



UNITRANS

الشركة المتحدة الدولية للمواصلات
UNITED INTERNATIONAL TRANSPORTATION COMPANY

Board of Directors Membership Policies, Standards and Procedures



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Introduction

Policies, standards, and procedures for membership on the Board of Directors of the United International Transportation Company have been developed in accordance with the provisions of paragraph (3) of Article (21) of the Corporate Governance Regulations issued by the Saudi Capital Market Authority (CMA) under Decision No. 8-16-2017 dated 13/2/2017 corresponding to 16/5/1438 AH, as amended by CMA Decision No. 8-5-2023 dated 18/01/2023G corresponding to 25/06/1444 AH.

Article One: Purpose of the Policies

To provide standards and procedures for selecting membership on the Board of Directors of the United International Transportation Company.

Article Two: Company documents used in These Policies

Bylaws of the company

Article Three: Reference Systems and Regulations

- Companies Law
- Corporate Governance Regulations.
- Form No. (3) issued by the Capital Market Authority.

Article Four: Content of the Policies

Definition

The United International Transportation Company is committed to the highest standards for nominating members of the Board of Directors in accordance with the regulations and procedures issued by supervisory and regulatory authorities. Accordingly, the company complies with these policies through the Nomination and Remuneration Committee, the Board of Directors, and the General Assembly.

Policies and standards for membership on the Board of Directors

The management of the United International Transportation Company must comply with the following conditions for membership on the Board of Directors.

- An appointed member of the Board of Directors of the United International Transportation Company must possess the integrity, knowledge, and necessary experience to perform their duties. They should have the ability to read, understand, and analyze financial statements and possess professional qualifications, as well as other qualifications such as leadership, independence, and personal qualities that enable them to effectively perform their tasks. The following should be considered in particular:
 1. **Leadership ability:** Having leadership skills to delegate authority, motivate performance, apply best practices in effective management, and adhere to professional values and ethics.
 2. **Competence:** Possessing the appropriate academic qualifications, professional and personal skills, level of training, and relevant practical experience in the company's current and future activities, management, economics, accounting, law, or governance, in addition to the desire for learning and training.

3. **Ability to provide guidance:** Possessing technical leadership and managerial skills, quick decision-making, comprehension of technical requirements related to workflow, and the ability to provide strategic guidance, planning, and a clear vision for the future.
 4. **Financial knowledge:** Having the ability to read and understand financial statements.
 5. **Physical fitness:** Being in good health without any impediments that hinder the performance of their duties and responsibilities.
- Candidates for membership on the Board must have a good reputation and conduct.
 - A member of the Board of Directors should not hold membership in the board of more than five listed joint-stock companies in the Saudi financial market at the same time.
 - The number of independent members on the board should not be less than two or one-third of the board members, whichever is higher.
 - The majority of board members should be non-executive.
 - An independent member should have complete independence and should not be subject to any conflicts of interest, as stated in Article (19) of the Corporate Governance Regulations issued by the Saudi Capital Market Authority.
 - The candidate for board membership or the current member should commit to the principles of honesty and integrity by disclosing any information related to any transaction in which they may have a direct or indirect interest. They should also disclose whether they engage in any competitive activities with the company and declare and undertake to provide all the necessary regulatory disclosures in this regard and submit them to the company, the Saudi Capital Market Authority, and present them to the company's general assembly.
 - The candidate should not have been previously convicted of any crimes against honor or trust.
 - The candidate is not previously sentenced to bankruptcy and is not a member or partner of a company's board of directors and has been placed under judicial custody or forcibly liquidated during his term of office.
 - The candidate should not have previously been convicted in a judicial judgment against them or against any company in which they held a position as a board member or were a partner at the time of committing the violation due to fraud, deception, or violation of company laws.
 - The candidate should not have previously been convicted in a civil liability lawsuit related to the establishment or management of any company or institution due to fraud, misconduct, or mistreatment towards the company or any of its members.
 - The candidate should not have been previously disqualified from serving as a board member of another company.
 - The candidate should not have previously been refused membership in any professional body, institution, association, or capital market or have been subject to restrictions or disciplinary actions as a result of practices in violation of the regulations, particularly those of the Saudi Capital Market Authority.

- If the candidate has a direct or indirect interest in any contracts with the company or its subsidiaries, they should provide a declaration of these contracts for presentation to the general assembly and commit to obtaining the necessary approval to continue these contracts from the company's general assembly.
- The candidate should be a natural person not less than twenty-five (25) years of age at the time of submitting their nomination papers for board membership.
- In the event of a conflict of interest, the member should choose between obtaining the approval of the general assembly or submitting their resignation.

Article Five: Procedures for Nomination for Board Membership

- **Eligibility:** Every shareholder has the right to nominate themselves or another person or persons for board membership within the limits of their ownership percentage of the capital.
- **Nomination:**
 1. The Nominations and Remuneration Committee shall open the nomination for election to the Board of Directors in coordination with the Executive Management.
 2. The Nominations and Remuneration Committee or the Executive Management shall announce the opening of the nomination for membership of the Board of Directors within a period of not less than two months prior to the expiration of the Board's session and not less than two months from the date of the General Assembly to be elected.
 3. The announcement of the nomination for board membership is published on the website of the Saudi Stock Exchange (Tadawul) as well as on the company's website and any other means determined by the Saudi Capital Market Authority.
 4. The nomination process remains open for a minimum of one month from the date of the announcement, and the company may extend the period for receiving nomination documents if a sufficient number of candidates have not applied to achieve the minimum legal quorum required for the validity of the board (a minimum of 4 members) during the initial period of receiving applications. The extension of the nomination period is announced in the same manner as the main announcement.
 5. The Nomination and Remuneration Committee reviews the documents submitted by the candidates and prepares a comprehensive report on the candidates according to these policies and their recommendations within seven working days from the end date of the nomination period.
 6. The Capital Market Authority shall be provided with all documents submitted by the candidates, with the knowledge of the Nominations and Remunerations Committee, in coordination with the executive management of the company.
 7. Voting takes place in the General Assembly on those who meet the nomination requirements in accordance with these policies after receiving the official approval of the Capital Market Authority.
- **Election:**
 1. Voting for the selection of the members of the General Assembly shall take place through the cumulative voting method.

