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ترخيص رقم ۷۷۲۱۷۹- رقم العضوية C.R. No.: 772679 Mem. No.: 699889 – 199۸۸۹ بقم العضوية ۷۷۲۱۷۹ — www.sm-translation.com - E. ksa@sm-translation.com

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Governance Regulations Al Majed Oud Company

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Introduction:

This regulation has been prepared in compliance with the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/05/1438 AH (corresponding to 13/02/2017 AD), as amended by Resolution No. (8-2023) dated 25/06/1444 AH (corresponding to 18/01/2023 AD), and based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 AH.

This regulation sets out the rules and standards governing the company's management to ensure compliance with best corporate governance practices that protect the rights of shareholders and stakeholders.

This regulation aims to establish a legal framework for corporate governance to activate the role of shareholders in the company and safeguard their rights by achieving transparency and integrity in transactions and defining the powers and responsibilities of the board of directors and executive management.









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Chapter (1): Preliminary Provisions

Article (1): Definitions

The following terms, wherever they appear in these Bylaws, shall have the meanings indicated opposite each of them, unless the context requires otherwise: Stakeholders: Any person with an interest in the company, such as shareholders, employees, creditors, customers, suppliers, public and private sector institutions, and society as a whole.

Corporate Governance Regulations: Corporate Governance Regulations issued pursuant to Capital Market Authority Board Resolution No. (8-16-2017) dated 16/05/1438 AH (corresponding to January 18, 2023 AD), as amended by Capital Market Authority Board Resolution No. (8-5-2023) dated 23/06/1444 AH (corresponding to January 18, 2023 AD).

Companies Law: Companies Law issued by Royal Decree No. (M/132) dated 1/12/1443 AH (corresponding to January 1, 2023 AD).

Implementing Regulations: The Executive Regulations of the Companies Law for Listed Joint Stock Companies, amended by Capital Market Authority Board Resolution No. (8) 5-2023) dated 25/06/1444 AH (corresponding to January 18, 2023 AD) pursuant to the Companies Law.

Company: Al Majed oud Company.

Regulations: Corporate Governance Regulations.

Board of Directors or Council: The Company's Board of Directors.

Independent Director: A non-executive board member who enjoys complete independence in their position and decisions, and who is not subject to any of the limitations of independence mentioned in the Corporate Governance Regulations.

Executive Director: A board member who is dedicated to the executive management of the company and participates in its daily operations.

Non-Executive Director: A board member who is not dedicated to the management of the company and does not participate in its daily operations.

Managing Director: A board member chosen by the board of directors to oversee and supervise the executive management of the company.

Relatives or Relationship:

- Parents, mothers, grandfathers, grandmothers, and so on.
- Children, their children, and so on.
- Full-brothers and sisters, or paternal or maternal relatives.







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The Authority: The Capital Market Authority.

The Market: The Saudi Stock Exchange or the Saudi Tadawul.

Any reference to a singular or plural term for any of the above definitions shall be included in the definition shown next to the defined term.

Terms not defined in this document shall have the same meaning as stated in the Corporate Governance Regulations issued by the Capital Market Authority or in the list of terms used in the regulations and rules of the Capital Market Authority, unless the context requires otherwise.

Article (2): Scope of Application

- 1. The provisions of these regulations shall apply to the Company.
- 2. The Company shall implement the Corporate Governance Regulations. The Company shall also adopt a policy of compliance with the rules, procedures, and policies contained in these regulations, providing explanations in the event of non-compliance and the reasons therefor.

Article (3): Fair Treatment of Shareholders

Chapter (2): Shareholders' Rights

- 1. The Company shall specify in its internal policies the procedures necessary to ensure that all shareholders exercise their statutory rights and achieve justice and equality among them.
- 2. The Board of Directors and the Executive Management of the Company are committed to not discriminating between shareholders who own shares of the same type and class, and not withholding any rights from them.
- 3. The Board of Directors is committed to protecting the rights of shareholders to ensure fairness and equality among them.

Article (4): Rights Associated with Shares

Shareholders are entitled to all rights associated with their shares, particularly the following:

- 1 Obtaining his share of the net profits that are decided to be distributed in cash or by issuing shares.
- 2 Obtaining his share of the company's assets upon liquidation.
- 3. Attend general or private shareholders' assemblies, participate in their deliberations and vote on their resolutions.







