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NOMINATION POLICY (PETRO RABIGH)

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Part 1: Introductory Provisions

1. Introduction and Purpose

- 1.1. The purpose of this Nomination Policy (this “**Policy**”) is to regulate the nomination of:
 - (a) the Directors of Rabigh Refining and Petrochemical Company (Petro Rabigh) (the “**Company**”);
 - (b) the members of the Board Committees; and
 - (c) the Company’s Senior Executives.
- 1.2. This Policy is intended to implement and supplement the relevant provisions of the Company’s Bylaws (the “Bylaws”). In case of conflict between this Policy and the Bylaws, the Bylaws shall prevail.
- 1.3. The provisions of this Policy are mandatory. The Board shall oversee the implementation of the measures required to ensure the Company’s compliance with this Policy.

2. Definitions and Abbreviations

- 2.1. The terms and expressions used in this Policy shall have the meanings assigned to them in the Company’s Corporate Governance Manual, unless otherwise required by the context.

Part 2: Nomination of Directors

1. General Rules

- 1.1. The Directors shall be appointed by the Ordinary General Assembly using the cumulative voting method for a term not exceeding three (3) years. Directors can always be reappointed without prejudice to Paragraph 2.6.
- 1.2. Any Shareholder may nominate him/herself or others to the membership of the Board in accordance with applicable laws and regulations, the Bylaws, and this Policy.
- 1.3. The minimum number of independent directors is two (2) or one-third (1/3) of the total number of directors, whichever is greater.
- 1.4. The Board of Directors shall appoint a Chairman from its members, a Vice-Chairman and a Managing Director per a resolution made by the Board, and no one member can be both a Chairman and a Managing Director, nor can he/she be a Vice-Chairman and a Managing Director.
- 1.5. The Board of Directors shall appoint a Secretary, selected from among its members or others, whose task is to record minutes of the Board of Directors meetings, document and safe keep resolutions passed at these meetings.
- 1.6. The term of office of the Chairman, the Deputy Chairman, the Managing Director, the Chief Financial Officer and the Secretary – if they are Directors – shall not exceed their respective terms of service as Directors. Their terms may always be renewed without prejudice to Paragraph 2.6.
- 1.7. Membership on the Board of Directors shall be terminated upon the expiration of the appointment period, or the resignation, or death of the Director, or if he is removed from office

by a resolution passed by seventy-five percent (75%) of the shares represented at an Ordinary General Assembly Meeting, or if he/she is convicted of an offence involving dishonesty, fraud or moral turpitude, or if he/she becomes bankrupt or makes any arrangement or compounding with his creditors. Termination of membership shall also occur if the member becomes unsuitable for membership under any law or regulations prevailing or applicable in the Kingdom of Saudi Arabia.

- 1.8. In case the number of the members of the Board of Directors falls below the quorum required for the proper convening of the Board of Directors meetings, the General Assembly shall be called for an Ordinary Meeting as soon as possible in order to appoint the necessary number of Directors.
- 1.9. Members of the Board of Directors must declare to the Board of Directors any personal interest, whether direct or indirect, in any proposal, transaction or contract made for the account of the Company. Such declaration must be recorded in the minutes of the Board of Directors meeting. If the interest of the Director is personal and direct, such Board member shall not participate in voting on the resolution to be adopted in this respect.

2. Conditions and Qualifications

- 2.1. Directors are required to be professionally capable and have the required experience, knowledge, skill, and independence which enable them to perform their duties efficiently. Directors shall have the following qualifications, in particular:
 - (a) **Ability to Lead:** Directors shall enjoy leadership skills which enable them to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional standards, ethics and values.
 - (b) **Competency:** Directors shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training. The Directors shall have practical experience related to the current and future businesses of the Company or management, economics, accounting, law, or governance.
 - (c) **Ability to Guide:** Directors shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions and understand technical requirements and developments related to the workflow. The Directors shall also be able to provide strategic guidance and long-term planning and have a clear future vision.
 - (d) **Financial Knowledge:** Directors shall have the ability to read and understand financial statements and reports.
 - (e) **Physical Fitness:** Directors shall be physically and mentally fit to perform their duties and responsibilities and shall not suffer from any health issues that may hinder them from performing their duties and responsibilities.
- 2.2. Candidates for Board membership shall satisfy the following conditions at the time of their nomination:
 - (a) they shall not have been convicted of a crime involving moral turpitude or dishonesty;
 - (b) they shall not be members of the board of directors of more than five (5) joint stock companies at the same time; and

