

Standards and procedures for membership of the Board of Directors
2nd Edition 2019

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Standards and procedures for membership of the Board of Directors

First: The specific policies, standards and procedures for membership in the Board of Directors of the Gulf General Cooperative Insurance Company were prepared with the aim of implementing the principles of the Corporate Governance Regulations issued by the Capital Market Authority pursuant to Ministerial Resolution No. (1658-2017) dated 16/5/1438 AH corresponding to 13/2/2017 AD, which stipulates that the Board of Directors prepare clear and specific policies, standards and procedures for membership in the Board in a manner that does not conflict with the mandatory provisions in the Corporate Governance Regulations - and put them into practice after approval by the General Assembly.

It is also not permissible to amend these standards and procedures or some of them or dispense with some of them except by a decision of the Board of Directors according to what it deems appropriate and with the approval of the General Assembly unless the system or other regulations or a decision of the authority, institution or government agency stipulates that some of the provisions contained therein or add on them.

Second: Definitions

The following words and expressions shall have the meanings shown next to them, unless the context states otherwise:

Company: GULF GENERAL, Cooperative Insurance Company (Gulf General)

Ministry: The Ministry of Commerce and Investment

SAMA: Saudi Arabian Monetary Agency

Market: The Saudi Stock Exchange

Companies Law: Issued by Royal Decree No. M/3 on 28/1/1437 AH and its amendments issued by Royal Decree No. M/79 on 25/7/1439 AH

Board of Directors: The Company's board of directors as stipulated in the company's articles of association

Chairman of the Board: A non-executive member of the Board of Directors who is elected by the Board members to chair meetings and organize business

Member of the Board of Directors:

Executive Member: A member of the Board of Directors who is a full-time member of the executive management of the company and participates in its daily business and receives a monthly salary.

Non-Executive Member: A member of the Board of Directors who is not full-time to manage the company, does not participate in its daily business, and does not receive a monthly salary.

Independent member: a non-executive board member who enjoys complete independence in his position and decisions, and none of the symptoms of independence apply to him.

Chief Executive Officer/Manager of the Company: The natural person who manages the operations of the company and includes the Managing Director, Chief Executive Officer, President of the Company and his equivalent.

Secretary: Secretary of the company's board of directors

General Assembly: The general assembly that is convened in the presence of the company's shareholders in accordance with the provisions of the Companies Law and the company's articles of association

Traded security: A security traded in the Saudi market

Relatives or consanguinity:

- * Parents, grandparents, and grandmothers, even if they are higher.
- * Boys, and their children, even if they go down
- * Brothers and sisters Siblings, father, or mother
- * Husbands and wives

Affiliate: A person who controls another person, or shares with him a fact that it is controlled by a third person. In any of the above, control is direct or indirect.

Calendar day: any day, whether it is a business day or not

The quarterly period of prohibition of the company's board members and senior executives' transactions: It is the period during which no company board members, senior executives or any person related to any of them may deal in the company's securities during the (15) calendar days preceding the end of the fiscal year quarter Until the date of announcing the initial financial statements after examining the company.

The period of prohibition of annual dealings by members of the company's board of directors and senior executives: The members of the company's board of directors, senior executives or any person in relation to any of them may not deal in any company security during the period of (30) calendar days preceding the end of the financial year and until the date of announcing the financial statements The preliminary examination after the audit or the audited annual financial statements of the company.

Third: Preamble:

The criteria and procedures for membership in the Gulf General Board of Directors have been prepared in accordance with the Companies Law and its Executive Regulations and the Corporate Governance

Regulation issued by the Corporation and the Authority. Taking into consideration the non-violation of the relevant laws and regulations that guarantee the right of the shareholder in the company to apply for candidacy or otherwise for membership in the Board of Directors.

Fourth: The objective of these standards

These standards aim to set specific procedures showing how to join the membership of the Board of Directors and what are the steps to be followed when joining the membership of the Board of Directors.