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- 4. Dispose of its shares in accordance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
- 5. Inquire and request access to the company's books and documents, including data and information related to the company's activity and its operational and investment strategy in a manner that does not harm the interests of the company and does not conflict with the Companies Law, the Capital Market Law and their implementing regulations.
- 6- Monitoring the performance of the company and the work of the Board of Directors.
- 7- Holding the members of the Board of Directors accountable and filing a liability lawsuit against them, and challenging the invalidity of the resolutions of the general shareholders' assemblies
- Especially in accordance with the conditions and restrictions contained in the Companies Law and the Company's Articles of Association.
- 8. Priority of subscription to new shares issued against cash shares, unless the extraordinary general assembly suspends the right of priority if this is stipulated in the company's articles of association in accordance with the provisions stipulated in the Companies Law.
- 9. Registering his shares in the company's shareholders' register.
- 10. Request to view a copy of the company's Memorandum and Articles of Association unless the company publishes them on its website.
- 11. Nominate and elect the members of the Board of Directors of the Company.

Article 5: Shareholder Access to Information

1. The Board of Directors shall provide complete, clear, correct and non-misleading information to enable the shareholder to exercise his rights to the fullest, and this information shall be provided in a timely manner and shall be regularly updated as follows:

The means of providing information to the shareholder shall be clear and detailed, and shall include a statement of the company's information that the shareholder can obtain, and shall be provided to all shareholders of the same type or category.

- B- Follow the most effective means of communication with shareholders and not discriminate between them in providing information.
- 2. Matters presented to the General Assembly must be accompanied by sufficient information to enable shareholders to make their decisions.
- 3. Shareholders must be able to review the minutes of the General Assembly meeting.







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Article 6: Communication with Shareholders

- 1. No shareholder may interfere in the work of the Board of Directors or the work of the company's executive management unless they are a member of the Board of Directors, work in its executive management, or if their interference is through the Ordinary General Assembly and in accordance with its mandate.
- 2. The Board of Directors shall ensure communication between the company and shareholders based on a shared understanding of the company's strategic objectives and interests.
- 3. The Chairman of the Board of Directors and the Chief Executive Officer shall inform the other members of the Board of Directors of the views of shareholders and discuss them with them.

Chapter 3: Rights Related to the General Assembly Meeting

Article 7: Powers of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the following powers:

- 1. Amending the company's articles of association, with the exception of amendments deemed invalid under the provisions of the Companies Law.
- 2. Increasing the company's capital in accordance with the provisions of the Companies Law and its implementing regulations.
- 3. Reducing the company's capital if it exceeds the company's needs or if it incurs financial losses, in accordance with the provisions stipulated in the Companies Law and its implementing regulations.
- 4. Deciding on the use of the reserve allocated for specific purposes in the company's articles of association.
- 5. Deciding on the company's continuity or dissolution before the term specified in its articles of association.
- 6. Approving the purchase of company shares.
- 7. Issuing preferred or redeemable shares, approving their purchase, or converting one type or class of company shares to another type or class. This is based on a provision in the company's articles of association and in accordance with the implementing regulations of the Companies Law for listed joint-stock companies.







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8. Issuing debt instruments or financial instruments convertible into shares, and specifying the maximum number of shares that may be issued in exchange for such instruments or instruments.

- 9. Allocating the shares issued upon a capital increase, or part thereof, to employees of the company and/or its subsidiaries.
- 10. Suspending the pre-emptive right of shareholders to subscribe to capital increases in exchange for cash shares, or granting priority to non-shareholders in cases deemed appropriate to the company's interests, if stipulated in the company's articles of association.

The Extraordinary General Assembly may issue resolutions falling within the jurisdiction of the Ordinary General Assembly, provided that such resolutions are issued in accordance with the terms of issuing Ordinary General Assembly resolutions, which are determined by a majority of the voting rights represented at the meeting.

