

Governance Regulation

Approved by the Extraordinary General Assembly

On 29/10/2020 AD

Corresponding to 12/3/1442 AH

Article before modification

Article(18)

Terms of membership of the board of directors are indicative

It is required that a member of the Board of Directors be of professional competence who possesses the necessary experience, knowledge, skill and independence to enable him to perform his duties efficiently and competently, taking into account that he possesses in particular the following:

- 1 .Leadership ability: by having leadership skills that qualify him to grant powers, which leads to motivating performance and applying best practices in the field of effective management and adherence to professional values and ethics.
- 2 .Efficiency: by having the academic qualifications, appropriate professional and personal skills, level of training, and practical experience related to the company's current and future activities, management, economics, accounting, law or governance, as well as the desire to learn and train.
- 3 .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.
- 4 .Financial knowledge: by being able to read and understand financial statements and reports.
- 5 .Health fitness: That he does not have a health impediment that hinders him from exercising his duties and competencies.

The General Assembly, when electing the members of the Board of Directors, shall take into consideration the recommendations of the Nomination Committee and the availability of the personal and professional components necessary to effectively perform their duties in accordance with what is stated in this Article.

Article (66)

Nomination procedures

- A. The Nomination Committee, when nominating members of the Board of Directors, must take into account the terms and conditions stipulated in these regulations and the requirements determined by the environment.

- B. The number of candidates for the Board of Directors whose names are put before the General Assembly must exceed the number of seats available so that the General Assembly has the opportunity to choose from among the candidates. (guideline)

Article after modification

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A list of policies, standards, and procedures for membership in the
Board of Directors and the Subsidiary Committees

Approved by the Extraordinary General Assembly

On 29/10/2020 AD

Corresponding to 12/3/1442 AH

Article before modification

Article (5)

Conditions for membership of the Board of Directors (indicative)

It is a requirement that a member of the Board of Directors be of professional competence who possesses the necessary experience, knowledge, skill and independence, in order to enable him to carry out his duties efficiently and competently, and it shall be taken into account that he must, in particular, have the following:

1. Leadership ability: That he has leadership skills that qualify him to grant powers in order to stimulate performance, apply best practices in the field of effective management, and adhere to professional values and ethics.
2. Competence: by having academic qualifications, appropriate professional and personal skills, level of training, and practical experiences related to the current and future activities of the company, administration, economics, accounting, law or governance, as well as a desire to learn and train.
3. Ability to direct: by having technical, leadership, and administrative capabilities, speed in decision-making, understanding technical requirements related to workflow, and being able to strategic direction, planning and a clear future vision.
4. Financial knowledge: By being able to read and understand financial statements and reports.
5. Health fitness: that he does not have a health impediment that hinders him from exercising his duties and specializations.

The General Assembly shall, when electing members of the Board of Directors, take into account the recommendations of the Nominations Committee and the availability of the personal and professional elements necessary to perform their duties effectively in accordance with what is stated in this Article.

Article after modification

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Conflict of Interest Policy

Approved by the Extraordinary General Assembly

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Corresponding to 12/3/1442 AH

Article before modification

Article (3)

Conflict of Interest Policy

The Board of Directors shall set a written and clear policy for dealing with actual or potential conflict of interest cases that could affect the performance of Board members, executive management or other employees of the company when they deal with the company or with other stakeholders, provided that this policy includes in particular the following :

- 1- The members of the board of directors, major shareholders, senior executives and other employees of the company must avoid situations that lead to a conflict of their interests with the interests of the company.
- 2- Examples of Conflicts of Interest Conflicts of Interest:
 - A- The company leases sites or warehouses from a related party
 - B- The company's supply of goods from a related party
 - C- The relevant person's practice of one of the company's activities
3. A conflict of interest must be disclosed, and the necessary license or approval must be obtained before commencing business that may result in a conflict of interest
4. The obligation to constantly disclose cases that may lead to a conflict of interest or when such a conflict occurs,
5. Obligation to abstain from voting or participate in decision-making when there is a conflict of interest.
6. If the board approves the transaction, it will be submitted to the association to obtain the necessary license and approval before starting the transaction, which may result in a conflict of interest.
7. The company informs the public of the assembly's decision regarding contracting or dealing.

Article (4)

Avoid conflicts of interest:

A- member of the board of directors must abide by the following:

1- Exercising his duties honestly and impartially, putting the interests of the company ahead of his personal interest, and not using his position to achieve the interests of

Especially.

