



Policy of standards and procedures for membership in the Board of the Saudi Research and Media Group

Preamble:

With reference to Paragraph (3) of Article (22) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority under Resolution No. (8-16-2017) dated 16/5/1438 H corresponding to 13/2/2017 A.D, stipulated that the Board of Directors “prepare clear and specific policies, standards and procedures for membership in the Board according to the mandatory provisions of the Corporate Governance Regulations and put them into effect after approval by the General Assembly.” The aim of this policy is to set clear and specific standard and procedures for membership in the Board of the Saudi Research and Media Group, as follows:

Article 1: Composition of the Board:

1. The company shall be managed by a board of directors consisting of 11 members elected by the general assembly of shareholders for three years.
2. The majority are non-executive members.
3. The independent members of the Board shall not be less than two members or one third of the members of the Board (whichever is more).
4. A sufficient number of members shall be appointed in the board with experience in the main field of the company, and their other general experiences known in their CVs.

5. The member shall allocate sufficient time to fulfill his responsibilities in the company.

Article 2: Appointing board members:

1. The General Assembly elects' members of the Board for three years. The members may be re-elected.

2. A member of the Board of may not be a membership in the Board of more than five joint stock companies listed on the market simultaneously.

3. The candidate has not been previously convicted of a crime involving breach of trust, has been ruled bankrupt, made arrangements or settlement with his creditors, or is unfit for board membership, according to any system or instructions in force in the Kingdom of Saudi Arabia.

4. The names of Board members and their membership descriptions shall notify by the company to the Capital Market Authority within five working days from the date of the start of the new session or from the date of their appointment, (whichever is earlier), and any changes to their membership within five working days from the date of the changes occurring.

Article 3: Membership standard for the Board of Directors:

A member of the Board shall 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, provided that the general assembly shall takes into account when electing members of the Board, the recommendations of the remuneration and nomination committee in the company, and the availability of the personal and professional elements necessary to perform their duties effectively. In particular, the member shall have the following:

1. The candidate has not been previously convicted of a crime involving breach of trust, has been ruled bankrupt, made arrangements or settlement with his creditors, or is unfit for board membership, according to any system or instructions in force in the Kingdom of Saudi Arabia.

2. A member of the Board of may not be a membership in the Board of more than five joint stock companies listed on the market simultaneously.

3. A member of the Board shall represent all shareholders, and shall commit to what is in the interest of the company only and not to what is in the interests of the group he represents or that voted for his appointment in the Board of Directors.

4. The independent members of the Board shall not be less than one third of the members of the Board.

5. An independent member shall completely independence in terms of his positions and decisions. The independence symptoms stipulated in Article (20) of the Governance Regulations issued by the Authority shall not apply to an independent member.

6. **Ability to lead:** He shall have leadership skills that qualify him to grant powers in a way that leads to stimulating performance, apply best practices in the field of effective management, adherence to professional values and ethics and the ability to effective communication, thinking and strategic planning.

7. **Qualifications, Skills and Experience:** He shall have the academic qualifications, appropriate professional and personal skills, level of training, practical experiences related to the current and future activities of the company and knowledge of management, economics, accounting, law or governance, as well as a desire to learn and train.

8. **Ability to guide:** He shall have the technical, leadership and administrative abilities, speed in decision-making and the understanding of the technical requirements related to the workflow. He shall have the strategic guidance, long-term planning and a clear future vision.

9. **Financial literacy:** He shall be able to read and understand financial statements and reports.

10. **Health Fitness:** He shall not have a health obstacle that hinders him from carrying out his duties and specializations.

11. The candidate for membership of the Board shall be committed to the principles of honesty, trust, loyalty, care, and concern for the interests of the company and shareholders and priorities in his personal interest. The relationship of a board member to the company shall be an honest professional relationship. Any important information shall be disclosed to the company by member candidate of the Board before executing any deal or contract with the company or one of its subsidiaries. Loyalty is achieved by avoiding dealings that involve conflict of interest, verifying fairness of dealings and observing conflict of interest provisions contained in the Governance, Care and Attention Regulations, by performing the duties and responsibilities stated in the relevant regulations.

12. The candidate shall be a natural person, provided that he is at least twenty-five years old, whether he is applying in his personal capacity or as a representative of a legal person.

13. Variety in scientific qualification and scientific experience shall be taken into account, and priority shall be given to nomination for the needs of those with the appropriate skills for membership of the Board.

14. In the event that a member of the Board is unable to perform his duties or unable to allocate the time or effort necessary to perform his duties in the board, he shall resign before the end of his term in the Board of Directors. In the event of conflict of interest, a member of the Board may choose between two matters: obtaining a license from the general assembly or submitting his resignation.