Article 8: Powers of the Ordinary General Assembly

Except for the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly shall have jurisdiction over all company affairs, particularly the following:

- 1. Election and dismissal of members of the Board of Directors.
- 2. Authorizing a member of the Board of Directors to have a direct or indirect interest in the business and contracts concluded for the company's account, in accordance with the provisions of the Companies Law and its implementing regulations.
- 3. Authorizing a Board member to participate in any activity that may compete with the Company, or to compete with the Company in any of its activities, in accordance with the provisions of the Companies Law and its implementing regulations.
- 4. Monitoring the Board members' compliance with the provisions of the Companies Law and its implementing regulations, other relevant regulations, and the Company's Articles of Association. Examining any damage arising from their violation of these provisions or mismanagement of the Company's affairs, determining the liability resulting therefrom, and taking the appropriate action in this regard in accordance with the provisions of the Companies Law and its implementing regulations.
- 5. Reviewing and discussing the Company's financial statements.
- 6. Reviewing and discussing the Board of Directors' report.
- 7. Deciding on the Board of Directors' proposals regarding the method of distributing net profits.
- 8. Appointing one or more auditors, determining their remuneration, reappointing them, and dismissing them, and discussing and deciding on their report.







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- 9. Examining any violations or errors committed by the company's auditors in the performance of their duties, and any difficulties notified by the company's auditors regarding their access to the books, records, and other documents, data, and explanations necessary for the performance of their duties, and taking the appropriate action in this regard.
- 10. Determining the use of the company's reserves if they are not allocated for a specific purpose in the company's bylaws. The use of these reserves shall be based on a proposal from the board of directors and shall be for purposes that benefit the company or shareholders.
- 11. Forming the company's reserves and determining their uses.
- 12. Deducting the company's net profits to achieve social purposes for the company's employees, in accordance with the provisions of the Companies Law.
- 13. Approval of the sale of more than 50% of the company's assets, whether in a single transaction or multiple transactions within twelve months from the date of the first sale transaction. If the sale of these assets includes items that fall within the jurisdiction of the Extraordinary General Assembly, the approval of the Extraordinary General Assembly must be obtained.

Article 9: Shareholders' Assembly

- 1. The Ordinary General Assembly of Shareholders shall convene in accordance with the conditions and circumstances stipulated in the Companies Law, its implementing regulations, and the company's bylaws.
- 2. The annual Ordinary General Assembly shall be held at least once within the six months following the end of the company's fiscal year.
- 3. General or special shareholders' assemblies shall be convened by the Board of Directors, in accordance with the conditions stipulated in the Companies Law, its implementing regulations, and the company's bylaws. The Board of Directors shall convene the Ordinary General Assembly within thirty days from the date of the request if the auditor, the audit committee, or a number of shareholders representing at least 10% of the company's voting shares request it. The auditor may convene the assembly if the Board of Directors fails to convene it within thirty days from the date of the auditor's request.
- 4. Subject to the provisions of the Companies Law and its implementing regulations, the date, venue, and agenda of the general assembly must be announced at least (21) days in advance, and the invitation must be published on the Exchange's website and the company's website. In addition, the company may invite its shareholders to hold general and special assemblies using modern technology.
- 5. The company may amend the agenda of the general assembly during the period between the publication of the announcement referred to in paragraph (4) of this Article and the date of the general assembly, provided that the company announces this in accordance with the procedures stipulated in paragraph (4) of this Article.







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- 6. Shareholders must be given the opportunity to actively participate and vote in general assembly meetings. General assembly meetings may be held, and shareholders may participate in their deliberations and vote on their decisions using modern technology, in accordance with the implementing regulations of the Companies Law for listed joint-stock companies.
- 7. The Board of Directors shall facilitate the participation of the largest possible number of shareholders in the general assembly meeting, including by selecting an appropriate time and place.
- 8. The company must ensure that the information of shareholders wishing to attend the meeting is registered at the company's headquarters before the scheduled meeting time, unless the company's bylaws provide otherwise.

Article 10: General Assembly Agenda

- 1. When preparing the general assembly agenda, the board of directors must take into account the items shareholders wish to include. Shareholders who own at least 10% of the company's voting shares may add one or more items to the general assembly agenda when preparing it.
- 2. The board of directors must separate each item on the general assembly agenda into a separate item. They must not combine substantially different items under one item, and they must not include businesses and contracts in which any board member has a direct or indirect interest under a single item for the purpose of obtaining a shareholder vote on the item as a whole.
- 3. Shareholders must have access to information related to the general assembly agenda items, particularly the board of directors' report, through the company's website and the exchange's website when the invitation to the general assembly is published.

The auditor, financial statements, and the audit committee report are required to enable them to make informed decisions. The company must update this information if the general assembly agenda is amended.

