



شركة متاجر السيف للتنمية والاستثمار
ALSAIF STORES

Policies, Standards, and Procedures Board Membership



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Policy, Documentation and Preservation Information:

Policy amendments must be numbered and dated using the following log and signed with each update.
Amendments to the policy

Nature of modification	Amendment number	by	the date
Harmonization of systems and regulations	Second Amendment	Secretary of the Board of Directors and Committees Omar Ali Al-Dahi	2024/05/03

Policy review

comments	Adjective	by	the date
nothing	Member of the Board of Directors	Muhammad bin Suleiman Al-Saif	2024/05/23

Policy adoption

by	the date
General Assembly	27/06/2024

Custodian

comments	The side
	Secretary of the Board of Directors and Committees

Chairman of the Council

Secretary of the Council

Sulaiman bin Muhammad Al-Saif

Omar bin Ali Al-Dahi




Definitions and terms used:

The following words and phrases have the meanings shown opposite each one unless the context requires otherwise:

Definition	word/phrase
Board of Directors Nomination Policies and Criteria	Politics
Saif Stores Development and Investment Company.	Company
Kingdom of Saudi Arabia	Kingdom
Financial Market Authority	Authority
Companies Law, issued by Royal Decree No. (M/132) dated 12/1/1443 AH.	companies law
The company's articles of association.	Statute
Corporate Governance Regulations for Joint Stock Companies issued by the Capital Market Authority	Corporate Governance Regulations
An association formed from the company's shareholders in accordance with the provisions of the Companies Law and the company's articles of association.	Assembly
Board of Directors of Saif Stores for Development and Investment Company.	Council
Committees emanating from or formed by the Council	Committees
A full-time member of the Board of Directors of the company's executive management, participating in its daily operations.	Executive member
A part-time member of the Board of Directors who is responsible for the company's executive management and does not participate in its daily operations.	Non-executive member
A non-executive board member who is completely independent in his position and decisions, and who is not subject to any of the limitations on independence stipulated in Article 20 of the Corporate Governance Regulations.	Independent member
People responsible for managing the company's day-to-day operations, proposing and implementing strategic decisions, such as the CEO, his deputies, and the CFO.	Executive management or senior executives
Everyone who has an interest in the company, such as employees, creditors, customers, suppliers, and the community.	Stakeholders
A working day in the Kingdom according to the official working days in the company.	day
Any day, whether it's a business day or not.	Calendar day

All terms not defined in this Policy will have the same meaning as in the list of terms used in the Corporate Governance Rules and the Corporate Governance Regulations, unless the context requires otherwise.

Article one: Preliminary Provisions:

- 1- This policy has been prepared in accordance with the company's governance rules, and in accordance with what is stipulated in paragraph (3) of Article (21) of the Corporate Governance Regulations: (Preparing clear

and specific policies, standards and procedures for membership in the Board of Directors, and putting them into effect after the General Assembly approves them).

- 2- This policy is subject to the provisions of the articles contained in the Companies Law, its implementing regulations, and the company's articles of association.
- 3- This policy aims to establish a legal framework for the rules for selecting Board members and the controls regulating the nomination mechanism.

Article Two: Membership Policies and Criteria

When electing members of the Board, the General Assembly shall take into account the recommendations of the Remuneration and Nominations Committee and the availability of the personal and professional qualifications necessary to perform their duties effectively. The member shall, in particular, be provided with the following:

- 1- The candidate for membership in the Council must not have been previously convicted of a crime involving dishonor or dishonesty, and must not be insolvent, bankrupt, or otherwise unfit for membership in the Council in accordance with any applicable regulations or instructions in the Kingdom.
- 2- He shall not be a member of the board of directors of more than five joint-stock companies listed on the market at the same time, including his membership in Al-Seef Stores for Development and Investment Company.
- 3- The board member must represent all shareholders and must adhere to what serves the interests of the company as a whole, not what serves the interests of the group he represents or which voted for his appointment to the board of directors.
- 4- The number of independent members shall not be less than two members or one-third of the council members, whichever is greater, even if calculating the third results in a fraction, it shall be calculated on the basis of the highest whole number.
- 5- The independent member must enjoy complete independence in his position and decisions, and none of the obstacles to independence stipulated in Article (19) of the Corporate Governance Regulations shall apply to him.
- 6- Taking into account the diversity of academic qualifications and practical experience, and giving priority to the needs required from those with appropriate skills for membership, it is required that the Council member be professionally competent and have the necessary experience, knowledge, skill and independence, enabling him to perform his duties efficiently and competently. He must have, in particular, the following:
 - a. Leadership ability: The person must possess leadership skills that qualify him to grant powers that lead to stimulating performance, applying best practices in the field of effective management, and instilling professional values and ethics.
 - b. Competence: This means having the appropriate academic qualifications, professional and personal skills, and the level of training and practical experience related to the company's current and future activities, or to management, economics, accounting, law, or governance, in addition to the desire to learn and train.

- c. The ability to direct: This means having technical, leadership, and administrative capabilities, quick decision-making, and understanding the technical requirements related to the workflow, and being able to provide strategic direction, planning, and a clear future vision.
- d. Financial knowledge: being able to read and understand financial data and reports.
- e. Physical fitness: that he does not have a health condition that would prevent him from performing his duties and responsibilities.