Article 4: Procedures for membership in the company's board of directors:

1. Each shareholder has the right to nominate himself or nominate one or more other persons for membership in the Board of Directors, within the limits of his ownership in the capital.
2. The Remuneration and Nomination Committee coordinates with the executive management of the company to announce the opening of the nomination for membership of the company's Board at least sixty (60) days before the end of the board session in light of the requirements required by the laws and regulations.
3. The candidacy announcement is published on the financial market website (Tadawul), on the company's website, and in any other means specified by the Capital Market Authority, in order to invite persons desires to nominate for membership in the Board of Directors, provided that the nomination remains open for at least one month from the date of the announcement.
4. The Remuneration and Nomination Committee submits its recommendations to the Board of Directors regarding candidacy for membership of the Board in accordance with the standard described in this policy.
5. Any one desires to apply for membership in the company's board of directors shall disclose his desire to apply under a notice submitted to the management of the company and then send the application to the company's mailing address or on the company's website or any other means specified in the announcement of the candidacy, in accordance with the period and dates stipulated in this policy and the applicable rules and regulations. This notice shall include an introduction to the candidate in Arabic in terms of his CV, qualifications and work experience. The candidate shall provide the company with all the identification documents such as (national identity card, family card, passport for non-Saudis nominated for membership of the Board, and any other related documents that the company requires to fulfill the statutory requirements.
6. The candidate for membership of the Board shall disclose to the Board and the General Assembly any cases of conflict of interest, which include:
 - A.** The existence of a direct or indirect interest in the business and contracts related to the company for which he desires to apply for the Board of Directors.
 - B.** participate in a job in which he competes with the company or competes it in one of its activity.
7. Board membership applicants shall fill the form or forms specified by the Capital Market Authority, which can be obtained through its website.
8. A previous member in the board of a joint-stock company shall attach a statement of number and dates of boards previously occupied by him.
9. A previous member in the board of company shall attach a statement of the nomination notice from the company's management about the last term of board membership occupied by him, including the following information:

- A. The number of board meetings that held during each year of the term.
 - B. The number of meetings attended by the member originally and his attendance for the total meetings.
 - C. The permanent committees in which the member participated and the number of meetings held by each committee during each year of the term, number of meetings attended by him and his attendance for the total meetings.
10. Membership status shall be clarified upon candidacy, i.e. if the member is an executive, non-executive member or independent member.
11. The nature of the membership shall be clarified: If he is a candidate in his personal capacity or a representative of a legal person.
12. The Remuneration and Nomination Committee coordinates with the Executive Management to complete the statutory requirements and provide the relevant statutory authorities with all the required documents.
13. The selection of directors is voted on by the cumulative voting.
14. Voting in the General Assembly is restricted to those who nominate themselves in accordance with the aforementioned policies, standard and procedures.

Article 5:

The mechanism for selecting the Chairman and Vice Chairman:

The shareholders of the Saudi Research and Media Group elect the members of the Board at the General Assembly meeting of shareholders in accordance with the regulations and standards included in this policy, and then the Board selects its Chairman and Vice Chairman from among its members.

Article 6: Membership Expiration and Occupation:

1. Board membership ends at the end of its term (three years from the date of its election by the General Assembly).
2. The member's validity expires according to any applicable system or instructions in the Kingdom of Saudi Arabia. However, the Ordinary General Assembly may at any time resign all or some of the members of the Board without prejudice to the right of the dismissed member towards the company to claim compensation if the resign took place for an illegal reason or at an inappropriate time. A member of the board shall have the right to resign, provided that this is at an appropriate time, otherwise he will be responsible before the company for the damages resulting from his resignation.

3. If a position of a board member becomes vacant, the board shall appoint a temporary member in the vacant position, provided that he is one of those with experience and competence. The Ministry of Commerce and the Financial Market Authority shall inform within 5 working days from the date of appointment. The appointment shall be presented to the General Assembly at its first meeting, and the new member shall complete the term of his predecessor.

4. If the necessary terms for the meeting of the Board of Directors are not met due to the lack of its members below the minimum stipulated in the Companies Law or this Law; The remaining members shall call the ordinary general assembly to convene within 60 days to elect the necessary number of members.

Article 7: Final Provisions (Publication, Enforcement and Amendment):

1. This policy is effective from the date of its approval by the general assembly of shareholders.

2. The shareholders' general assembly shall have the right to amend this policy based on the recommendation or suggestion of the Board of Directors. The general assembly shall have the right to authorize the Board of Directors to amend it