Article 11: Management of the Shareholders' Assembly

- 1- The general assembly meetings of shareholders shall be chaired by the Chairman of the Board of Directors, or his deputy in his absence, or by a member of the Board of Directors designated for this purpose in the absence of the Chairman and his deputy. If this is not possible, the general assembly shall be chaired by a member of the Board of Directors designated by the shareholders, whether from among the Board members or others, by voting.
- 2- The Chairman of the Shareholders' Assembly shall be committed to providing shareholders with the opportunity to effectively participate and vote in the general assembly meetings and to avoid any procedure that would hinder their attendance at the meetings or the exercise of







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their voting rights. They shall be informed of the rules governing the operation of these meetings and voting procedures.

- 3- Shareholders have the right to discuss the topics included in the general assembly agenda and to direct questions regarding them to the members of the Board of Directors and the auditor. These questions must be answered to the extent that does not jeopardize the company's interests. 4- Shareholders must be able to review the minutes of the general assembly meeting, and the company must provide the Authority with a copy thereof within ten days of the meeting.
- 5- The company must announce the results of the general assembly meeting to the public and notify the Authority and the market, in accordance with the controls determined by the Authority, immediately upon its conclusion.

Chapter Four: The Board of Directors and Executive Management

Article 12: Formation and Appointment of the Board of Directors

- 1- The company's articles of association shall specify the number of board members, provided that it complies with any regulatory requirements.
- 2- The general assembly shall elect board members for the term stipulated in the company's articles of association, provided that it does not exceed four years. They may be re-elected unless the company's articles of association provide otherwise.
- 3- The number of independent board members shall not be less than two or one-third of the board members, whichever is greater.
- 4- The majority of the Board shall be non-executive members.
- 5- A Board member shall not simultaneously serve on the Board of Directors of more than five joint-stock companies listed on the Exchange.
- 6- The company shall notify the Authority of the names of the Board members and their membership descriptions within five (5) business days from the commencement date of the Board of Directors' term or the date of their appointment, whichever is sooner. Any changes to their membership shall be notified within five (5) business days from the date of the changes.

Article 13: Duties of Care and Loyalty of Board Members

Board members shall adhere to the duties of care and loyalty, particularly the following:

1- Exercising their duties within the limits of their assigned powers: A Board member shall exercise their duties and powers in managing the Company and directing its business within the limits of their powers, in accordance with the provisions of the Companies Law and its implementing regulations, the Company's Articles of Association, and other relevant







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regulations, in a manner that achieves the purposes for which they were granted those powers.

- 2- Working for the Company's Interest and Promoting its Success: A board member must adhere to the following:
- A- Working in good faith to achieve the best interests of the Company and all shareholders, and not prioritizing their personal interests over those of the Company and its shareholders, while taking into account the rights of other stakeholders.
- B- Doing their utmost to enhance the Company's success, development, and value for its shareholders in the long term.
- 3- Making or Voting Decisions Independently: A board member must exercise their duties objectively and independently regarding the Company's management and decision-making, and avoid situations that would impinge on their independence in making or voting on decisions.
- 4- Exercising reasonable and expected care, attention, diligence, and skill. A board member must perform their duties and responsibilities in accordance with the Companies Law, the Capital Market Law, their implementing regulations, the company's articles of association, and other relevant regulations. They must exercise the care and diligence that a prudent person would exercise, taking into account the general knowledge, skill, and experience of the board member themselves, and those expected of those performing the same functions.
- 5- Avoiding Conflicts of Interest: A board member must avoid dealings and situations in which he has, or is likely to have, a direct or indirect interest that conflicts or could conflict with the company's interests, and must abide by the conflict-of-interest provisions contained in the Companies Law and its Implementing Regulations.
- 6- Disclosure of any direct or indirect interest in business and contracts concluded on behalf of the company: A board member must disclose any direct or indirect interest he has in business and contracts concluded on behalf of the company immediately upon becoming aware of it, and must abide by the provisions regarding disclosure of interests in business and contracts contained in the Companies Law and its Implementing Regulations.
- 7- Not accepting any benefit granted to him from a third party in connection with his role in the company: A board member must not, under any circumstances, use his position, duties, or powers as a board member to obtain benefits from a third party, nor accept any benefit granted to him from a third party in exchange for performing or refraining from performing a specific act.







