



Selection Policy for Board Members & Executive Management

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Abbreviations

Acronyms	Full Form
AoA	Articles of Association
BoD	Board of Directors
CFO	Chief Financial Officer
CGR	Corporate Governance Regulations
CMA	Capital Market Authority
COO	Chief Operating Officer
GRC	Governance, Risk, and Compliance
HOD	Head of Department
NRC	Nomination & Remuneration Committee

Definitions

Words	Definition
Articles of Association/ Bylaws	The Articles of Association of the Middle East Paper Company
Authority	Capital Market Authority
Board or Board of Directors	Board of Directors of the Middle East Paper Company.
Board Member	A person elected by the General Assembly to serve on MEPCO's Board of Directors.
Business Day	A business day in the Kingdom according to official working days of the Authority.
Chair	Chair of the Board of Directors of MEPCO
Companies Law	Companies Law issued by Royal Decree No. (M/132) dated 1/12/1443 AH and its amendments
Company or MEPCO	Middle East Paper Company
Conflict of Interest	Conflict of Interest is a situation where an individual's personal interests could potentially interfere with their professional duties and responsibilities. This can occur when a person has competing interests or loyalties that could influence their judgment or actions in a way that is not in the best interest of the Company.
Corporate Governance Regulations	The Corporate Governance Regulations issued by the Capital Market Authority pursuant to Resolution No. 8162017 dated 16/05/1438H corresponding to 13/02/2017G and its amendments.
Competent Authorities	Any regulatory, governmental, supervisory, and semi-governmental bodies or agencies within the Kingdom of Saudi Arabia or any other jurisdiction where the Company or its subsidiaries operate, that have legal authority over the Company's operations, governance, financial reporting, and commercial conduct. This includes,

Words	Definition
	but not limited to, CMA, Ministry of Commerce, GOSI, Ministry of Human Resource and Social Development, Zakat, Tax and & Custom Authority etc.
Cumulative Voting	A voting method for electing members of the Board of Directors, where each shareholder is granted voting rights equivalent to the number of shares they own. These votes may be cast for a single candidate or distributed among selected candidates without repetition.
Executive Management / Senior Executives / C-Suite	Persons responsible for managing the daily operations of MEPCO, proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her direct reporters.
Independent Director	A non-executive member of the Board who enjoys complete independence in his/her position and decisions, and none of the issues affecting independence stipulated in Article 19 of CGR apply to him/her.
Non-Executive Director	A member of the Board who is not a full-time member of the management team of the Company and does not participate in its daily activities.
Executive Director	A Member of the Board who is a full-time Member of the Executive Management team of MEPCO and participates in its daily activities. ¹
Ordinary General Assembly or General Assembly or Assembly	An Assembly of the Company's Shareholders duly convened in accordance with the provisions of the Companies Law and its implementing regulations and the Company's AoA.
Policy	The Selection Policy for Board Members and Executive Management.
Secretary	Secretary of the Company's Board of Directors
NRC Secretary	Secretary of the Nomination & Remuneration Committee

The definitions and terms in the relevant laws and regulations issued by the Competent Authorities shall apply to any words or phrases not defined in this Policy.

¹ CGR Article 1.

1. Introduction

The Policy outlines the principles, criteria, and guidelines for selecting and appointing Board Members and Executive Management to ensure that the Company has the necessary skills, experience, diversity, and independence to effectively oversee MEPCO’s strategic direction, governance and the proper management of its operations.

This Policy does not prejudice the right of any shareholder in the Company to nominate themselves or others for Board membership, in accordance with the provisions of the Companies Law and its implementing regulations.

1.1. Scope

This Policy applies to the selection, nomination, and appointment processes and criteria of the Board of Directors and Executive Management.

1.2. Objectives

To establish a transparent and structured process for selecting Board Members and Executive Management, ensuring alignment with MEPCO’s strategic goals and governance framework. This Policy promotes diversity, independence, and ethical leadership while ensuring compliance with regulations mandated in the Kingdom and applicable to MEPCO, including, but not limited to, the Saudi Arabia Companies Law, CMA regulatory requirements, and the Company’s AoA. Additionally, the Policy facilitates effective succession planning to maintain leadership continuity and informed decision-making.