Fifth: - Criteria for joining the membership of the Board of Directors

The Nominations and Remunerations Committee is responsible for balancing the criteria required for joining the Board of Directors of the company, so that the members of the Board have sufficient skills and practical and scientific experience to provide the Board as a whole an added value to the company.

Candidates for council membership are chosen on several grounds, including: The match. and experience. And leadership qualities. Integrity in business decisions, diversity, personality, judgment, age, independence and corporate experience, length of service, conflict of interest, service on other corporate boards among other qualities that enhance the ability of the Board to manage corporate affairs and its activities, and directing it effectively and competently, and meeting the independence criteria imposed by the laws and regulations or the registration and listing rules issued by the ministry, institution, and authority. And the ability to communicate effectively, and the member also has the ability and willingness to spend time and effort in order to be an effective and active member of the Board of Directors.

Sixth: Conditions for Membership in the Board of Directors:

1. A member of the company's board of directors must have honesty, knowledge in financial and insurance matters, and the experience necessary to perform his duties.
2. A member of the company's board of directors may not be a member of the board of directors of another insurance or reinsurance company.
3. A member of the Board of Directors shall not be a member of the Board of Directors of more than five joint stock companies at the same time.
4. The company management notification includes an introduction to the candidate in terms of his career, qualifications and experience in the field of insurance business.
5. A candidate who has previously served as a member of the board of directors of a joint stock company must submit a statement as follows:
 - a. The number of board meetings that took place during each of the years of the session and the number of meetings attended by the member whether or not he attended the total meetings
 - b. The standing committees in which the member participated and the number of meetings held by each of those committees during each year of the session.

Seventh: Membership procedures in the Board of Directors:

1. The approval of the institution is required to select the members of the board of directors in accordance with the criteria specified by the executive regulations of the Cooperative Insurance Companies Control System
2. It is not permissible, except with the prior written approval of the Corporation, to be nominated for membership in the company's board of directors or to assume the position of a manager therein, whoever occupied the same position or position in FET. Or from a spinner from such a position or job in another company
3. A candidate for membership in the Board of Directors must submit the following documents:
 - a. Fill out the appropriateness form issued by the institution
 - b. Fill out Form No. (3) Issued by the Authority.
 - c. Fill out the disclosure forms issued by the easy way.
 - d. Submit an application for membership in the Board of Directors.
 - e. Submit an updated CV
 - f. A statement of the companies or institutions that he shares in the management or ownership of during each year of joining them.
 - g. A clear copy of the national ID, family card and passport, or a clear copy of the passport, residence permit and valid visa - as available. For non-Saudis, the commercial register of companies and institutions and the candidate's contact numbers
 - h. A statement of the number and dates of the board of directors of joint-stock companies and the committees in which the candidate assumed membership and which he still holds membership in, as follows:-
 1. The number of board meetings and the dates of their attendance, whether in person or by proxy
 2. The number of meetings of the committees emanating from the Board of Directors and the dates of their attendance, whether personally or by proxy, separately.
 3. A summary of the financial results achieved by the company during each year of the Board's sessions.
 - i. The membership status shall be clarified (executive, non-executive, independent)
 - j. The capacity of the nominee with legal capacity shall be clarified for his representation.
4. The Authority may, as it deems necessary to protect investors, obligate the company to what it deems of the rules of its management organization, whether with regard to the qualifications of the members of the board of directors, senior management, the audit committee or the chartered accountant, or the dictates of any of them, their responsibilities, powers or decision-making procedures.

Eighth: Skills and Qualifications Required

A board member is required to:

1. An appropriate level of qualifications, skills, knowledge and experience, to contribute to protecting the company's gains and prosperity.
2. That the qualifications, skills and experiences are distributed in a balanced manner among the members, in order to achieve effectiveness, and to provide sufficient experience for the Council, and it is not necessary for each member to have all the required skills
3. The members should have the necessary consideration, a strategic perspective, a good administrative perception, the ability to manage, supervise and be aware of the legal and financial aspects, and knowledge of the company's business and activities in particular.
4. The ability to lead by having leadership skills that qualify him to grant powers in a way that leads to motivating performance and applying best practices in the field of effective management and adherence to professional values and ethics.
5. The ability to direct by having technical, leadership, and administrative capabilities, speed in decision-making, understanding the technical requirements related to workflow, and being able to strategically direct, plan and have a clear future vision.
6. The age of the candidate when applying for membership in the Board of Directors shall not be less than 25 Hijri years.