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Article 14: Termination of Board Membership

Subject to the provisions stipulated in the Executive Regulations

- 1- The Company's Articles of Association specify the manner in which Board membership may be terminated or terminated at the request of the Board. However, the Ordinary General Assembly may dismiss all or some members of the Board of Directors, even if the Company's Articles of Association provide otherwise. In this case, the Ordinary General Assembly shall elect a new Board of Directors or a replacement for the dismissed member, as appropriate, in accordance with the provisions of the Bylaws. The competent authority may establish controls for the dismissal of Board members by the Ordinary General Assembly.
- 2- The Ordinary General Assembly may, at any time, dismiss all or some members of the Board of Directors. Furthermore, the General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of any member who fails to attend three (3) consecutive Board meetings or five (5) separate Board meetings during his term of office without a legitimate excuse acceptable to the Board.
- 3- If a board member resigns and has any comments on the company's performance, they must submit a written statement to the chairman of the board. This statement must be presented to the board members.
- 4- When a board member's membership expires through any of the methods of termination, the company must immediately notify the Authority and the market, stating the reasons for such vacancy.
- 5- If the position of a board member becomes vacant due to death or retirement, and this vacancy does not result in a breach of the conditions necessary for the validity of the board's meetings due to a shortage of members below the minimum stipulated in the bylaws or the company's articles of association, the board may temporarily appoint someone with the experience and competence to fill the vacancy. The appointment must be presented to the ordinary general assembly at its first meeting, and the appointed member must complete the term of their predecessor.

Article 15: Impediments to Independence

- 1- An independent board member must be able to perform their duties, express their opinions, and vote on decisions objectively and impartially, enabling the board of directors to make sound decisions that contribute to achieving the company's interests. 2- The Board of Directors shall conduct an annual assessment of the member's independence and ensure that there are no relationships or circumstances that affect or could affect their independence.
- 3- The independence required of an independent board member is inconsistent with, but not limited to, the following:







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- A- Ownership of 5% or more of the company's shares or of shares in another company within its group, or a relative of such owner.
- B- Being a relative of any member of the board of directors of the company or another company within its group.
- C- Being a relative of any senior executive of the company or another company within its group.
- D- Being a member of the board of directors of another company within the group of the company whose membership in the board of directors he is nominated for.
- e. To work, or have been an employee, for the past two years, with the company or another company in its group, or to be a controlling shareholder in the company or any party dealing with the company or another company in its group, such as auditors or major suppliers, during the past two years.
- f. To have a direct or indirect interest in the business and contracts conducted for the company's account.
- g. To receive financial sums from the company in addition to the remuneration for membership in the board of directors or any of its committees, exceeding (200,000) riyals or 50% of the remuneration received in the previous year for membership in the board of directors or any of its committees, whichever is less.
- h. To participate in a business that competes with the company, or to trade in one of the branches of the company's activity.
- i. To have spent more than nine (9) consecutive or separate years as a member of the company's board of directors. 4- Businesses and contracts concluded to meet the board member's personal needs shall not be considered an interest that denies the independence of a board member, for which they must obtain authorization from the Ordinary General Assembly, provided that such business and contracts are conducted under the same conditions and terms that the company follows with all contractors and clients and are within the company's normal business activities, unless the Nominations Committee deems otherwise.

Article 16: Responsibility of the Board of Directors

The responsibility of the Board of Directors shall be in accordance with the relevant rules and regulations.

Article 17: Distribution of the Board of Directors' Powers

1- Subject to the company's bylaws, the board of directors shall appoint, at its first meeting, a chairman and a vice-chairman from among its members. It may also appoint a managing







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director or chief executive officer from among its members. The company's bylaws shall specify their powers and authorities. If the company's bylaws do not specify a distribution of powers, the board of directors shall assume this responsibility.

- 2- The board of directors shall appoint a secretary from among its members or from others. The board shall determine the secretary's powers and remuneration if the company's bylaws do not include provisions in this regard.
- 3. The Board of Directors may relieve the Chairman, the Vice Chairman, the Managing Director, the Chief Executive Officer, the Secretary, or any of them, from their respective positions. Such relief shall not entail termination of their membership on the Board.

Article 18: Remuneration of Board Members

The remuneration of the Board Members shall be determined by the General Assembly, in accordance with the provisions of the Companies Law, its implementing regulations, and the Company's internal policies.

