

Board Membership Policy

Objective:

The objective of this policy is to define the standards and the procedures that organize board's membership.

First: Membership standards

The candidate should meet the following standards:

- 1- Have academic qualifications, good knowledge and skills which enables him to perform his duties efficiently.
- 2- Have sufficient experience, integrity, honesty and independence.
- 3- Having the ability to manage, supervise, strategic perception, aware of legal and financial matters and fully aware of the company's business and activities.
- 4- Not to be a board member of more than five listed joint stock companies at the same time.
- 5- Not to be an employee at the government sector.
- 6- To allocate enough time and efforts to fulfil his duties.
- 7- Not to be sentenced for committing a breach of honour, honesty, morals or criminal sentence.
- 8- Not to have been convicted by stock market committees for any manipulation or disclosing any information related to any company with the aim of raising the price of its share.

Second: Nomination procedures.

- 1- Prior to the end of the membership term, the company will announce in Tadawul and in its website on opening the nomination for board of directors' membership for a new term, provided that the nomination period will remain open for at least 30 days.

Who intends to nominate himself to board's membership and meet the standards stated above, should follow the following procedures:

- Fill out and submit form (1) for the Cv.
- Submit a signed copy of form (3) issued by CMA
- Submit the application of the nomination and attach the required documents within the specified period in the company's announcement.



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- 2- The Nomination and Remuneration committee shall review and evaluate the CVs of the applicants and submit a recommendation to the board with the names of the nominees who meet the requirement. The CVs of the nominees shall be announced in Tadawul when publishing the invitation for the General Assembly to convene.
- 3- Voting at the General Assembly meeting will be limited to the nominees for the board of director's membership that the company has announced their information.
- 4- Accumulating voting shall be applied in electing the members of the board
- 5- The company will notify CMA with the names of the board members and classification of their membership within five working days from the start of the new term of the board and any changes comes up to their membership within five working from the date of such changes.

Third: End of Board Membership

The membership in the board shall be ended as per Article 19 of the company bylaw with the following reasons:

- 1- By the expiry of the membership term or none eligibility of the member as per any regulations prevailing in Kingdom.
- 2- With the resignation or the death of the member.

Fourth: The vacant position in the board

If a member's position becomes vacant, the Board shall appoint a member in the vacant position, and CMA must be informed within five Working days from the date of appointment, the appointment must be presented to the General Assembly at its first meeting for approval, and the new member shall complete the term of his predecessor. If the number of board members falls down below the necessary quorum for its validity, the General Assembly should be called to convene as soon as possible to appoint the required number of members.

Fifth: Amending the policy

No amendment or addition is made to any articles of this policy except upon recommendation of the board and approval of the general assembly.

Name of the policy	Preparation	Review	Recommendations	Approval	Date of the approval
Board membership policy	Board Secretary & Compliance Officer	Remuneration & Nomination Committee	Board of directors	General Assembly	24/12/2017



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