1.3. Custodian

It is the responsibility of the Board to own and maintain the Policy through its Secretary and ensure its adequacy to cater with the changes in business conditions and regulatory requirements. This Policy shall be implemented in a manner that does not contradict the provisions of the Company’s bylaws.

The Secretary shall periodically review and update the Policy, in consultation with the GRC department, to ensure that it is relevant and aligned to applicable laws & regulations. The Policy shall be reviewed once every four (4) years or more frequently if deemed necessary.

This Policy may only be amended based on a recommendation from the Board of Directors. Any proposed amendment shall not take effect until approved by the General Assembly of the Company, unless otherwise stipulated by the laws, regulations, and directives issued by the Competent Authorities.

2. Right to Nominate

Each shareholder in the Company is entitled to nominate themselves, another individual, or multiple individuals for Board membership, provided it is within the scope of their ownership percentage in the Company's share capital and in compliance with the membership criteria outlined in the Companies Law and its implementing regulations.

3. Conditions for Board Membership²

When a shareholder (natural person) nominates themselves or others for membership in the Company's Board of Directors, they must possess professional competence, including experience, knowledge, skills, necessary independence, and a commitment to continuous learning, enabling them to perform their duties efficiently and effectively. Nominees must be at least 25 years old at the time of nomination and should specifically meet the following criteria:

1. **Leadership:** Possess leadership skills that enable them to delegate authority effectively, drive performance, adopt best practices in effective management, and adhere to ethical and professional values.
2. **Competence:** Possession of academic qualifications and expertise in key disciplines such as business administration, finance, governance, law, economics, or other relevant fields.
3. **Guidance Ability:** Demonstrate technical, leadership, and administrative skills, the ability to make timely decisions, understand technical requirements related to workflow, and possess strategic planning and clear forward vision.
4. **Financial Acumen:** Be capable of analyzing financial statements, reports, and corporate performance metrics to ensure effective oversight and decision-making.
5. **Health well-being:** Must not have any medical conditions that would impede the fulfilment of Member duties and responsibilities.
6. **Independence:** For independent Board member nominees, the candidate must not have any circumstances that conflict with independence.
7. **Duty of loyalty and care:** Demonstrate honesty, integrity, loyalty, and dedication to the interests of the Company and its shareholders, prioritizing these over personal interests.
8. **Good conduct/behaviour:** To consistently adhere to ethical standards and applicable laws, regulations, and directives.
9. **Commitment:** A willingness to dedicate the necessary time and effort to attend Board meetings, committee discussions, and strategic decision-making processes.
10. **Integrity:** The candidate must not have been previously convicted of a crime involving moral turpitude or breach of trust. The candidate must also not be insolvent, bankrupt, or deemed ineligible for board membership under any laws or regulations in force in the Kingdom of Saudi Arabia.
11. **Executive Limitations:** Not a board member, senior executive, or partner in a company that has been declared bankrupt or liquidated by court order.
12. **Limited Memberships:** Not serve as a board member in more than five listed joint-stock companies simultaneously on the Saudi Stock Exchange.³
13. **Government Employment:** Not be a government employee unless representing an entity that has nominated them for membership.
14. **Nomination by Legal Entities:** Legal entities must specify the names of their nominees for Board membership.

² Article 18 - CGR

³ Article 17 (c) - CGR

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4. Board Member Nomination Procedure

4.1 Need Recognition of Candidates

The selection of candidates for Board starts with an analysis of its needs, which must be carried out by the Board of Directors on the advice of the Nomination & Remuneration Committee.

4.2 Candidate Identification

The Nomination & Remuneration Committee is responsible for identifying and evaluating potential candidates. The following sources may be utilized:

1. Internal Recommendations: Existing Board Members may propose candidates based on their professional experience and contributions to the organization. Similarly, Key Executive Management within MEPCO or its affiliated companies, especially those linked to the Company for at least five (5) years.
2. Industry Leaders & Executives: Candidates with extensive experience in executive leadership roles, preferably within MEPCO or its affiliated companies or in the same industry, may be considered.
3. External Search Firms: Independent recruitment agencies may be engaged to ensure an unbiased and professional nomination process.
4. Shareholder Nominations: Shareholders with eligible qualifications may nominate themselves or others for Board membership.