- (c) they shall have no interest or be engaged in a business or activity that is competing with businesses or activities of the Company (except as otherwise permitted under applicable laws and regulations, the Bylaws, or the Conflict of Interest Policy).
- 2.3. **In addition to the conditions and qualifications set out in Paragraphs 2.1 above,** the Board may, **based on the recommendation of the Nomination and Remuneration Committee,** issue supplemental conditions, qualifications, and criteria for Board membership*.
- 2.4. Supplemental Conditions*: With reference to Paragraph 2.3 above, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, agreed to apply the following ‘Professional Experience’ requirement as an additional condition for the nomination of candidates for Board membership:
 - (a) **Professional Experience:** The candidate must have sufficient experience in the Company’s activities and at least ten (10) years of experience in a management position in the oil, gas or petrochemicals sectors in their fields of operations or marketing locally and internationally.
- 2.5. An Independent Director shall not be an employee or used to be an employee, during the preceding two years, of the Company, of any party dealing with the Company or any company within its group, such as external auditors or main suppliers; or if he/she, during the preceding two years, held a controlling interest in any such parties.
- 2.6. An Independent Director shall not serve for more than nine (9) years, consecutive or inconsecutive, as a Board member of the Company.
- 3. Nomination Process**
- 3.1. Before the expiry of a term of the Board, the Board shall issue a resolution authorizing the commencement of the nomination process and determining any supplemental conditions, qualifications, and criteria for Board membership pursuant to Paragraph 2.3 of Part 2 of this Policy. This resolution should be passed at least ninety [90] days before the expiry of the term of the existing Board.
- 3.2. Once the resolution of the Board is issued in accordance with Paragraph 3.1 above, the Company shall announce the commencement of the nomination process on the websites of the Company and the Exchange, and through any other medium specified by the Capital Market Authority (the “CMA”), and invite persons wishing to be nominated to the membership of the Board (the “**Nomination Announcement**”). The Nomination Announcement shall set out the applicable conditions, qualifications, and criteria for Board membership. The nomination period shall remain open for at least one (1) month from the date of the Nomination Announcement.
- 3.3. Candidates shall submit a written request to the Nomination and Remuneration Committee expressing their desire to run for Board membership, and such request should be accompanied by the relevant documents stated in the Nomination Announcement.
- 3.4. The candidate who has previously served as a member of the board of directors for any joint stock company or companies must indicate the number and duration of his membership(s) on the board of said company or companies.
- 3.5. The candidate must declare the name(s) of the joint stock company or companies where he/she is still a board member.

- 3.6. The candidate must declare the names of the companies or institutions that he/she still participates in managing or has ownership in and that are operating similar activities to those of the Company.
- 3.7. If the candidate has previously served as a member of the Board of Directors of Rabigh Refining & Petrochemical Company, he/she must attach to the candidacy request a statement from the Company's management about the last term during which he/she was a Board member including the following information:
- (A) The number of meetings of the Board during each year of the term, the number of meetings attended in person and the percentage of his presence at all Board meetings.
- (B) The permanent committees that the member participated in, and the number of meetings held by each of those committees during each year of its term.
- (C) Summary of the financial results that the Company achieved during each year of the term.
- 3.8. The Nomination and Remuneration Committee shall review and examine each candidate's request and the accompanying documents in accordance with applicable policies and standards.
- 3.9. The Nomination and Remuneration Committee shall recommend to the Board of Directors the candidates for nomination (or re-nomination) in accordance with applicable laws, regulations, rules, and policies (including this Policy).
- 3.10. The Board of Directors shall review, and issue a resolution in relation to, the recommendations of the Nomination and Remuneration Committee with respect to candidates for Board membership.
- 3.11. The number of nominees to the Board whose names are presented to the General Assembly shall be more than the number of available Board seats.
- 3.12. Upon calling for the General Assembly meeting that will elect Directors from among the candidates, the Company shall announce on the websites of the Company and the Exchange information about each candidate for Board membership. The Company shall also make such information available for collection at the Company's head office.
- 3.13. The General Assembly shall take into account, when electing Directors, the recommendations of the Nomination and Remuneration Committee and the availability of the personal and professional capabilities required for the Directors to perform their duties effectively.