Article 19: Powers and Duties of the Chairman of the Board

Without prejudice to the powers of the Board of Directors, the Chairman of the Board shall lead the Board, oversee its operations, and ensure the effective performance of its responsibilities. The specific duties and responsibilities of the Chairman shall include, in particular, the following:

Ensuring that Board members receive complete, clear, accurate, and non-misleading information in a timely manner.

Ensuring that the Board effectively and timely discusses all fundamental matters.

Representing the Company before third parties in accordance with the provisions of the Companies Law, its implementing regulations, and the Company's Articles of Association.

Encouraging Board members to perform their duties effectively and in a manner that serves the Company's interests.

Ensuring the existence of effective communication channels with shareholders and conveying their views to the Board of Directors.

Promoting constructive relationships and effective participation between the Board and executive management, as well as among executive, non-executive, and independent members, and fostering a culture that encourages constructive criticism.







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Preparing the agenda for Board meetings, taking into account any matters proposed by any Board member or raised by the external auditor, and consulting with Board members and the Chief Executive Officer when preparing the Board agenda.

Holding regular meetings with non-executive Board members in the absence of any executive from the Company.

Article 20: Meetings of the Board of Directors

The Board of Directors shall meet at least four (4) times per year, upon an invitation from the Chairman in accordance with the conditions set forth in the Company's Articles of Association. The competent authority may amend the minimum number specified in this paragraph. The Chairman shall convene the Board whenever requested in writing by any Board member to discuss one or more subjects.

A Board meeting shall not be valid unless attended by at least half of the members, in person or by proxy, unless the Company's Articles of Association stipulate a higher quorum.

Board resolutions shall be passed by the majority of votes of the members present in person or by proxy. In the event of a tie, the side with which the Chairman votes shall prevail, unless the Company's Articles of Association provide otherwise.

The Board shall determine the venue of its meetings, and meetings may be held using modern technological means.

Board members shall exert their utmost efforts to hold, manage, and complete meetings in a professional manner. No member shall obstruct, interrupt, or delay meetings in a manner that undermines the Board's role in leading the Company.

Article 21: Agenda of the Board of Directors

The Board of Directors shall approve the agenda at the beginning of each meeting. If any member objects to the agenda, such objection must be recorded in the minutes of the meeting.

Each Board member shall have the right to propose the addition of any item to the agenda at the beginning of the meeting when reviewing the proposed agenda.

Article 22: Remarks of Board Members

If any Board member has remarks regarding the Company's performance or any of the matters presented and such remarks are not resolved during the Board meeting, they must be documented along with the actions taken or proposed to be taken by the Board in the minutes of the meeting.







If a Board member expresses an opinion that differs from a Board resolution, such dissenting opinion must be recorded in detail in the minutes of the Board meeting.

Article 23: Exercise of the Board of Directors' Powers

The Board of Directors shall exercise its powers and duties in leading the Company within prudent and effective controls that allow for risk assessment, management, and mitigation of their impacts.

Subject to the provisions of the Corporate Governance Regulations, the Board of Directors may, within the limits of its powers, delegate one or more of its members, its committees, or others to carry out specific tasks or assignments.

The Board of Directors shall organize its activities and allocate sufficient time to fulfill its responsibilities, including preparation for Board and committee meetings, ensuring the coordination, recording, and preservation of its meeting minutes.

An independent Board member shall ensure attendance at all meetings in which material and significant decisions affecting the Company's position are made.

Article 24: Secretary of the Board of Directors

The Board of Directors shall appoint a Secretary from among its members or others. The powers and remuneration of the Secretary shall be determined by a Board resolution unless otherwise stipulated in the Company's Articles of Association. These powers shall include the following:

- **a.** Documenting Board meetings and preparing minutes that reflect discussions and deliberations, including the meeting location, date, start and end times, recording the Board's decisions and voting results, maintaining them in an organized register, listing the names of attending members and any reservations expressed (if any), and signing the minutes by the Chairman of the meeting, all attending members, and the Secretary.
- **b.** Preserving reports submitted to the Board and reports prepared by the Board.
- **c.** Providing Board members with the meeting agenda, working papers, related documents, and information, as well as any additional documents or information requested by any Board member concerning the subjects included in the meeting agenda.
- **d.** Ensuring that Board members adhere to the procedures approved by the Board.
- **e.** Notifying Board members of meeting dates sufficiently in advance.
- f. Presenting draft minutes to Board members for their comments before signing.