Ninth: commitment

1. The member performs all his duties and works with responsibility, good faith, seriousness and concern
2. That the member allocate sufficient time to carry out his duties and assume his responsibilities, including preparing for the meetings of the Board and the permanent and temporary committees, and making sure to attend them.
3. The member should be constantly informed of everything that is happening in the company and be aware of all developments, and be in constant contact with the executive management and any other authority with a reliable source such as the company's chartered accountant
4. That the member represents all shareholders, and the obligation to do what serves the interest of the company in general and not what achieves the interests of the group that he represents or that voted on his appointment.

Tenth: independence

1. The number of independent members of the board of directors must not be less than two members, or one third of the members of the board, whichever is more.
2. The principle of independence in general aims to help members make their own decisions, without the existence of a conflict of economic or personal interests, which would exist if the provisions of the following independence rules were not taken into account. Even if their decisions are practically not affected by it.

3. That the independent member or the legal person who represents him does not own 5% or more of the shares of the company or any company of its group.
4. He shall not be a senior executive (including the CEO, his deputy and the chief financial officer) during the past two years in the company or in any company in its group.
5. The member shall not have a family relationship up to the fourth degree with any of the senior executives of the company or any company in its group.
6. Not to be a member of the board of directors in any company within the group of the company nominated for membership in its board of directors.
7. That the member has not been an employee or owner of a controlling interest during the past two years with any of the parties associated with the company or its group, including but not limited to chartered accountants, major suppliers, financial advisory firms or other advisory firms).

Eleventh: Selection of members of Board of Directors

A. Nominations

1. The Nominations and Remunerations Committee decides to open the door for nominations to elect a new Board of Directors in the next General Assembly.
2. The Nominations and Remunerations Committee undertakes the necessary advertisements to publish the decision to open the candidacy door
3. The Nominations and Remunerations Committee oversees the process of receiving nomination applications for membership of the Board of Directors
4. The Nomination and Remuneration Committee reviews and studies the nomination applications for membership of the Board of Directors (which includes all documents stipulated in the policies and standards approved by the Board of Directors and approved by the Assembly)
5. The Nomination and Remuneration Committee determines the independent members.
6. The Nomination and Remuneration Committee sends nomination applications to the institution and the authority to obtain regulatory approvals.
7. The Nominations and Remunerations Committee of the General Assembly recommends the election of members in accordance with the approved policies and criteria, taking into consideration the capabilities and qualifications of the persons nominated, and taking into account not to nominate any person who has been convicted of a crime against honor and honesty.
8. The candidacy door shall continue to be opened for a period of at least thirty days from the date of opening the candidacy door, in order to allow the candidates to apply for membership.
9. If the quorum is not met by a system of candidates for membership of the Council within thirty days, the door shall be extended nomination until the required quorum is completed, provided that this is published on the market's website.

10. No application for candidacy for membership of the Board of Directors will be considered if it is submitted after the nomination window has closed and the legal quorum has been completed.

B. Subscribe

1. The company's articles of association specify the number of board members.
2. The general assembly selects the members of the board of directors from among the candidates, provided that sufficient information about the candidates is provided in advance of the assembly meeting.
3. The number of independent members of the board of directors must not be less than two members or one third of the members of the board of directors, whichever is greater.
4. The cumulative voting method must be used to hold the election of board members.

C. Notification

1. After approving the results of the general assembly elections, the Nominations and Remunerations Committee shall notify the elected members, and provide them officially with their terms of reference, duties and the value of their remuneration, and all the internal regulations in force in the company.
2. The Nominations and Remunerations Committee introduces the new board members to the company's work, especially the financial, legal and administrative aspects, as well as trains them if necessary.