2- Avoiding cases of conflict of interest, and informing the Council of cases of conflict that may affect its impartiality when considering the topics presented

The Board and the Board of Directors shall not involve this member in the deliberations, and his vote shall not be counted in voting on this matter

Topics in the meetings of the board of directors and shareholders' assemblies.

3- Maintain confidentiality of information related to the company and its activities and not disclose it to any person.

B- member of the board of directors is prohibited from doing the following:

1- To vote on the decision of the board of directors or the general assembly in the business and contracts that are made for the account of the company if it has a direct interest or

indirectly therein.

Exploitation or benefit - directly or indirectly - from any of the company's assets, information or investment opportunities offered to it

On the board of directors, or offered to the company, including investment opportunities that fall within the company's activities, a

As a member which

The company wants to benefit from it, and the ban applies to the member of the board who resigns in order to take advantage of investment opportunities - directly or indirectly

Mubasher - which the company wants to benefit from and which he learned about during his membership in the Board of Directorsid conflicts of interest.

Article (10)

Final provisions

1- These regulations are considered effective from the date of approval and approval by the company's general assembly.

2- Everything that is not provided for in this regulation, the guide to the governance rules of the Sadr Company for Mineral Logistics Services, as well as the corporate governance regulation issued by the Capital Market Authority shall apply.

Article after modification

Article (3)

Conflict of Interest Policy

3. A conflict of interest must be disclosed, and the necessary license or approval must be obtained before commencing business that may result in a conflict of interest
4. The obligation to constantly disclose cases that may lead to a conflict of interest or when such a conflict occurs,
5. Obligation to abstain from voting or participate in decision-making when there is a conflict of interest.
6. If the board approves the transaction, it will be submitted to the association to obtain the necessary license and approval before starting the transaction, which may result in a conflict of interest.
7. The company informs the public of the assembly's decision regarding contracting or dealing.
8. Clear procedures when the company contracts or deals with a related party, provided that this includes informing the Authority and the public without any delay of that contract or deal, if this contract or deal is equal to or more than 1% of the company's total revenues according to the latest financial statements Annual review.
- 9- Actions to be taken by the Board of Directors if it becomes clear that this policy has been violated.

Article (4)

Avoid conflicts of interest:

1. Conflict of interest for a member of the board of directors, where the following must be adhered to:

1- To exercise his duties honestly and impartially, and to put the interests of the company ahead of his personal interest, and not to exploit his position to investigate private interests.

2- Avoiding cases of conflict of interest, and informing the Board of cases of conflict that may affect its impartiality when considering the issues presented to the Board. The Board of Directors should not involve this member in the deliberations, and not count his vote on these topics in the meetings of the Board of Directors and shareholders' assemblies.

3- Maintain confidentiality of information related to the company and its activities and not disclose it to any person.

4- It is prohibited to vote on the resolution of the board of directors or the general assembly in the business and contracts that are done for the company's account if he has a direct or indirect interest in them.

5- It is prohibited to exploit or benefit, directly or indirectly, from any of the company's assets, information or investment opportunities presented to him in his capacity as a member of the board of directors, or offered to the company, and this includes investment opportunities that fall within the company's activities, or that the company desires. The ban applies to the board member who resigns in order to take advantage of the investment opportunities - directly or indirectly - that the company wishes to benefit from and which he learned about during his membership in the Board of Directors.

2- Conflicts of interest related to the employees of the executive management and employees of the company, where the following must be adhered to:

1- That the Board of Directors be informed of any external work activities carried out by any executive official in the Administration, and the approval of the Board must be obtained for them, and that they be disclosed in accordance with the regulations and laws in this regard

2. In the event that the executive officer or the employee wants to do this matter, he must submit the matter to the CEO of the company to study the matter, evaluate it, and recommend it to the company's board of directors in preparation for issuing the appropriate decision in it.

3- Conflict of interests associated with major shareholders, where the following must be adhered to:

1. All transactions and contracts made with major shareholders and their relatives who own 5% or more of the company's shares, directly or indirectly, or who have a controlling stake in any of its subsidiaries (which fall within its group) are subject to the same conditions that are subject to transactions with others.

2- All transactions with major shareholders and their relatives who own 5% or more of the company's shares, directly or indirectly, or who own a controlling stake in any of its subsidiaries (which fall within its group according to the laws and regulations), shall be disclosed.

4- Conflict of interests related to other stakeholders, where the following must be adhered to:

All transactions and contracts with suppliers and other customers of the company or any of its subsidiaries (which fall within its group) are subject to the same conditions as transactions with third parties in terms of evaluation, fairness of implementation, disclosure or notification.

