

**Policy, criteria and procedures for membership in the
Board of Directors**

Jarir Marketing Company

2017

**Issued by the fifteenth regular General Assembly resolution at its
meeting held on 25/12/2017m**

Article 1: Preamble, Definitions and Objectives

A) The working procedures of the Board of Directors, of Jarir Marketing Company, shall be prepared pursuant to the provisions of paragraph C of article 36 of the Corporate Governance Regulation, issued by the Board of the Capital Market Authority, pursuant to Resolution No. (8-16-2017), dated 16/5/1438H corresponding to 13/2/2017G.

B) The following terms and expressions shall have the meaning they bear as follows, unless the context otherwise requires:

Policy: Working policies and procedures of the Board of Directors, of Jarir Marketing Company.

Governance Regulation: Corporate Governance Regulation issued by the Board of the Capital Market Authority.

Company: Jarir Marketing Company.

Shareholders Assembly: An assembly consisting of the shareholders of the Company formed in accordance with the provisions of the Companies Law and the Company's bylaws.

Board: Jarir's Board of Directors.

C) Policy aims to clarify the working policies and procedures of the Board of Directors, of Jarir Marketing Company.

Article 2: Composition of the Board of Directors:

The Board of Directors shall be consisted of eight members elected by the General Assembly for no more than three years. It shall be considered when composing the Board of Directors that the majority of its members is non-executive and that the number of its independent members is not less than one third of the members of the Board according to the requirements specified by the Governance Regulations.

Article 3: Criteria and requirements for membership in the Board of Directors:

The Board of Directors' member shall be of skilled professionals who have experience, skills and independence necessary for fulfilling his duties efficiently and competently. The General Assembly shall consider the recommendations of the Company's Nomination and Remuneration Committee, and the availability of personal and professional ingredients required to effectively perform the duties thereof, when electing the Board of Directors' members. The following shall be available in the member of the candidate for the membership of the Board of Directors, in particular:

1. He shall not been convicted of an offense against honor and honesty, and shall not be insolvent, bankrupt or invalid for membership in the Board of Directors according to any system or instructions in force in the Kingdom of Saudi Arabia.
2. The Member candidate shall not serve as a member of the Board of more than five joint-stock companies listed in the Saudi Stock Exchange simultaneously.
3. The member candidate shall represent all shareholders, and shall be honest, truthful, loyal and attending to the management of the Company and everything that lead to achieving, and maximizing the value of the Company's interests and shareholders' interests.
4. Any of the Impediments to Independence stipulated in the governance regulations shall not apply to the independent member.
5. Competence: The member candidate shall have the appropriate scientific qualifications, and professional and personal skills. The member candidate shall also have the training and scientific experience related to the Company's current and future activities, or to administration, or to economics, or to accounting, or to law, or to governance as well as the desire for learning or training.
6. The ability to direct: The member candidate shall have the technical, leadership, management capacities. He shall be able to make decisions rapidly and understand the technical requirements for the workflow. The candidate shall also be able to strategically direct, plan, and draw up a clear future vision.
7. Financial knowledge: The member candidate shall be able to read and understand financial statements and reports.
8. Health fitness: The member candidate shall be physically able to undertake his duties and specializations.
9. He shall adhere to all the requirements of disclosure and avoid conflicts of interest and competition that the Company determines and is subject to according to the relevant laws and instructions.

Article 4: Policies and procedures for candidacy for the Board of Directors' Membership:

- A) Every Company's shareholder may nominate himself or one or more other persons for the Board of Directors' membership, according to the provisions of the Companies' Law and its implementing regulations.
- B) The Company shall publish the announcement of candidacy for the Board of Directors' membership on the website of the Saudi Stock Exchange "Tadawul" and on its website, as well as in any other means determined by the Capital Market Authority before the end of the Board of Directors session. The Company shall done the procedures hereof well in advance, in order to call for persons willing to be nominated for the Board of Directors' membership, provided that The nomination period shall remain open for at least one month from the date of the announcement.
- C) Any person willing to be nominated for the Board of Directors' membership shall submit his Curriculum Vitae (C.V.) to the Company. The C.V. shall include the member's scientific qualifications and experience, and a detailed statement of the boards of directors of the joint-stock companies and the committees that he was a member therein, specifying the membership status (executive, non-executive or independent), as well as any other documents required by the Company according to the statutory requirements.