Twelfth: Membership Term and Conditions

1. The members of the board of directors are appointed by the ordinary general assembly of shareholders for a period not exceeding three years, and the term of the chairman of the board, the managing director, a member of the board of directors and the secretary of the board of directors may not exceed the term of their membership in the board
2. The majority of the members of the board of directors shall be non-executive members
3. The Chairman of the Board of Directors is prohibited from combining his position as Chairman of the Board of Directors with any other executive position in the company (such as the position of a board member, CEO, general manager, or any other executive position in the company).

Thirteenth: Vacancy of the position of the Board of Directors

- a. If the position of a member of the Board of Directors becomes vacant, the Board may temporarily appoint a member in the vacant position, provided that such appointment is presented to the Ordinary General Assembly at its first meeting. The new member completes the term of his predecessor only after obtaining a no-objection from the relevant regulatory authorities

- b. If the number of members of the board of directors falls short of the quorum necessary for the validity of its meetings, the ordinary general assembly must be called as soon as possible to appoint the necessary number of members after obtaining no objection from the relevant supervisory authorities.

Fourteenth: Criteria for selecting independent board members

An independent board member must meet the following criteria, including but not limited to the following:

1. The necessary experience, knowledge, skill and independence to enable him to perform his duties efficiently and competently, and to be able to have independence and which depends on the member's relations with others, including the existing relationships between the members themselves and which affect the member's objectivity and loyalty to shareholders. Therefore, the independent member is the member who does not have those relationships that may conflict with his judgments regarding the company's activity. The member is not considered independent if he fails to abide by the criteria for independence set out below, which must be in line with the criteria set by the Authority and the Corporation. The framework of what an independent board member enjoys is defined in the following:
 - a. The member of the board of directors does not own a large stake in the company that makes him controlling it, or a "controlling stake", or in any company of its group.
 - b. The member of the Board of Directors shall not have held, during the past two years, an executive position in the company, or in any company of its group.
 - c. The member of the Board of Directors shall not have any relationship of fourth degree with any of the members of the Board of Directors of the company, or any company of its group.
 - d. The member of the Board of Directors shall not have any relationship of the fourth degree with any of the executive directors in the
 - e. The Company, or any of its group companies.
 - f. Not to be a member of the board of directors in any of its groups
 - g. The member of the Board of Directors shall not work or have worked during the past two years as an executive director, or employee in any institution that is one of the parties associated with the company, or any company of its group, and the related parties for the purposes of this paragraph include chartered accountants, major suppliers, etc., which is incompatible with the independence of the member's possession Stake control during the past two years in any of the parties associated with the company.

The company's board of directors should review the aforementioned guidelines. And change it if the council deems it necessary. This may include making the required changes to follow the organization's and environment rules for independence. The Nomination and Remuneration Committee shall ensure that the independence requirements are met.

Fifteenth: The Missions and objectives of the board of directors.

