

Board membership policy, Standards and Procedures



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General Policy:

The general policy of membership in the Board of Directors of the Company is to choose between candidates who apply for membership of the Board by differentiating between them in accordance with the Corporate's laws and the Company's bylaw, the Corporate Governance Regulation and the Rules of Listing issued by CMA. Each shareholder has the right to nominate himself or someone else to the Board of Directors.

Criteria and Conditions for Membership in the Board of Directors:

The conditions and criteria for membership in the Company's Board of Directors shall be determined in accordance with the Corporate's laws and the company's bylaw, the Corporate Governance Regulation and the Rules of Listing issued by the CMA and any amendments thereto, The General Assembly should consider the recommendations of the NRC and availability of the necessary professionalism, expertise, knowledge, skills, and independence that enable them to perform their duties effectively and competently when electing members of the Board of Directors experience. As follows:

- Leadership Ability:** They should possess leadership skills that qualify them to delegate authority in a manner that motivates performance and implements best practices in effective management while adhering to professional values and ethics.
- Competence:** They should have the necessary educational qualifications, professional skills, personal suitability, training level, and relevant practical experience related to the company's current and future activities, or in management, economics, accounting, law, or governance, in addition to a willingness to learn and train.
- Guidance Ability:** They should possess technical, leadership, administrative skills, quick decision-making abilities, and an understanding of the technical requirements related to work processes. They should also be capable of providing strategic guidance, planning, and having a clear future vision.
- Financial Knowledge:** They should be capable of reading and understanding financial statements and reports.
- Physical Fitness:** They should not have any health impediments that prevent them from carrying out their duties and responsibilities.
- should possess an educational qualification that enables them to perform their responsibilities on the Board.
- should have sufficient experience in the company's field of work or similar areas.

8. should have knowledge of the Companies Law and the regulations, rules, and circulars related to the company's activities.
9. should have the ability to read and analyze balance sheets and possess knowledge of accounting and finance.
10. should have the motivation and sufficient time to contribute to guiding the company's operations and policies.
11. should possess independence of thought and the courage to express their own opinions on strategic and business matters within the company's field of activity.
12. should be knowledgeable and committed to continuous learning.
13. should have a commitment to serve the company as a Board member for at least one full term since the beginning of their election.
14. should possess ethics, integrity, honesty, and credibility.
15. should not have been convicted of a crime involving dishonor or breach of trust.
16. should not have had a decision issued against them by the Capital Market Authority.
17. Should not have any conflict of interest with the company.
18. Should not have any direct or indirect interest in the businesses and contracts conducted on behalf of the company unless approval is obtained from the General Assembly, **As stated in Article (71) of the Companies Law.**
19. Should not be involved in any business that competes with the company or trade in any branch of activity that the company operates in unless approval is obtained from the General Assembly.
20. Should not be a member of the Board of Directors of more than five listed joint-stock companies.
21. Should adhere to all articles and provisions related to membership in the Board of Directors of joint-stock companies as stipulated in the Companies Law and the regulations of the Capital Market Authority.
22. Should not be nominated for Board membership (except with prior written approval from the relevant authorities) for anyone who has held the same position in a dissolved company or has been dismissed from another company.
23. Should agree to undergo a personal interview with the Nominations and Remunerations Committee of the company.



Procedures for Membership in the Board of Directors:

1. Approval by the Board of Directors to open nominations for Board membership and to endorse the period for submitting nomination applications, as well as the agenda for the General Assembly meeting to vote on the appointment of Board members, whenever the rules or circumstances necessitate it.
2. Submission to the relevant regulatory authorities for approval of both the agenda for the General Assembly meeting and the announcement format inviting the company's shareholders to nominate candidates for Board membership for the upcoming term (specify) or to complete the remaining period of the current term (specify).
3. Announcement inviting the company's shareholders to nominate themselves or others for Board membership for the upcoming term (specify) or to complete the remaining period of the current term (specify).
4. Shareholders wishing to nominate themselves or others for membership in the Board of Directors must do the following:
 - Submit a request (notification) to the company management expressing their desire to nominate themselves and their readiness to assume the responsibilities associated with Board membership.
 - Fill out the form issued by the Capital Market Authority No. (3), which can be obtained from the authority's website.