4.3 Required Documents for Nomination

Every candidate for Board membership must submit their nomination application to the Company during the announced nomination period, accompanied by the following:

1. A nomination application for Board membership addressed to the NRC Secretary or the Nomination & Remuneration Committee.
2. Completion of the forms specified by the Capital Market Authority (CMA), such as Form No. (3), the CV form for candidates for Board membership in a listed company, which can be obtained from the CMA's website, or any other forms stipulated by the law.
3. A statement detailing the number and dates of the Boards of Directors and committees of listed companies in which the candidate continues to serve as a member.
4. If the candidate has previously served on the Company's Board of Directors, a statement from the Company's Board Secretary for the last term of Board membership, including the following information:
 - a. The number of Board meetings held during each year of the term, the number of meetings attended by the member in person, and their attendance percentage of the total meetings.
 - b. The standing committees in which the member participated, the number of meetings held by each committee during each year of the term, and the number of meetings attended by the member along with their attendance percentage.
 - c. A summary of the financial results achieved by the Company during each year of the term.
5. Clarification of the membership status, whether the member is an executive, non-executive, or independent.

6. Clarification of the nature of membership, whether the member is nominated as a shareholder or appointed by a shareholder who has the right to appoint under the Company's bylaws or nominated by a shareholder.
7. A clear and valid copy of the national ID and family record for individuals, or the commercial registration for companies and institutions, along with the nomination application, the candidate's contact details, and any other requirements stipulated by laws and regulations.

4.4 Additional Requirements for Candidate

Candidates must fulfil specific regulatory and governance-based eligibility requirements, including:

1. Full disclosure of all direct and indirect interests related to MEPCO's business operations.
2. Submission of a detailed nomination form, professional resume, and governance compliance declarations.
3. Declaration of any Conflict of Interest, including business involvements that compete with MEPCO.
 - a. The candidate for membership of the Board has not previously been convicted of a crime of dishonor and honesty and has not been insolvent, bankrupt, or ineligible for membership of the Board in accordance with any regulations or instructions in force in Saudi Arabia.
 - b. The independent member shall have full independence in his or her position and decision, and none of the issues affecting independence provided for in Article 19 of the Corporate Governance Regulations apply to him or her.
4. Have adequate proficiency in Arabic and English to effectively engage in Board discussions and decision-making.

4.5 Nomination Approval

1. The Nomination & Remuneration Committee (NRC) reviews candidate profiles and provides recommendations to the Board.
2. The Board of Directors finalizes the list of candidates for submission to the General Assembly for voting.
3. MEPCO announces the nomination period on the Saudi Exchange (Tadawul) and other corporate communication platforms.

4.6 Procedure for Nomination of Board Members

1. The NRC, in coordination with the GRC Department, oversees the preparation for the election of Board members.
2. The Company announces the opening of the nomination for Board membership at least 60 days before the expiration of the current Board's term. The announcement for the opening of the nomination for Board membership shall be made on Tadawul's website, on the Company's website, and in any other means specified by the Capital Market Authority to invite those who wish to nominate for membership of the Board of Directors.
3. The nomination period remains open for at least 30 days from the announcement date to allow candidates to submit their applications.

4. If the required number of candidates for Board membership is not met within 30 days, the nomination period is extended until the required number is reached to present to the General Assembly.
5. Candidates must submit their applications using the designated form from the CMA and in compliance with the conditions and criteria outlined in the Company's announcement.
6. The NRC must ensure diversity in academic qualifications and practical experience when evaluating candidates, prioritizing the required skills for Board membership. The number of independent members must not be less than two (2) or one-third (1/3) of the Board, whichever is greater.
7. The Company shall announce information of the candidates for membership of the Board on the Tadawul's website. While publishing or sending invitations for the General Assembly meeting, the Company shall provide a copy of this information at its head office and on its website.
8. The NRC shall provide its recommendation to the Board of Directors regarding the nomination for membership of the Board in accordance with the criteria set out in this Policy.
9. The NRC, in coordination with the NRC secretary, shall provide the capital Market Authority with the Curriculum Vitae (CV) of the candidates for the membership of the Company's Board of Directors according to the curriculum vitae form of the candidate for Board of Directors membership in a joint stock company listed through the CMA electronic link system, in addition to copies of the nomination.