2. The General Assembly selects the members of the Board of Directors from among the candidates. The Executive Management of the Company, in coordination with the Nominations and Remunerations Committee, shall provide all information on the candidates by posting their detailed data on the Company's website well in advance of the Assembly meeting.
3. When electing, consideration must be taken of the number of independent members of the Board of Directors not less than two or one-third of the Board's members, whichever is more. It also takes into account that the majority of the Board's members are non-executive members.

- **Documents Required:**

The candidate for board membership must submit the following documents:

1. The candidate's resume showing his qualifications and experience.
2. A photocopy of the (national ID card) for Saudi nationals, (residency card) for residents, or (passport) for non-resident foreigners.
3. A notification of the nomination submitted to the company by the candidate in accordance with the specified dates in these policies, regulations, and rules.
4. Form (1) in both Arabic and English, filled out by the candidate.
5. Form (3) - CV form - issued by the Saudi Capital Market Authority, filled out by the candidate, along with other required forms according to the requirements of the Saudi Arabian Capital Market Authority.
6. A statement of the companies and institutions in which the candidate holds shares, participates in their management or represents them.
7. A statement of conflicts of interest, including any direct or indirect interest in contracts or agreements conducted on behalf of the company, the candidate's involvement in competitive activities with the company, or its competition in any branch of its activities. The candidate should declare and commit to presenting these matters to the general assembly.
8. A candidate who currently or previously served as a board member of a joint-stock company or a member of any of its committees must provide a statement indicating the number and dates of board meetings they attended and the committees they served on.
9. A candidate who previously served as a board member of the company must submit a notification of nomination from the company's management regarding their last term on the board, including the following information:
 - The number of board meetings held during that term.
 - The number of meetings attended by the member and their attendance rate.
 - The permanent committees of the board in which they participated, the number of meetings held by each committee, the number of meetings they attended, and their attendance rate for those committee meetings.

Article Six: Selection of Chairman and Vice Chairman of the Board

1. The elected board of directors, based on the results of the general assembly, elects the chairman and vice chairman of the board from among its members.

2. Voting is conducted among the board members for the election of the chairman and vice chairman, with each member present at the meeting having one vote (with one proxy vote allowed in case of delegation).
3. The vote for the chairman or vice chairman must be conducted among non-executive board members.

Article Seven: Notification of Members

1. The Nominations and Remuneration Committee officially notifies the elected members and provides them with their responsibilities, duties, remuneration, and all internal regulations applicable within the company.
2. The Nominations and Remuneration Committee ensures that new board members receive the necessary introductory programs about the company's operations, especially the financial, legal, and administrative aspects.
3. The company must notify the Saudi Capital Market Authority of the names of the board members and their membership details within five working days from the start of the board's term or their appointment date, whichever is earlier. Any changes to their membership should also be reported within five working days from the date of the changes.

Article Eight: Membership Duration and Conditions

1. Board members are appointed by the General Assembly of Shareholders for a term not exceeding four years, and all board members, including the chairman, have the right to re-nominate themselves.
2. The majority of board members must be non-executive, and the chairman and vice chairman must be non-executive as well.
3. The chairman of the board is prohibited from holding any executive position within the company.
4. The number of independent board members throughout a single term should not be less than two or one-third of the total number of board members, whichever is higher.

Article Nine: Termination of Board Membership, Removal of Members, and Vacancies

Board membership ends in the following cases:

1. The membership term ends with the completion of the board's single term, which is four years.
2. Resignation of a member, who should submit a statement to the chairman of the board if they have any remarks regarding the company's performance. This statement should be presented to the other board members.
3. The member has a health impediment that hinders them from fulfilling their responsibilities on the board.
4. Death.
5. If the board finds that the member has violated their duties in a manner that harms the company's interests, subject to the approval of the General Assembly.

6. If the member is convicted of a crime that affects their integrity and trustworthiness during their board membership.
7. The General Assembly has the right, at any time, to remove all or some of the board members without violating the removed member's rights to claim compensation if the removal occurs for an unacceptable reason or at an inappropriate time. A board member can resign, provided that it is done at an appropriate time; otherwise, they will be held responsible for any damages resulting from their resignation.
8. The General Assembly, based on the recommendation of the board of directors, may terminate the membership of those who are absent from attending more than three consecutive meetings in one year without a valid excuse.
9. If the member is declared bankrupt, insolvent, or fails to settle their debts.
10. Upon the termination of a board member's membership in any way, the company must immediately notify the Saudi Capital Market Authority, along with a statement of the reasons.
11. In the event of a vacancy in the position of a board member during the term, the Board may appoint a temporary member to fill the vacant position. The temporary member should have the required experience and competence. This appointment shall be submitted to the General Assembly at its first meeting and the new member shall complete the term of his or her predecessor in the light of the company's Bylaws.
12. If the number of board members falls below four members (the necessary quorum for meeting validity), the General Assembly must be called to appoint the necessary number of members within sixty days.

Article Ten: Final Provisions (Publication and Enforcement)

This policy shall take effect and be complied with by the company from the date of its approval by the General Assembly of Shareholders. It shall be published on the company's website to enable the public, shareholders, and stakeholders to access it. It may be amended as needed based on the recommendation of the board and the decision of the General Assembly.



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