-7 The candidate for membership in the Board shall adhere to the principles of honesty, integrity, loyalty, care and concern for the interests of the company and shareholders, and put them before his personal interests. This includes in particular the following:

- .a Honesty: The board member's relationship with the company must be a sincere, professional one, and he must disclose any influential information to the company before executing any deal or contract with the company or one of its subsidiaries.
 - .b Loyalty: This involves avoiding transactions that involve a conflict of interest, ensuring fair dealings, and observing the provisions relating to conflict of interest contained in the Companies Law and governance regulations.
 - .c Care and attention: by performing the duties and responsibilities stipulated in the Companies Law, the company's articles of association, and other related regulations.
- 8- The candidate must not be less than twenty-five (25) years old, whether applying in his personal capacity or as a representative of a legal entity.
- 9- The candidate must be committed to performing the duties and responsibilities stipulated in the Companies Law, the Capital Market Law, their executive regulations, relevant regulations, and the company's articles of association.

A member of the Board of Directors must resign before the end of his term on the Board, if he loses his eligibility to serve as a member of the Board of Directors, is unable to perform his duties, or is unable to devote the time or effort necessary to perform his duties on the Board. In the event of a conflict of interest, the member has the option of obtaining permission from the General Assembly or submitting his resignation.

Article Three: Procedures for nomination for membership in the Board of Directors

- 1- The Remuneration and Nominations Committee shall coordinate with the company's executive management to announce the opening of nominations for membership in the company's Board of Directors at least ninety (90) days before the end of the Board's term, in light of the requirements of the regulations and laws.
- 2- The nomination announcement shall be published on the Tadawul website, the company's website, and any other means determined by the Authority, to invite persons wishing to nominate themselves for membership

in the Board of Directors. The nomination period shall remain open for at least one month from the date of the announcement.

- 3- Each shareholder has the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital.
- 4- Anyone who wishes to nominate himself for membership in the company's board of directors must disclose his desire to nominate himself by submitting a request to the Nominations and Remuneration Committee in accordance with the period and dates stipulated in this policy and the applicable rules and regulations. This notification must include a definition of the candidate in both Arabic and English, in terms of his CV, qualifications, and practical experience, in addition to providing the company with all supporting documents such as : (National ID card, family card, passport for non-Saudis running for board membership and any other relevant documents required by the company to meet the regulatory requirements) in addition to completing the forms and declarations required by the company or authority.
- 5- A candidate for membership in the Board must disclose to the Board and the General Assembly any conflicts of interest that include:
 - a. Having a direct or indirect interest in the business and contracts concluded on behalf of the company for whose board of directors he wishes to run.
 - b. His participation in a business that would compete with the company, or compete with it in one of the branches of the activity it carries out.
- 6- A candidate who has previously served on the board of directors of a joint-stock company must attach a statement of the number and dates of the boards of directors of the companies on which he served.
- 7- A candidate who has previously served as a member of the company's board of directors must attach to the nomination notice a statement from the company's management regarding the last term in which he served as a member of the board, including the following information:
 - a. Number of Council meetings held during each year of the session.
 - b. The number of meetings attended by the member, and the percentage of attendance to the total number of meetings.
 - c. 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 percentage of his attendance to the total number of meetings.
- 8- The membership status must be clarified when applying for membership, i.e. whether the member is an executive member, a non-executive member, or an independent member.
- 9- The nature of membership must be clarified, i.e. whether the member is running in his personal capacity or is a representative of a legal entity.
- 10- The number of candidates for the Board of Directors whose names are put forward to the General Assembly must exceed the number of available seats so that the General Assembly has the opportunity to choose from among the candidates.
- 11- The Remuneration and Nominations Committee shall submit its recommendations to the Board regarding nominations for Board membership in accordance with the criteria set out in this policy.

- 12- The Remuneration and Nominations Committee coordinates with the Executive Management to complete the regulatory requirements and provide the relevant regulatory authorities with all required documents.
- 13- Voting for the selection of members of the Board of Directors is done through the cumulative voting method.
- 14- Voting in the General Assembly is limited to those who nominated themselves in accordance with the aforementioned policies, standards and procedures.

Article Four: Vacant Position in the Council

If the position of a member of the Board of Directors becomes vacant due to his death, retirement, or termination of his membership in one of the other ways of termination of membership, and this vacancy does not result in a breach of the conditions necessary for the validity of the Board's meeting due to the number of its members falling below the minimum stipulated in the Companies Law, then the Board may appoint - temporarily- In the vacant position, the person who has the experience and competence must be notified of this to the Commercial Registry, as well as the Capital Market Authority, within (fifteen) days from the date of appointment, and the appointment must be presented to the Ordinary General Assembly at its first meeting, and the appointed member must complete the term of his predecessor.

Article five: Final Provisions

- 1- The policy is subject to annual review as part of the company's governance review or when new instructions or regulations are issued by the competent authorities. This policy is considered complementary to the company's articles of association and the company's governance rules.
- 2- This policy shall be implemented and adhered to by the Company as of the date of its approval by the Ordinary General Assembly. It shall be published on the Company's website to enable shareholders, the public, and stakeholders to review it. The contents of this policy shall be amended, as necessary, based on a proposal from the Nominations and Remuneration Committee and in accordance with a recommendation from the Board. The amendment shall be presented to the Ordinary General Assembly at its next meeting for approval.
- 3- This policy is owned by the Company and may not be reproduced or disclosed in whole or in part without written permission from the Company.