Candidates should submit their applications to the company by one of the following methods:

- Attend the company's headquarters (Attention: Nominations and Remunerations Committee) at the following address: Riyadh- **North Maathar District – Al-Takhassusi Street**, Riyadh, Saudi Arabia.
 - By express mail: Attention: Nominations and Remunerations Committee, P.O. Box 1544, Riyadh 11441, fax number: 0112849861.
 - Via email at (IR@almunajemfoods.com).
5. Attach copies of qualifications and experiences in the company's field of work.
 6. Submit a separate record of the significant and major achievements accomplished by the candidate in the boards of directors they have served on or in the senior executive and administrative positions they have held over the past ten years, including their current position.
 7. Attach a statement of the boards of directors of the companies in which the candidate has held membership, including the duration of membership, an official letter from each company detailing the membership period, the number of sessions for each term, the member's attendance rate at those sessions, the committees the member participated in and their attendance rate at those committees, as well as a summary of the financial results achieved by the companies during each year of the term.
 8. Attach a statement of the joint-stock companies in which the candidate still holds membership.
 9. Attach a statement of companies that the candidate manages or owns and that conduct activities similar to those of the company.

10. Attach a copy of the national identity card / family card, along with the contact numbers of the candidate and three personal Pics.
11. The candidate must provide an officially certified Arabic translation of any documents or materials written in another language.
12. The applications will be reviewed by the company's Nominations and Remuneration Committee.
13. Arrange personal interviews for those selected in the preliminary review.
14. Provide a report to the Board of Directors that includes the recommendations of the Nominations and Remuneration Committee regarding the qualified candidates for membership, indicating the number of applicants, those selected for preliminary interviews, and justifications for recommending the qualified members for board positions.
15. Invite for a General Assembly meeting to vote on the appointment of vacant Board members in accordance with the recommendations of the Board of Directors and the Nominations and Remuneration Committee, after obtaining the approval of the relevant authorities.
16. The form for membership on the boards of directors of listed companies should be sent to the Capital Market Authority after completing the above-mentioned procedures.

Independence of Board Members:

The presence of independent members on the board aims to ensure that the board includes members who can express their opinions and engage in discussions effectively for the benefit of the company, thus avoiding any conflicts of interest. The Board of Directors should conduct an annual assessment of the member's independence and ensure that there are no relationships or circumstances that may influence or could influence them.

According to the Capital Market Authority and the Corporate Governance Regulations, an "independent member" is a member of the Board of Directors who enjoys complete independence. For example, the following circumstances indicate a lack of independence:

1. Owning 5% or more of the company's shares or any shares in its group or being related to someone who owns that percentage.
2. Representing a legal entity that owns 5% or more of the company's shares or shares in its group.
3. Being a member of the Board of Directors of another company within the group of the company for which they are nominated.
4. Having a familial relationship with any of the Board members in the company or any other company within its group.
5. Having a familial relationship with any senior executives in the company or any other company within its group.
6. Working or having worked as an employee in the past two years for the company, any party dealing with it, or any company in its group, such as auditors or major suppliers, or owning controlling interests in any of those parties during the past two years.
7. Having a direct or indirect interest in the businesses and contracts conducted on behalf of the company.
8. Receiving financial Remunerations from the company in addition to the Board membership fee or any of its committees that exceeds (200,000) SAR or 50% of their fees from the previous year for serving on the Board or any of its committees, whichever is lower.
9. Participating in any business that competes with the company or trading in any branch of activity that the company conducts.
10. Having spent more than nine consecutive or non-consecutive years on the Board of Directors of the company.