5. Election of Board Members

1. The composition of the Board shall be governed by the Company's bylaws, stipulating that the number of Board Members shall not be fewer than three (3).
2. The General Assembly shall elect Board Members for a term that aligns with the provisions of the Company's Bylaws and based on the Board of Director's recommendation.
3. Members may be re-elected unless otherwise stipulated in the Articles of Association.
4. The election of Board members shall be conducted through Cumulative Voting, ensuring that each share is cast only once in the voting process.
 - a. During the Cumulative Voting process, the selection of Board members will prioritize candidates who have received the highest number of votes. These candidates will be considered for Board membership based on the number of cumulative votes cast by shareholders.
 - b. In cases where candidates from the independent and non-independent categories receive an equivalent or comparable number of votes, priority will be given to independent candidates to ensure compliance with corporate governance requirements regarding the minimum threshold required for the independent members in the Board. This ensures the Board maintains the prescribed balance between independent and non-independent members.
5. Legal entities with the right to appoint representatives to the Board shall not participate in the voting process for electing other Board members.

6. Voting in the General Assembly shall be restricted to nominees whose details have been publicly disclosed by the Company in accordance with applicable regulations.
7. The Company shall notify the relevant regulatory authority of the names, membership status, and any changes in the composition of the Board within the legally prescribed timeframe, using the approved forms and procedures.
8. The Board shall elect a Board Chair and Vice Board Chair from among its non-executive members and establish committees as required, ensuring compliance with governance requirements and proper disclosure.
9. The General Assembly shall consider, when electing members to the Board, the recommendations of the NRC and the availability of the personal and professional capabilities required to perform their duties.⁴
10. The Company must notify the CMA of the names and roles of Board Members within five (5) Business Days of the start of their membership or any changes thereto.

6. Termination of Board Membership

1. Expiry or Legal Compliance: A Board Member's membership terminates upon the expiration of their term or as dictated by applicable laws and regulations in Saudi Arabia, including provisions within the Companies Law and MEPCO's Articles of Association.
2. Dismissal by the General Assembly: The General Assembly has the right to dismiss Board Members at any time, even if the Company's AoA specifies otherwise, in line with the flexibility provided by the Companies Law.
3. Attendance Requirements: Based on the recommendation of the Board, the General Assembly may terminate the membership of a member who fails to attend three (3) consecutive meetings or five (5) non-consecutive meetings without a legitimate excuse, complying with the legal stipulation of active participation.
4. Resignation Procedure: A Board Member may resign by submitting a written notice to the Board Chair, which becomes effective on the date specified in the notice. If the Board Chair resigns, the resignation notice must be sent to the remaining Board Members and the Board Secretary. This process aligns with the Companies Law, ensuring proper notification and record-keeping.

7. Notification to Regulatory Authorities

7.1 Capital Market Authority (CMA):

Upon termination of a Board Member's membership, MEPCO is required to promptly notify the CMA and Tadawul, providing a detailed explanation of the reasons for termination, ensuring transparency and compliance with listing requirements.

7.2 Resigning Members' Comments:

If a resigning Board Member has comments on MEPCO's performance, they must submit a written statement to the Board Chair, which will be presented to the Board. This statement provides a formal avenue for Board Members to express concerns regarding corporate governance, thus supporting greater transparency.

⁴ Article 18 of CGR

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8. Vacancies and Interim Appointments

8.1 Interim Appointment:

If a vacancy arises but the minimum number of members required for valid Board meetings is not affected, the Board may appoint an interim replacement. This ensures that MEPCO's governance structure remains operational.

8.2 General Assembly Approval:

Any provisional appointments must be submitted to the next Ordinary General Assembly for approval, in accordance with the Companies Law. The new member will complete the term of their predecessor, ensuring continuity in leadership.