1. Developing the investments of the company's shareholders and continuing its growth in the long term, and working to confirm the vital role played by the company in order to serve its customers, employees, and other individuals and institutions that depend on it.
2. Monitoring the performance of the company as well as the performance of the CEO and senior executives, and providing advice and construction instructions.
3. Adopting strategic directions, and evaluating the consequences thereof.
4. Carrying out supervisory work that ensures that the company practices its activities within a responsible legal, ethical and social framework, providing traffic advice to the CEO and senior executives, and evaluating their performance level.
5. Reviewing and approving the company's mission, core financial strategies, and strategies for its objectives and policies.
6. Reviewing the company's financial performance periodically, with a special focus on comparing the company with its counterparts from other companies, and other competing companies. These reviews include the views of management, major investors and analysts.
7. Reviewing the company's long-term strategy and plans, directing and approving it, and evaluating its strategic, financial and competitive performance, and comparing that with the practices and policies of similar companies and competitors.
8. Review, orientation and approval of estimated budgets and annual work plans
9. Determine the desired performance goals, and monitor the performance of the company
10. Overseeing the company's financial structure, financial policies and practices
11. Overseeing disclosure controls, procedures and internal control over financial reports, including independent review, the objective of which is to prepare complete, impartial, accurate and timely reports.
12. Ensure that appropriate prevention systems are in place to manage risks, and that the system and associated standards are adhered to
13. Testing the company's officials, evaluating them, determining the compensation for them, and preparing a plan for senior succession
14. Management officials to take up positions
15. Review and release the salaries and bonuses of the company's president and CEO, and other executive members in return for the services they perform in their capacity as executives or employees of the company.
16. Reviewing assessments of the serious risks and matters facing the company and providing advice and guidance to management in this regard, as well as reviewing the options available to mitigate their impact.
17. Ensuring the establishment of methods and procedures to ensure the integrity of the company's actions, including its relationship with its customers, supplier and shareholder, and follow-up adherence to those methods

18. Review the results achieved by management in light of the company's plans, annual goals and long-term goals
19. Appointing the committees of the Board of Directors, and evaluating the level of their performance
20. Develop a senior executive remuneration program in line with the long-term interests of the company and its shareholder
21. Ensuring that the Board of Directors and its affiliated committees have been informed in a timely and adequate manner of the company's status and operations through reports and other methods.
22. Ensuring the effectiveness of the company's corporate governance practices, measuring them, following them up and making changes when necessary
23. Ensure that published reports provide an honest reflection of the company's operating results and financial position.
24. Verify the development of appropriate policies to identify and identify the conflict of interest in the company, present it and address the matter, as well as clarifying any potential conflict of interest from management, board members and shareholders, including misuse of company resources, or misuse of stakeholder transactions.
25. Ensuring the development and updating of the written policy governing the relationship with stakeholders, the objective of which is to provide the necessary protection for their rights, which should include the following:
 - a. Mechanisms to compensate stakeholders in the event of a violation of their rights guaranteed by the applicable regulations, and the expenditures incurred in this regard
 - b. Mechanisms for settling complaints or disputes that may arise between the company and any of its stakeholders.
 - c. Mechanisms to maintain good relations between the company and its customers and suppliers, and to protect the confidentiality of their information
 - d. Laying down rules of constructive behavior for the company's executives and its employees, and regulating their relations with stakeholders, and the company's board of directors takes the necessary measures to follow up on the implementation of these rules and adherence to them.

Sixteenth: Expected Practices of Board Members

The Company's Board of Directors expects from each of the Board members the following:

- a. Understand the nature of the company's activities, and the markets in which those activities are carried out
- b. Attending board meetings and the committees to which the board member belongs
- c. Review and comprehend the printed materials submitted prior to holding the meetings, and any other materials submitted to the Board of Directors from time to time.
- d. Actively, objectively and constructively participate in meetings, and in strategic decision-making processes.

- e. Participate in his vision, successor, experience and knowledge in a manner commensurate with the issues presented to the Board of Directors and its affiliated committees.

Seventeen: Obligations of the members of the Board of Directors

1. Apply the highest possible ethical standards.
2. Act on the basis of their full knowledge of the company's affairs, and in a way that benefits them, taking into account the interests of the rest of the shareholders
3. Exercising the duty of due diligence and loyalty during the exercise of their duties and seeking the required accuracy in their decisions.
4. Executing the tasks entrusted to them without prejudice to the shareholder or a class of shareholders without others, and treating all shareholders fairly.
5. Issuing independent and objective judgments regarding the company's affairs.
6. Effectively carry out their responsibilities, and in order for them to fulfill their obligations, they should obtain appropriate accurate information on time, and the Company's Board of Directors is responsible for making such information available to all members of the Board.
7. Compliance with the regulations, instructions and regulations issued by the institution, the ministry, the authority and other regulating and related bodies to the company's work
8. Not to disclose the material information that is circulated during the periodic meetings of the Board of Directors or from the sub-committees of any media or personal entity without the prior approval of the Board of Directors.