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- **g.** Ensuring that Board members promptly and fully receive copies of Board meeting minutes and information and documents related to the Company.
- h. Coordinating among Board members.
- **i.** Organizing the register of disclosures of Board members and executive management in accordance with the provisions of the Corporate Governance Regulations.
- **j.** Providing assistance and advice to Board members.

The Secretary of the Board of Directors may only be relieved by a resolution of the Board of Directors.

Article 25: Board of Directors' Report

The Board of Directors' report shall include a presentation of its operations during the last financial year and all factors affecting the Company's business. The report shall also contain a comprehensive statement of all remuneration, expense allowances, and other benefits received by Board members during the financial year, including amounts received by members as employees or administrators, or for technical, administrative, or consulting services. The report shall further disclose the number of Board meetings held and the number of meetings attended by each member since the date of the last General Assembly meeting. In all cases, the report must include all disclosures required by the Corporate Governance Regulations.

Article 26: Separation of Positions

Subject to the provisions of the Company's Articles of Association, the Board of Directors shall appoint from among its members a Chairman and a Vice Chairman. The Board may also appoint a Managing Director or a Chief Executive Officer.

The positions of Chairman of the Board and any executive position in the Company, including Managing Director, Chief Executive Officer, or General Manager, may not be combined, even if the Company's Articles of Association provide otherwise.

Chairman, Vice Chairman, Managing Director, or Chief Executive Officer, if the Company's Articles of Association are silent on such matters.

In all cases, no individual may solely possess absolute authority to make decisions on behalf of the Company.

Article 27: Powers and Duties of the Executive Management

Subject to the powers vested in the Board of Directors under the provisions of the Companies Law and its implementing regulations, the Executive Management shall be responsible for







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executing the Company's plans, policies, strategies, and primary objectives as approved by the Board of Directors to achieve the Company's purposes. The powers and duties of the Executive Management include the following:

Implementing the Company's policies and internal regulations as approved by the Board of Directors.

Proposing the overall strategy of the Company, the main and phased work plans, the investment and financing policies and mechanisms, the risk management framework, and emergency administrative plans, and executing them.

Proposing the optimal capital structure for the Company, its financial strategies, and financial objectives.

Proposing the Company's major capital expenditures, as well as the acquisition and disposal of assets.

Proposing the Company's organizational and functional structures and submitting them to the Board of Directors for approval.

Implementing internal control systems and supervising them generally, including:

- **a.** Implementing the conflict of interest policy.
- **b.** Properly applying financial and accounting systems, including those related to financial reporting.
- **c.** Applying appropriate control systems to measure and manage risks, by establishing an overview of the risks the Company may face, fostering a culture of risk mitigation throughout the Company, and presenting such risks transparently to the Board of Directors and other stakeholders.

Effectively implementing the Company's corporate governance rules in compliance with the Corporate Governance Regulations, and proposing amendments when necessary.

Implementing policies and procedures to ensure the Company's compliance with applicable laws and regulations and its commitment to disclosing material information to shareholders and stakeholders.

Providing the Board of Directors with the necessary information to exercise its powers and offering recommendations regarding:

a. Increasing or decreasing the Company's capital.







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- **b.** Dissolving the Company before the expiry of its term stated in the Articles of Association or resolving on its continuation.
- **c.** Using the Company's reserves when not allocated for a specific purpose under the Articles of Association.
- **d.** Establishing additional reserves for the Company.
- **e.** The method of distributing the Company's net profits.

Proposing the policy and types of remuneration to be granted to employees, including fixed remuneration, performance-linked bonuses, and stock-based incentives.

Preparing regular financial and non-financial reports on the Company's progress in achieving its strategic plans and objectives, and presenting such reports to the Board of Directors.

Managing the Company's day-to-day operations and activities, as well as optimally managing its resources in alignment with the Company's objectives and strategy.

Actively contributing to building and fostering an ethical culture within the Company.

Implementing internal control and risk management systems, verifying their effectiveness and adequacy, and ensuring adherence to the risk level approved by the Board of Directors.

Proposing internal policies related to the Company's operations and their development, including defining the tasks, powers, and responsibilities assigned to different organizational levels.

Proposing a clear policy for the delegation of authority to the Executive Management and the method of implementing such delegation.

Proposing the authorities delegated to the Executive Management, the decision-making procedures, and the duration of such delegation, while submitting periodic reports to the Board of Directors regarding the exercise of these delegated powers.