9. Board Chair and Board Members' Resignation:

1. If the Board Chair and Board Members resign, they are required to call for an Ordinary General Assembly to elect a new Board. The resignation is not effective until the new Board is elected, with a maximum period of one hundred and twenty (120) days from the resignation date. This ensures the continuity of MEPCO's governance and operational stability.
2. Resigning Board Members must submit a written notice to the Board Chair (or the remaining Board Members if the Board Chair resigns). Resignations become effective on the specified date.

10. Judicial Authority Intervention:

If required, interested parties may petition the competent judicial authority to appoint qualified individuals to supervise MEPCO's management until a new Board is elected, maintaining corporate governance standards.

11. Election and Shareholder Rights

1. If the Board fails to convene due to an insufficient number of members, the existing members are obligated to call for an Ordinary General Assembly within sixty (60) days to elect the required number of Board members.
2. Shareholders holding ten percent (10%) of MEPCO's voting shares may request the removal of Board Members, and the Board must include this in the invitation for the Ordinary General Assembly. The concerned Board Members have the right to make a statement during the Assembly meeting, respecting shareholders' rights and the principles of corporate governance.
3. The Board must call the General Assembly to elect new members before the term expires. If elections cannot be held in time, the current Board continues for up to ninety (90) days while a new election is organized.

12. Selection for Executive Management

Candidates for Executive Management positions will be evaluated based on the following criteria:

12.1 Criteria for Selection

1. Relevant experience in senior leadership roles, with proven expertise in the candidate's area of responsibility (e.g., financial management, operations, strategic planning, etc.), and compliance with Saudi Companies Law, regulations and best governance practices.
2. Higher education in relevant fields (e.g., business administration, finance, engineering, law, etc.), with preference for advanced degrees (e.g., MBA). Educational qualifications must align with the regulatory standards set by the CMA for listed companies.
3. Demonstrated leadership skills, including the ability to lead teams, drive innovation, and make strategic decisions that align with MEPCO's objectives and corporate governance standards in compliance with the Saudi Companies Law.
4. A deep understanding of MEPCO's industry, market trends, challenges, and opportunities.
5. Alignment with MEPCO's corporate culture and values, including integrity, accountability, and commitment to sustainable growth, consistent with the corporate governance principles outlined in Saudi laws and regulations.
6. Proven history of success in achieving organizational goals, delivering results, and leading teams effectively, in accordance with the corporate governance framework required by the CMA.

12.2 Selection Process

1. Clear and detailed job descriptions and role specifications will be developed for each Executive Management position. These will outline the key responsibilities, required qualifications, and expectations for performance, in line with the regulatory requirements under the Saudi Companies Law and the CMA.
2. The NRC will either conduct the search internally or engage external recruitment firms to identify potential candidates. A diverse pool of candidates will be sought to ensure impartiality and equity. The search process will comply with the best practices for corporate governance in Saudi Arabia.
3. Shortlisted candidates will undergo a rigorous interview process, including competency-based interviews, psychometric testing, and assessments of their leadership style and strategic thinking abilities. Key members of the Board, including the NRC, will be involved in this process. The process will adhere to the principles of fairness and transparency as mandated by the CMA.
4. Comprehensive background checks will be conducted to verify the candidates' qualifications, work history, and references. This process will also assess the candidates' legal and regulatory standing, ensuring compliance with the Companies Law and relevant Saudi regulations, including checking for any legal impediments to their appointment.
5. The NRC will submit its final recommendations to the Board of Directors for approval. The Board will review the qualifications and recommendations, ensuring that the selected candidate(s) is/are aligned with MEPCO's strategic goals and governance standards as required by Saudi laws, CMA regulations, and Tadawul listing requirements.

12.3 Appointment Process

1. The Board shall review and approve the NRC’s recommendations for Executive Management appointments as per the delegation of authority provisions.
2. The Board may request additional information or interviews with candidates before making a final decision.
3. Newly appointed Executive Management members shall undergo a comprehensive induction program to familiarize them with the Company’s operations, governance framework, and strategic objectives.
4. The induction program shall include presentations by senior management, site visits, and training sessions on corporate governance and regulatory compliance.

12.4 Internal Candidates

1. The NRC shall consider internal candidates for Executive Management roles based on their performance, qualifications, and potential for leadership.
2. Internal candidates shall undergo the same evaluation process as external candidates, including interviews and background checks.