5- Conflicts of interests associated with external and internal auditors and consultants, where the following must be adhered to:

1- The company's external auditors must be independent.

2- The independence of the internal auditor should be maintained and adequate support should be provided to him to carry out the internal audit work, provided that the internal auditor reports functionally to the audit committee and administratively to the company's management.

3- When appointing any financial or legal advisor or external auditor, consideration should be given to cases of conflict of interest and the provisions of the laws issued by the regulatory and regulatory authorities in this regard.

Chapter Two: Procedures for regulating the relationship with stakeholders

Article (10)

Purpose

The purpose of this policy is to lay down the principles and guiding principles that govern Sadr Company regarding its relations with stakeholders who have a relationship with Sadr Logistics Services Company and to enable them to raise complaints and grievances and report violations of practices.

Article (11)

Overview

The Board of Directors of Sadr Logistics Services Company is committed to applying the best ethical standards, as Sadr Logistics Company seeks that stakeholders have a strong commitment, conviction and confidence towards dealing with them, and stakeholders can be defined as individuals or a group of individuals who have a direct or indirect interest With the company they can be affected by the company's procedures, objectives and policies. The main stakeholders in the company include shareholders, management, employees, customers, creditors, banks, suppliers, government agencies, and society as a whole.

In order to develop successful relationships with stakeholders, Sadr Logistics Company follows the following principles:

- 1- Stakeholders who are affected by the business and activities of Sadr Logistics Services have the right to be informed of the company's activities in the light of regulations and laws, and to participate transparently with regard to their interests and with regard to issues and opportunities that affect them
2. Providing stakeholders with the necessary and timely information regarding the company's business in a manner that does not conflict with the laws and regulations
3. Sadr Logistics Services Company will strive to obtain feedback from stakeholders about its decisions it takes in relation to its business and activities in a manner that does not conflict with the system.
4. Sadr Logistics Company seeks to encourage stakeholders to determine the method and means by which they wish to communicate in order to obtain their opinions. In light of that. The Company will strive to maintain flexibility and be responsive to the choices of stakeholders
5. Sadr Logistics Company respects the values and culture of each stakeholder
6. Sadr Company for Logistics Services should ensure that its dealings with members of its board of directors and related parties are carried out in accordance with the terms and conditions followed with stakeholders, without any discrimination or preference.

Article (12)

Main stakeholders

The company's role towards stakeholders is as follows:

1- Shareholders:

Sadr Logistics Company is committed to creating sustainable added value for shareholders with the aim of maximizing their investments, achieving reasonable financial returns, always working for them, and protecting their rights contained in the company's articles of association, which are determined by the relevant regulations and rules.

2- Banks and other lenders (creditors, institutional investors)

- Sadr Logistics Services Company must pay special attention to its obligations towards the banks and financial institutions that deal with it, as many creditors and financiers will have prior financial commitments, conditions and obligations that require the Sadr Logistics Services Company to fulfill in order to obtain financing from these bodies.
- Board members should have a clear understanding of these requirements and ensure that management monitors the position of Sadr Logistics Company appropriately to ensure that these commitments and conditions are not breached so that failure to fulfill them does not entail any penalties, penalties or other consequences that harm the interests or relationships of the company. In addition, care should be taken to establish continuous contacts with the company's funders, to involve them in periodic dialogues and to respond in a positive manner to the information they request in a manner that does not contradict the system.

- Sadr Logistics Company should respect its creditors, and it is important to understand the needs and aspirations of shareholders and respond appropriately to them. Sadr Company for Logistics Services is keen and always works to strike a balance between the expectations and demands of investors, whether institutions, shareholders or individuals to ensure that there is a fair and equitable treatment for all shareholders without discrimination among them.

3- Board members, managers and employees:

Sadr Logistics Company is committed to treating its members (board members and employees) with integrity and providing equal opportunities to all employees within the applicable policies for employment, including appointment, compensation, professional development and promotions without discrimination.

The Board of Directors of Sadr Logistics Services Company believes in providing safe and healthy working conditions, respecting human rights and respecting the rights of employees, and the Board of Directors of Sadr Logistics Services Company expects its employees to disclose without hesitation when they see deviations and ethical violations in light of the policy for reporting violations of practices approved by the Board of Directors (whistleblowing policy).

Board members must also recognize the importance of employee support and their commitment to enabling Sadr Logistics to achieve its goals.

4- Customers and Suppliers:

The board of directors should take an active interest in how Sadr Logistics handles and resolves customer complaints, and not just rely on management. The relevant statistics and major issues arising from customer complaints should also be reported to the Board of Directors periodically.