- D) The person willing to be nominated for the Board of Directors' membership shall disclose to the Board and the General Assembly any conflicts of interest, according to the procedures set by the Capital Market Authority, and such conflicts of interests may include:
- 1) The member candidate has a direct or indirect interest in the business and contracts concluded in favor of the Company.
 - 2) The member candidate is engaged in a business that would compete with the Company or any of the activities thereof.
- E) The Remuneration and Nominations Committee shall study the candidates' applications for the Board of Directors' membership. The Committee shall ensure that the instructions and regulations are applicable, and all required data are fulfilled in conformity with the relevant policies and statutory requirements, submitting the recommendation therein to the Board of Directors.
- F) The company shall announce on the website of the Saudi Stock Exchange "Tadawul" information on candidates for the Board of Directors' membership when publishing or calling for the convening of the General Assembly. Such information shall include a description of their experiences, qualifications, skills, jobs and previous and current memberships and the Company shall provide a copy of such information at its headquarters and via its website. .
- G) The number of candidates for the Board of Directors' membership, whose names are presented to the General Assembly, shall exceed the number of seats available, so that the General Assembly has the opportunity to choose from among the candidates.
- H) Cumulative voting shall be used when electing the Board of Directors, in which the right to vote for the share may not be used more than one time.
- I) Voting in the general assembly shall be confined to the pre-cleared candidates for the Board of Directors' membership.
- J) The chairman and the vice president of the Board shall be appointed from the elected members.
- K) The Company shall notify the Capital Market Authority of the names of the Board of Directors' members and the status of their members within five working days from the date of the commencement of Board of Directors' session or from the date of the members' appointment, whichever is earlier. The Company shall also inform the Authority of any changes to the membership of the members within five working days from the date of the changes occurring.

Article 5: Termination of the Board's Membership

- A) The Board of Directors' membership, in whole or in part, may end in one of the following cases:
- 1) By the end of the term of the Board.
 - 2) By The expiration of the member according to any system or instructions in force in the Kingdom.
 - 3) By Dismissal of the Board or part of it by the General Assembly without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time.

- 4) By the termination of the membership of a member, who was absent from attending three consecutive meetings of the Board without a legitimate excuse, by the Regular General Assembly based on a recommendation of the Board.
 - 5) By resigning, provided that it is in an appropriate time, otherwise the resigned person is responsible before the Company for the damage resulting from the resignation.
- B) Upon the termination of a member's membership in the Board of Directors by one of the method abovementioned, the Company shall inform the Saudi Stock Exchange and Financial Market Authority "Tadawul" with an explanation of the reasons therefor.
- C) If a member of the board of directors resigns and has comments on the performance of the company, he shall submit a written statement thereof to the chairman of the Board to be presented to the members of the Board.
- D) If the position of one of the Board of Directors' members becomes vacant during the term of membership, the Board shall have the right to appoint a temporary member in the vacant position, provided that such temporary member shall have sufficient experience. The Company shall inform the Ministry of Commerce and Investment and the Financial Market Authority thereon, according to the prescribed statutory period. The appointment of the temporary member shall be submitted to the Regular General Assembly in its first meeting for approval, and such new member shall complete the term of his predecessor, in light of what is stated in the Company' Articles of association.
- E) If the necessary requirements for holding the Board of Directors' meeting are not fulfilled because the number of its members is less than the minimum stipulated in the Companies' Law or the Company's Articles of Association, the remaining members shall call the Regular General Assembly to convene within sixty days to elect the necessary number of members.

Article 6: Enforcement and Publication:

The policy (and any subsequent amendments) therein shall be in force from the date of being approved by the Board of Directors. Such policy and the subsequent amendments therein shall be published by the company for the shareholders and the public via its website, in accordance with any statutory requirement imposed by the regulators.