12.5 Filling of Vacancies

1. In the event of a vacancy in an Executive Management role, the NRC shall initiate the selection process to identify and recommend a suitable candidate to fill the position.
2. The process for filling vacancies shall follow the same principles and procedures outlined in this Policy.

13.Document Retention

The Company shall retain all minutes, documents, reports and other papers required to be maintained in the Company's head office for at least ten years. Without prejudice to this period, a Company, in case of any lawsuit (filed or threatened to be filed) or ongoing claim or any investigation relating to those minutes, documents, reports and other papers, shall maintain them until the end of the ongoing lawsuit, claim or investigation.

14.Reference Documents

The reference documents are as follows:

Sr No.	Name of Documents
1.	Code of Conduct and Business Ethics for the Board
2.	Code of Conduct and Business Ethics for the Employees
3.	Delegation of Authority Policy

15.Legislative Background

This Policy has been prepared in accordance with:

1. The Corporate Governance Regulations (CGR) issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 16/5/1438H (13/2/2017G), as amended,
2. The Companies Law issued by Royal Decree No. M/3 dated 28/1/1437H, and amended by Resolution of the Board of the Capital Market Authority No. 8-5-2023 dated 25/6/1444H

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(18/1/2023G), based on the Companies Law issued by Royal Decree No. M/132 dated 1/12/1443H; and

3. The laws and regulations applicable to the Middle East Paper Company (MEPCO) as a listed company (Open Joint-Stock Company), as well as its Articles of Association.

16.Disclaimer

The references to laws, regulations, and guidelines in this document, including but not limited to the Corporate Governance Regulations (CGR) issued by the Capital Market Authority (CMA) and the Companies Law of the Kingdom of Saudi Arabia, are provided for informational purposes only. These references are intended to align the policies and procedures of Middle East Paper Company (“MEPCO” or the “Company”) with applicable legal and regulatory requirements. However, this document does not constitute legal advice, nor does it replace or supersede the official texts of the laws, regulations, or guidelines referenced herein.

In the event of any discrepancy or conflict between the content of this document and the official laws, regulations, or guidelines of the Kingdom of Saudi Arabia, the official laws, regulations, and guidelines shall prevail. The Company reserves the right to update or amend this document to ensure continued compliance with any changes in applicable laws, regulations, or governance standards.

--- End of the Document ---

Comparison and New Sections

Article No./Title (Old Policy)	Before amendment	Article No./Title (New Policy)	After amendment	Notes
	Charter of policies and the criteria for membership of the Board of Directors.		Selection Policy for Board Members and Executives	
Article One: Definitions	Subject to the definitions set out in the relevant laws and regulations, the following words and phrases shall have the meanings assigned to them unless the context requires otherwise: Board of Directors: the company's board of directors. Member: a member of the board. Executive Member: a board member dedicated to the company's day-to-day management and a member of the executive management. Non-Executive Member: a board member who is not dedicated to day-to-day management and is not part of the executive management. Independent Member: a member who enjoys full independence from the company's management and from any relationship or interest that may affect his decisions. Committee: the Nominations and Remuneration Committee. Shareholders: the owners of the company's shares. General Assembly: the shareholders' general assembly. Regulation: the Policies and Standards for Board Membership Regulation.	Definitions	The definitions and terms set out in the applicable laws and regulations in the Kingdom shall apply unless the context requires otherwise: Board of Directors: the highest supervisory authority over the company's activities. Executive Member: a board member who holds an executive position in the company. Non-Executive Member: a board member who does not hold an executive position. Independent Member: a member who has no relationship with the company or any of its management that may affect the independence of his decision. Executive Management: the management team responsible for the company's day-to-day operations. Committee: the Nominations and Remuneration Committee. Shareholders: owners of the company's shares listed in the shareholders' register. General Assembly: the shareholders' general assembly. Policy: the Policy for Selecting Members of the Board of Directors and the Executive Management.	Modified/Restructured
Article Two: Preamble	This regulation sets the general framework for the policies and standards of board membership and serves as a reference for approving nomination, selection, and election procedures.	Introduction	This policy provides a comprehensive framework for the procedures of selecting board members and executive management, and clarifies scope of application, responsibilities, nomination and selection mechanisms, election, termination of membership, and filling vacancies.	Modified/Restructured
Article Three: Purpose of the regulation	This regulation aims to set the policies and standards that govern board membership to ensure sound composition, competence, independence, and effectiveness in the board's performance of its duties.	Objectives	This policy aims to regulate the selection of board members and executive management in a way that achieves competence, diversity, independence, and sound governance, and supports the achievement of the company's strategy and the interests of its shareholders and stakeholders.	Modified/Restructured
Article Four: Shareholder's right to nominate	Every shareholder who meets the conditions may nominate himself for board membership in accordance with the applicable procedures and	Right to Nominate	Shareholders who meet the membership conditions have the right to run for board membership in accordance with the specified rules,	Modified/Restructured