Eighteenth: conflict of interest in the board of directors

Member of the Board of Directors to abide by and implement the company's approved money conflict policy.

Nineteenth: Changing the responsibilities of the current position of a member of the Board of Directors

Each member of the Board of Directors must notify the Nomination and Remuneration Committee in writing before accepting membership in the Board of Directors or any other position in another entity, and he must also provide such notification before or immediately after any significant change in his personal circumstances, including a job change, or principal business functions. Non-employee members, other than representatives of board member firms, who interact or change the position they assumed when they became members of the Board of Directors shall not leave the Board, and each Board member shall, if this occurs, notify the Nomination and Remuneration Committee. The committee evaluates the appropriateness of the continuation of the member's membership in the board in all the new circumstances, and that member is expected to abide by the decisions reached by the board of directors in the wake of that evaluation.

Twenty: Remuneration for member of the Board of Directors

The “Nominations and Remunerations Committee” reviews the form of remunerations, allowances and benefits enjoyed by members described by members of the Board, regardless of their executive rank, and their value in accordance with the company’s articles of association Article Nineteen, provided that the minimum annual remuneration for the chairman and members of the Board of Directors is the amount of (200,000 riyals) two hundred thousand Saudi riyals and the maximum amount in the amount of (500,000 riyals) five hundred thousand Saudi riyals annually, the consideration of their members in the Board of Directors and their participation in its work, including additional rewards in the event of the member’s participation in any of the committees emanating from the Board of Directors.

In the event the company achieves profits, a percentage equal to (10%) of the rest of the net profit may be distributed after deducting the reserves decided by the General Assembly in application of the provisions of the Cooperative Insurance Companies Control Law and after distributing a wind to shareholders of no less than (5%) of the company’s paid-up capital. , provided that the entitlement to this reward is proportional to the number of sessions attended by the member, and any estimate to the contrary is void.

In all cases, the sum of the remunerations and financial benefits that a member of the Board of Directors receives shall not exceed (500,000 riyals) five hundred thousand riyals annually. The maximum limit for attendance of the Board’s sessions is (5,000 riyals) five thousand riyals for each session and (300 riyals) for each session of the committees emanating from the Board of Directors members from within the Board and (3,000 riyals) for members from outside the board.

It is also paid to each member of the Council, including the Chairman of the Council; The value of the actual expenses they incur in order to attend the meetings of the Board or the committees emanating from the Board of Directors, including travel, accommodation and subsistence expenses. Expenses and other benefits. It shall also include a statement of what was received by the members of the Council, describing them as workers or administrators, or what was received in return for technical, administrative or consulting work, and also a statement of the number of Council sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly, provided that the “Nominations Committee shall submit and rewards” its recommendations to the whole board.

Twenty-first: Attending the shareholders’ general assembly meeting

1. The company does its best to set a suitable date for the annual meeting of shareholders (the general assembly) so that the members of the board of directors can attend, taking into account the members’ schedules
2. The company requires all members of the board of directors to attend the annual meeting of shareholders (general assemblies)

Twenty-second: Induction program for Board of Directors Members and Continuing Education

The company pays sufficient attention to training and qualifying the members of the board of directors, and setting the necessary programs for this, including the preparation of newly appointed development and identification programs to introduce the company's workflow and activities, especially the following:

- a. The company's strategy, goals and directions
- b. The financial, accounting, operational and risk management aspects of the company's activities and the internal and external auditors.
- c. Board Members' Obligations, Duties, Responsibilities, Rights, Business Ethics, Corporate Governance Guidelines, and Company's Principal Officials
- d. Duties and functions of the company's committees

The necessary mechanisms are also put in place for each member of the board of directors to receive training programs and courses whenever the need arises. In order to develop their skills and knowledge in the areas related to the company's activities, all members of the Board of Directors must obtain a copy of the following documents:

1. The company's articles of association
2. The company's organizational structure
3. Corporate Governance Manual:
4. Board Bylaws and Board Subcommittees
5. A list of the financial and administrative powers of the Council, its committees, and the executive management

The members of the company's board of directors shall visit the company's head office and its branches to learn about its activities, and the company's CEO shall make the necessary arrangements for such visits.