4. Termination and Vacancies

- 4.1. Termination of Board membership and appointment of replacement Directors in case of vacancies on the Board shall be governed by applicable laws and regulations, the Bylaws, , and applicable policies.

Part 3: Nomination and Appointment of Committee Members

1. Rules of Nomination and Appointment

- 1.1. The members of the Committees shall be nominated and appointed in accordance with the charter of the relevant Committee.

Part 4: Nomination and Appointment of Senior Executives

1. Rules of Nomination and Appointment

- 1.1. The Board of Directors shall appoint the Company's Senior Executives and regulate, monitor and oversee their operations and ensure their effectiveness in performing the tasks and duties assigned to them. The Nomination and Remuneration Committee shall recommend to the Board potential candidates for Senior Executive Positions in the Company including the position of President and Chief Executive Officer.
- 1.2. The nomination, screening, and annual evaluation criteria for executive positions shall be adopted by a resolution of the Board of Directors, following a recommendation by the Nomination and Remuneration Committee, and shall enter into effect and be amended, as necessary, in accordance with its provisions.

2. Nomination Criteria

- 2.1. A nominee may be an employee seconded from one of the founding shareholder companies, a PRC regular employee or a new hire.
- 2.2. A nominee for the position of President and Chief Executive Officer must have a minimum of twenty (20) years of experience including ten (10) years in executive/managerial positions.
- 2.3. A nominee for a Function Head position must have a minimum of fifteen (15) years of experience including five (5) years of proven managerial experience.
- 2.4. The nominating party must provide evidence of the nominee's outstanding performance, valuable contributions in his field of expertise and proven Executive Leadership Capabilities.

Part 5: Vacancies and Emergency Replacement of Board and Executive Management Members

1. Board Membership

- 1.1. If the position of a Director becomes vacant, the Board may appoint - temporarily - a Director in the vacant position from among the qualified nominees regardless of the number of votes obtained at the General Assembly meeting appointing the Board members, provided that such temporary member shall possess sufficient relevant expertise and competence.
- 1.2. The Ministry of Commerce and the Capital Market Authority shall be notified of the appointment within five (5) working days from the appointment date.
- 1.3. The term of office of the replacement Director shall extend to the term-end of the predecessor.
- 1.4. Such appointment shall be submitted to the next General Assembly meeting for ratification. Such General Assembly meeting shall be held as soon as possible.
- 1.5. In the event that no qualified nominees are available to fill the vacancy of an Independent Director, the remaining Board members must call for an Ordinary General Assembly meeting as soon as reasonably practicable to elect a replacement.
- 1.6. In the event that the number of Directors falls below the minimum required to convene the meeting of the Board, as stipulated in the Companies Law and the Bylaws, the remaining

Directors must call for an Ordinary General Assembly meeting within sixty (60) days to elect the requisite number of Directors.

2. Executive Management Appointment

- 2.1. If the position of an Executive becomes vacant, the Board of Directors may appoint - permanently or temporarily – a replacement in the vacant position in accordance with the Nomination Policy.
- 2.2. In case of appointing a new Chief Executive Officer, the Capital Market Authority shall be notified within five (5) working days from the appointment date.

Part 6: Closing Provisions

1. Entry into Effect and Review

- 1.1. This Policy shall be adopted by a resolution of the General Assembly, following a recommendation by the Board (which recommendation shall be based on the recommendation of the Nomination and Remuneration Committee), and shall enter into effect from the date on which it is approved by the General Assembly.
- 1.2. The Nomination and Remuneration Committee shall oversee the implementation of this Policy and shall periodically review its provisions and recommend any amendments thereto to the Board.
- 1.3. Any amendments to this Policy shall be adopted in the same manner in which this Policy was adopted.

2. Disclosure

- 2.1. The Board shall comply with the relevant disclosure obligations and requirements under the Disclosure Policy and the applicable laws and regulations in respect of this Policy.