Article No./Title (Old Policy)	Before amendment	Article No./Title (New Policy)	After amendment	Notes
	rules, provided that the announcement of opening nominations is made within the specified time limits.		procedures, and time frames, with the commitment to announce the opening of nominations via the approved channels.	
Article Five: Conditions and standards for board membership	A candidate for board membership must have sufficient competence in terms of qualifications, experience, integrity, commitment, and must not have been convicted of an offense involving dishonesty or breach of trust, and must have the ability to allocate time, follow up, attend meetings, and comply with membership duties.	Board Membership Conditions	The company sets a clear framework for the requirements of board membership, including an appropriate academic qualification, relevant professional experience, integrity and independence, the ability to allocate sufficient time, regular attendance, and compliance with the provisions of applicable laws and regulations and the board's code of conduct.	Modified/Restructured
Article Seven: Procedures for nomination to board membership	The Nominations and Remuneration Committee, in coordination with the company's management, receives nominations for board membership, verifies that they meet the terms and standards, and prepares a short list to be submitted to the Board for approval prior to the General Assembly vote.	Board Members Nomination Procedures	Need for candidates The selection of board candidates begins when the General Assembly or the Board identifies the need for new members in accordance with the company's articles of association. The Committee shall announce the opening of nominations in line with the applicable instructions, ensuring transparency and equal opportunity among all candidates. Nomination and its requirements A candidate for board membership must submit a nomination application using the approved forms and attach his CV, academic certificates, work experience, and any required disclosures regarding actual or potential conflicts of interest, including works and contracts with the company or competition with it.	Modified/Restructured
Article Eight: Procedures for electing board members	The company's articles of association determine the number of board members and the method of their election. The Committee supervises the nomination process to ensure integrity and transparency and equal opportunity for candidates, and the list of candidates is presented to the General Assembly for voting according to the approved mechanism.	Election of Board Members	The composition of the Board is subject to the company's articles of association. The Nominations and Remuneration Committee, in coordination with the competent department, announces the candidates, verifies that they meet the requirements, and submits the list of candidates to the General Assembly for voting according to the prescribed mechanisms in a manner that ensures transparency and equal opportunity.	Modified/Restructured
Article Nine: Termination of membership and filling vacancies	If a board seat becomes vacant during the term, the Board shall appoint a temporary member to fill the vacant seat in accordance with the applicable laws and instructions, and the appointment shall be presented to the first General Assembly. A	Termination of Board Membership + Vacancies and	Termination of membership and legal compliance: a board member's membership ends in the cases specified by the law and related regulations, including resignation, dismissal, expiry of term, or loss of capacity by court ruling.	Modified/Restructured