Article 28: Training and Support (Guiding Article)

The Company shall give adequate attention to the training and qualification of the Board of Directors, the members of the committees, and the executive management, and shall establish the necessary programs for this purpose, taking into account the following:

Preparing programs for newly appointed members of the Board of Directors, committees, and executive management to introduce them to the Company's operations and activities, particularly the following:

(a) The Company's strategy and objectives.







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- (b) The financial and operational aspects of the Company's activities.
- (c) The obligations, responsibilities, and rights of the Board members.
- (d) The tasks and functions of the Company's committees.

Establishing the necessary mechanisms to ensure that the Board members, committee members, and executive management continuously receive training programs and courses aimed at developing their skills and knowledge in areas related to the Company's activities.

Article 29: Conflict of Interest

In accordance with the provisions of the Companies Law, its implementing regulations, and the Corporate Governance Regulations, the Board of Directors shall establish a clear and written policy for addressing actual or potential conflicts of interest that may affect the performance of the Board members, their committees, the executive management, or other employees of the Company when dealing with the Company or other stakeholders.

Part V: Company Committees

Article 30: Company Committees

In accordance with the provisions of the Corporate Governance Regulations, the Board of Directors shall establish specialized committees as follows:

Based on the Company's needs, circumstances, and conditions in a manner that enables the committees to perform their duties effectively.

The formation of the committees shall be in accordance with general procedures set by the Board, ensuring the definition of each committee's mandate, term of office, the powers delegated to it during this term, and how the Board will oversee it. The committee shall report its findings or conclusions to the Board of Directors.

You make decisions transparently. The Board of Directors shall follow up the work of these committees regularly to verify that they are exercising the work entrusted to them.

- 3. Each committee shall be responsible for its work before the Board of Directors, without prejudice to the responsibility of the Board for such acts and for the powers or authorities delegated to it.
- 4. The number of members of the committees shall not be less than three and not more than five.
- 5- The chairmen of the committees or their members must attend the general assemblies to answer the shareholders' questions.







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6- The company shall notify the Authority of the names of the members of the committees and their membership within five (5) working days from the date of their appointment and any changes thereto within five working days from the date of the changes.

Article 31: Membership of Committees

- 1. A sufficient number of non-executive directors should be appointed to committees concerned with tasks that may give rise to conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing related party transactions, nominating for membership of the Board of Directors, appointing senior executives, and determining remuneration. The chairmen and members of these companies shall abide by the duties of care, loyalty and concern for the interests of the company and shareholders and put them before their personal interest.
- 2. When forming the Nomination and Remuneration Committee, the Company shall take into account that its members shall be independent members of the Board of Directors, and non-executive members or persons other than members of the Board, whether they are shareholders or others, provided that the Chairman of the Committee is an independent member.
- 3. The Chairman of the Board of Directors may not be a member of the Audit Committee and may participate in the membership of other committees, provided that he does not hold the position of Chairman in the Nomination and Remuneration Committee.

Article 32: Study of Subjects

- 1. The committees shall study the topics that concern them or that are referred to them by the Board of Directors, and submit their recommendations to the Board for decision, or take decisions if authorized by the Board to do so.
- 2. The committees may seek the assistance of experts and specialists from inside or outside the company within the limits of their powers, provided that this is included in the minutes of the committee's meeting, mentioning the name of the expert and his relationship with the company or the executive management.

Article 33: Committee Meetings

- 1- No member of the Board of Directors or the executive management except the Secretary of the Committee and members of the committees shall be entitled to attend its meetings unless the Committee requests to hear his opinion or obtain his advice.
- 2. The validity of the meetings of the committees shall require the attendance of the majority of their members, and their decisions shall be issued by a majority of the votes of those present, and in the event of equality of votes, the side with which the chairman of the meeting voted shall prevail.







3. The meetings of the Committee shall be documented, minutes shall be prepared thereof, including the discussions and deliberations, the recommendations of the committees and the results of the voting, shall be kept in a special and organized register, the names of the members present and the reservations they have expressed, if any, shall be indicated and signed by all members present.

Part 6: General Provisions

Article 34: General Provisions

- 1. These Regulations shall be deemed effective from the date of their approval by the General Assembly.
- 2- This regulation is complementary to the work regulations of the Council and its committees emanating from it and other relevant regulations.