Sadr Logistics Services Company is committed to providing high quality products, excellent services and value-added solutions to its clients and customers, and Sadr Logistics Services Company seeks to deal with customers and suppliers in an ethical and honest manner. The company also seeks to build and maintain good relationships with its customers and suppliers, and to ensure the protection of confidentiality of information related to them.

5- Society

The individuals and institutions of the general community expect that national companies will participate in the development of the society in which they operate by adopting plans, initiatives and programs for social responsibility that contribute to its development. Sadr Logistics Company should give these social initiatives special importance and have administrative entities to take decisions related to them and develop them. Sadr Logistics Company also believes that failure to understand the relevant community issues and respond to them appropriately may have financial consequences, or a bad reputation And other negative consequences for the company.

As a result, Sadr Logistics is committed to contributing to the development and development of society in all countries in which it operates, and using resources responsibly to preserve the environment. The Council gives importance to the community's view of the assistance provided

by Sadr Company for Logistics Services in the field of charitable activities and other community activities.

Article (13)

Mechanisms for resolving disputes and complaints for stakeholders

In the event of a complaint or dispute between stakeholders and Sadr Logistics Services Company, with the exception of employees. Stakeholders must contact the Secretary of the Board of Directors of Sadr Logistics Services Company or any other competent person specified by the company. Once the Board Secretary or the competent person is notified, he will refer the matter to the company's audit committee for guidance regarding the dispute or complaint, and appropriate measures and decisions are taken in this regard, and the audit committee must ensure that the matter has been addressed by the company's management by taking the necessary corrective measures or recommending In order to solve the problem in an appropriate manner that guarantees fair investigations and procedures, the company may develop a detailed additional policy or procedures beside this policy to ensure the effectiveness of implementation.

In the event that a dispute arises between Sadr Logistics Services Company and any of its employees, the Grievance Committee established by Sadr Logistics Services Company for this purpose will handle all cases in accordance with the company's employee grievance policy and procedures alongside this policy to ensure effective implementation. When the decision is not satisfactory to both parties concerned. The case can be referred to the Remuneration and Nominations Committee of the company. The committee also takes into account, when conducting the necessary investigations and investigations, cases of conflict of interest and avoiding them, in light of the existing policy for grievances and escalation mechanisms within the company.

Article (14)

Employee incentive and reward policy

Sadr Logistics Company is keen to motivate its employees and treat them fairly in light of this policy and the human resources policies it adopts, which guarantees the employee a mechanism for development and promotion without discrimination or bias. Where the company sets programs to develop and motivate the participation and performance of its employees, and in light of this, the Remuneration and Nominations Committee of the company reviews the salary scale specified for all employees and senior executives and the incentive program and plans on an ongoing basis and approves them based on the recommendation of the executive management and in a manner that does not conflict with the labor and workers system and any applicable regulations In this regard, the policy and programs to motivate and reward employees, including the executive management, include the following:

1- Basic salary (to be paid at the end of each Gregorian month and on a monthly basis):

2- Allowances including, but not limited to, housing allowance and transportation allowance. An education allowance for children, and a telephone allowance (according to the job grades determined by the internal human resources policy adopted):

3- Medical insurance benefits for the employee and his family

4- Life insurance policy (includes work injuries, partial and total disability, and death at work)

5- An annual bonus linked to performance indicators in accordance with the annual evaluation carried out in this regard.

6- Short-term incentive plans related to exceptional performance, and long-term incentive plans such as stock options programs (when any) which the company adopts in light of its basic system and the relevant applicable regulations.

7- Other benefits including, but not limited to, annual leave, annual travel tickets, executive airport services, executive management team. And the end-of-service gratuity according to the work system and the human resources policy approved by the company.

8- A special program for employee housing loans in light of the internal policy adopted in this regard

9- General plans, programs and guidelines for remuneration of senior executives are approved by the Remuneration and Nominations Committee.

10- The CEO implements the remuneration policy for employees and senior executives in light of the plans, programs and general guidelines approved by the committee.

Article (15)

Final provisions

1- These regulations are considered effective from the date of approval and approval by the company's general assembly.

2- The Audit Committee shall supervise the implementation of this policy by reviewing the cases, transactions and contracts that take place with stakeholders or that may involve a conflict of interest and submitting any recommendations it deems appropriate to the Board of Directors.

3. Everything that is not provided for in this regulation, the guide to the governance rules of the Sadr Company for Mineral Logistics Services, as well as the corporate governance regulation issued by the Capital Market Authority shall apply.