Twenty-third: Legal accountability of member of the Board of Directors

The members of the board of directors are jointly liable for compensating the company, shareholders or third parties for the damage that results from their names managing the company's affairs, or their violation of the provisions of this bylaw or the provisions of the company's articles of association, and every condition stipulating otherwise is considered null and void. Responsibility lies with all members of the board of directors if the error arises from a decision issued unanimously. As for decisions that are issued by a majority of opinions, the opponents are not responsible for them when they express their objection in the minutes of the meeting. Absence from attending the meeting in which the decision is issued is considered as exempt from responsibility unless it is proven that there is no knowledge absent by fleeing or not being able to object to it after knowing about it.

Twenty-fourth: Evaluation of the member of the Board of Directors

1. The Board of Directors, based on a recommendation and a proposal from the Nomination and Remuneration Committee, sets to it to evaluate the performance of the Board in general and the members and committees emanating from the Board of Directors annually; This is done through performance-related indicators to achieve the company's strategic objectives, the quality of risk management, the adequacy of internal control systems and others, provided that strengths and weaknesses are identified and a proposal to address them in line with the company's interest.
2. The performance evaluation procedures shall be written and clear, and the evaluation shall include all members of the Board of Directors
3. The performance appraisal includes the skills and experiences that the council possesses, and the identification of weaknesses and strengths in them, while working to address the weaknesses in possible ways, such as nominating consultants or appointing professional competencies that can develop the performance of the council. The performance appraisal must also include an evaluation of the work mechanisms in the council in general.
4. The individual evaluation of the members of the Board of Directors includes the extent of their effective participation and their commitment to perform duties and responsibilities, including attending the meetings of the Board and committees emanating from the Board of Directors and allocating the necessary time for them.
5. The Board of Directors makes the necessary arrangements to obtain an evaluation of its performance by a competent third party every three years.
6. The non-executive members of the board of directors shall periodically evaluate the performance of the chairman of the board after taking the views of the executive members without the chairman attending the discussion devoted to this purpose, provided that the strengths and weaknesses are identified and a proposal to address them in line with the company's interest.

Twenty-fifth: Termination of membership in the Board of Directors and dismissal of members of the Board of Directors

- a. The membership of a member(s) of the Board of Directors shall terminate in the following cases:
 1. Termination of appointment
 2. Resignation
 3. Death.
 4. If it is proven to the Board of Directors that the member has breached his duties in a way that harms the interest of the company, provided that this is accompanied by the approval of the Ordinary General Assembly.
 5. Termination of his membership in accordance with any system or instructions in force in the Kingdom.



6. Absence from attending more than three consecutive sessions without an excuse accepted by the Board of Directors.
 7. If he is declared bankrupt or insolvent, submits an application for settlement with his creditors, or stops paying his debts.
 8. become numb
 9. He had a mental illness.
 10. If it is proven that he committed an act that violates honesty and morals, or is convicted of forgery.
- b. Upon termination of the membership of a member of the Board of Directors in any of the ways of termination of membership, the company must notify the Capital Market Authority and trade immediately with a statement of the reasons that called for it.
 - c. The General Assembly may at any time remove all or some of the members of the Board of Directors.
 - d. If the number of members of the Board of Directors falls below six members, the quorum necessary for the validity of the meetings of the Board of Directors) by any means of termination of membership, the ordinary general assembly must be called as soon as possible to appoint the necessary number of members.

Twenty-sixth: Final Provisions:

The provisions of this policy shall be complied with by the company as of the date of its approval by the general assembly of shareholders. To present any proposed amendment thereto to the General Assembly of Shareholders at its nearest meeting for approval.