Article No./Title (Old Policy)	Before amendment	Article No./Title (New Policy)	After amendment	Notes
	board member's membership shall end in cases of resignation, dismissal, expiry of term, or a court ruling that strips him of capacity, and the Board shall take the necessary steps to notify the competent authorities.	Temporary Appointments	Filling vacancies: if a seat becomes vacant during the term, the Board may appoint a temporary member who meets the membership conditions until the first General Assembly convenes to ratify the appointment or elect a replacement, in line with the prescribed rules.	
Article Ten: Candidate's disclosure of conflicts of interest	Anyone wishing to nominate himself for board membership must disclose to the company and the shareholders any direct or indirect interest he has in works and contracts carried out for the company, or participation in any business that would compete with the company or any of its business lines, and must state the nature and extent of such interests. He must also disclose any potential conflicts of interest when they arise.	Board Members Nomination Procedures + Board Membership Conditions	<p>Nomination and its requirements</p> <p>A candidate for board membership must submit a nomination application using the approved forms and attach his CV, academic certificates, work experience, and any required disclosures regarding actual or potential conflicts of interest, including works and contracts with the company or competition with it.</p> <p>A candidate for board membership must submit a nomination application using the approved forms and attach his CV, academic certificates, work experience, and any required disclosures regarding actual or potential conflicts of interest, including works and contracts with the company or competition with it.</p> <p>Conflict-of-interest disclosures</p> <p>The candidate must fully disclose any direct or indirect interest in works and contracts carried out for the company, and any situation that may constitute competition to its activities, in accordance with the requirements of applicable laws and regulations.</p>	Modified/Restructured
-	-	Scope	This policy applies to the Board of Directors, the Executive Management, and all procedures related to nomination, selection, appointment, and election within the company.	New article in the new policy
-	-	Policy Owner	The Nominations and Remuneration Committee is responsible for reviewing and updating this policy and submitting recommendations to the Board. The competent department is responsible for execution and for maintaining related records.	New article in the new policy
-	-	Notifying the Competent Authority	The company shall notify the competent authority of any changes related to the composition of the Board, temporary appointments, or termination of membership cases in accordance with regulatory requirements.	New article in the new policy

Selection Policy for Board Members and Executives — Comparison and New Sections

Article No./Title (Old Policy)	Before amendment	Article No./Title (New Policy)	After amendment	Notes
-	-	Resignation of the Chairman and Board Members	In the event of the resignation of the Chairman or any member, the statutory procedures shall be followed to notify the competent authority and to call the Board to address the implications of the resignation and fill the vacancy in accordance with the rules.	New article in the new policy
-	-	Judicial Intervention	If court rulings affect the membership of any member, the applicable laws and the recommendations of the competent authorities shall be applied, and the required notifications shall be made in accordance with approved procedures.	New article in the new policy
-	-	Elections and Shareholder Rights	The company shall ensure shareholders' rights to vote, nominate, and actively participate in the election of board members in accordance with the laws and regulations.	New article in the new policy
-	-	Selection of Executive Management	This policy defines the criteria and procedures for selecting and appointing holders of executive management positions, including needs identification, vacancy announcements, professional criteria, evaluation and ranking mechanisms, and approvals.	New article in the new policy
-	-	Selection Criteria	Include academic qualifications, practical experience, leadership skills, professional conduct, ethical record, and absence of conflicts, while considering balance and diversity.	New article in the new policy
-	-	Selection Process	Includes needs assessment, vacancy announcement, candidate screening, interviews and reference checks, and submission of recommendations for approval.	New article in the new policy
-	-	Appointment Process	After completing the selection procedures, the appointment recommendation is submitted to the Board for approval, followed by completion of notification, documentation, and retention of contracts and resolutions.	New article in the new policy
-	-	Internal Candidates	The policy of equal opportunities is observed when considering internal candidates, with adherence to standards of integrity, transparency, and avoidance of conflicts of interest.	New article in the new policy
-	-	Filling Vacancies	If an executive position becomes vacant, the rules for temporary assignment and selection of a replacement shall apply in accordance with the approved procedures and business needs.	New article in the new policy
-	-	Records Retention	The company shall retain all records, disclosures, and procedures related to selection and appointment for no less than the period prescribed by law.	New article in the new policy
-	-	Reference Documents	This policy relies on the relevant laws and regulations, resolutions of the General Assembly, and the Board and Committee charters.	New article in the new policy

Article No./Title (Old Policy)	Before amendment	Article No./Title (New Policy)	After amendment	Notes
-	-	Legislative Background	The policy is based on the legislative and regulatory frameworks governing corporate governance in the Kingdom.	New article in the new policy
-	-	Disclaimer	If there is any conflict between this policy and any applicable law or regulation, the law or regulation shall prevail, and the policy shall be amended accordingly.	New article in the new policy