical experience relevant to the Company's current activities, its future business activities, or to management, economics, accounting, law or corporate governance, in addition to a willingness to learn and undertake continuous professional development.
4. He should have technical, leadership and administrative capabilities, speed in decision-making, understanding technical requirements related to workflow, and be able to strategically direct, plan and have a clear future vision.
5. To be able to read and understand financial data and reports.
6. To have deep knowledge and understanding of the local and regional markets within the scope of the company's business.
7. To be responsible for implementing effective corporate governance.



8. He should not have a health impediment that would prevent him from exercising his duties and specializations.
9. To have the ability to provide adequate time and effort to efficiently assume his duties and responsibilities.
10. The candidate should not have been previously convicted of a crime involving dishonor or dishonesty, or been declared bankrupt, or made arrangements or reconciliations with his creditors, or not fit for membership of the Council in accordance with any system or instructions in force in the Kingdom.
11. The candidate must not have been convicted by a final judgment of any violation relating to the Capital Market Law, market manipulation, or trading based on inside information, and shall always place the interests of the Company above his personal interests.
12. That the member of the Board of Directors represents all shareholders, and that he adheres to what achieves the interest of the company in general and not what achieves the interests of the group he represents or that voted to appoint him to the Board of Directors.
13. It is stipulated that a member of the Board of Directors should not be a member of the Board of Directors of more than five joint-stock companies listed in the market at the same time.
14. A member of the Board of Directors may nominate himself for more than one session.
15. The Chief Executive Officer may not be appointed as Chairman of the Board of Directors of the company during the first year of the termination of his services.
16. The candidate must be a natural person at least twenty-five (25) years old, whether he is applying in his personal capacity or representing a legal person.
17. Compliance with the provisions of the applicable laws, regulations and instructions.
18. The candidate shall provide a profile including his curriculum vitae, qualifications and experience. Preference shall be given to candidates whose experience is relevant to the Company's activities, management, finance, law or corporate governance.
19. The candidate must not have any direct or indirect interest in, or participate in, any business competing with the Company's activities, nor perform any executive role in a competing company, in accordance with the Companies Law and the applicable regulations.
20. The candidate shall adhere to the duties of care and loyalty and shall always act in the best interests of the Company and all its shareholders, giving priority to the Company's interests over his personal interests.
21. The candidate must attach a statement of the number and date of his membership in the boards of directors of joint-stock companies, and the committees in which he assumed or continues to be a member.
22. Attach a statement of the companies or establishments in which he participates in management or ownership, and which carry out business similar to the company's business.

23. If the candidate had previously served as a member of the Board of Directors of Rawasi Al-Binaa Investment Company, he must attach to the application for candidacy a statement from the company's management on the last term in which he was a member of the Board, including the following information

- The number of board meetings that took place during each year of the session, the number of meetings attended by the member and the percentage of his attendance to the total number of 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 he attended and the percentage of his attendance to the total number of meetings.

### 3- Termination of membership of the Board of Directors

Membership of the Board of Directors shall terminate upon the occurrence of any of the following:

1. The membership of a Board member shall terminate upon his resignation, expiry of his term of office, death, conviction by a final judgment of a crime involving dishonesty or breach of trust, declaration of bankruptcy, becoming ineligible for Board membership under any applicable law or regulation in the Kingdom, or loss of one or more of the membership requirements.
2. A Board member shall resign before the expiry of his term if he loses the legal capacity required to serve as a Board member, becomes unable to perform his duties, or is unable to devote the time and effort necessary to discharge his responsibilities. In the event of a conflict of interest, the member may either obtain the approval of the General Assembly, to be renewed annually where required, or submit his resignation.
3. Upon the termination of the membership of a Board member for any of the reasons stated above, the Company shall promptly notify the Capital Market Authority and the Saudi Exchange (Tadawul), stating the reasons for such termination.
4. If the position of a Board member becomes vacant, the Board may appoint a temporary member to fill the vacancy, provided that such appointment is presented to the Ordinary General Assembly at its first meeting. The newly appointed member shall complete the remaining term of his predecessor.
5. The Ordinary General Assembly may remove all or some of the members of the Board of Directors in accordance with the Companies Law, the Implementing Regulations of the Companies Law for Listed Joint Stock Companies and other applicable laws and regulations, without prejudice to the removed member's right to claim compensation where the removal occurs without a legitimate reason or at an inappropriate time.

The Ordinary General Assembly may also, upon the recommendation of the Board of Directors, terminate the membership of any Board member who fails to attend three consecutive Board meetings without a legitimate excuse.

6. If the number of Board members falls below the minimum number required for the validity of Board meetings, the Board shall promptly call the Ordinary General Assembly to elect the number of members necessary to complete the Board.
7. If a Board member resigns and has any observations regarding the performance of the Company, he shall submit a written statement to the Chairman of the Board, and such statement shall be presented to the Board members.

#### 4- Circumstances Affecting Independence

**A.** An independent Board member shall be able to perform his duties, express his opinions and vote on resolutions objectively and impartially, thereby assisting the Board of Directors in making sound decisions that serve the best interests of the Company.

**B.** The Board of Directors shall conduct an annual assessment of each independent member to verify the continued fulfillment of the independence requirements and ensure that no relationships or circumstances exist that may affect, or reasonably be perceived to affect, such independence.

**C.** Without limitation, the independence of an independent Board member shall be deemed impaired if any of the following circumstances exist:

1. The member owns, directly or indirectly, five percent (5%) or more of the Company's shares or the shares of any company within its group, or is a relative of a person who owns such percentage.
2. The member represents a legal person holding five percent (5%) or more of the Company's shares or the shares of any company within its group.
3. The member is a relative of any member of the Board of Directors of the Company or of any company within its group.
4. The member is a relative of any senior executive of the Company or of any company within its group.
5. The member serves on the board of another company within the same group as the Company for which he is nominated.
6. The member is, or has been during the preceding two years, an employee of the Company, any company within its group, or any party dealing with the Company, including the external auditors or major suppliers, or has held a controlling interest in any such party during the preceding two years.
7. The member has a direct or indirect interest in any business or contracts entered into for the benefit of the Company.
8. The member receives financial compensation from the Company, in addition to the remuneration for Board or committee membership, exceeding SAR 200,000 or fifty percent (50%) of the



remuneration received during the preceding year for Board or committee membership, whichever is less.

9. The member engages in any business that competes with the Company or conducts business in any of the activities carried out by the Company.
10. The member has served on the Board of Directors of the Company for more than nine years, whether consecutively or separately.