

Bawan Governance Regulations (A Listed Saudi Joint-Stock company)

Has been prepared in accordance with the requirements of the corporate governance regulations in the Kingdom of Saudi Arabia per resolution, issued by the Board of the Capital Market Authority No. (2017-16-8) dated 05/16/1438 H corresponding to 13/02/2017.

Contents	Page Number
Part One: Introductory Provisions	Page No.

1

Chapter One: The Objectives Of The Regulation	7
Chapter Two: Definitions	8
Chapter Three: Principles And Policies Of Corporate Governance	11
Part Two: The Rights Of Shareholders And The General Assembly	
Chapter One: General Rights Of Shareholders	18
Chapter Two: Shareholders' Rights Related To The General Assembly	19
Chapter Three: Shareholders' Voting Rights	23
Chapter Four: Shareholders' Rights In The Company's Profits	23
Chapter Five: Shareholders' Rights In The Company's Assets	24
Chapter Six: Quorum For The Meeting	24
Part Three: The Board Of Directors	
Chapter One: General Provisions	26
Chapter Two: Composition Of The Board And Conditions Of Membership	27
Chapter Three: The Board's Responsibility And Basic Functions	29
Chapter Four: The Basic Functions Of The Board Of Directors	31
Chapter Five: Powers Of The Board Of Directors	31
Chapter Six: Powers Of The Chairman Of The Council And The Tasks And Duties Of Members	32
Chapter Seven: The Work Procedures Of The Board Of Directors	34
Part Four: Regulations Of The Committees Emanating From The Board Of Directors	
Chapter One: General Provisions	37
Chapter Two: Regulations Of The Audit Committee	39
Chapter Three: Regulations Of The Nomination And Remuneration Committees	44
Chapter Four: Regulations Of The Executive Committee	48
Chapter Five: The Internal Control System	53
Part Five: Policies, Disclosure, And Transparency	
Chapter One: Disclosure And Transparency Policies	55
Chapter Two: Dividend Distribution Policies	60
Chapter Three: Conflict Of Interest Policies	62
Chapter Four: Policies For Protecting The Parties Related To The Company	68
Chapter Five: The Policy Of Regulating The Relationship With Stakeholders	72
Chapter Six: Remuneration Policies For Members Of The Board Of Directors And Senior Executives	75
Chapter Seven: Policies, Standards And Procedures For Membership In The Board Of Directors	79
Chapter Eight: Policies For Commitment To Confidentiality Of Information	84
Part Six: Code of Ethics	
Company Values	85
Results Of Compliance With The Code	87
Chapter Seven: Final Provisions	87

Table Of Contents

Part One: Introductory Provisions	5
Chapter One: Objectives Of The Regulation	6
Chapter Two: Definitions	7
Chapter Three: Principles And Policies Of Corporate Governance	10
Part Two: Regulations Of Shareholders' General Assemblies	18
Chapter One: General Rights Of Shareholders	18
Chapter Two: Shareholders' Rights Related To The General Assembly	20
Chapter Three: Shareholders' Voting Rights	23
Chapter Four: Shareholders' Rights In The Company's Profits	24
Chapter Five: Shareholders' Rights In The Company's Assets	24
Chapter Six: Quorum For The Meeting	2625
Part Three: Regulations Of The Board Of Directors	27
Chapter One: General Provisions	27
Chapter Two: Composition Of The Board And Conditions Of Membership	28
Chapter Three: The Board's Responsibility And Basic Functions	30
Chapter Four: Powers Of The Board Of Directors	32
Chapter Five: Powers Of The Chairman Of The Council And The Tasks And Duties Of The Members	34
Chapter Six: The Work Procedures Of The Board Of Directors	37
Part Four: Regulations Of The Committees Emanating From The Board Of Directors	40
Chapter One: General Provisions	40
Chapter Two: Regulations Of The Audit Committee	42
Chapter Three: Regulations Of The Remunerations and Nominations Committee	46
Chapter Four: Regulations Of The Executive Committee	49
Chapter Five: The Internal Control System	54
Part Five: Policies, Disclosure, And Transparency	56
Chapter One: Disclosure And Transparency Policy	56

Chapter Two: Dividend Distribution Policy	60
Chapter Three: Conflict Of Interest Policy	61
Chapter Four: Related Party Transactions Policy	67
Chapter Five: The Policy Of Regulating The Relationship With Stakeholders	70
Chapter Six: Reward Policy Regulations	72
Chapter Seven: Policies, Standards And Procedures For Membership In The Board Of Directors	75
Chapter Eight: Policy Of Commitment To Confidentiality Of Information	79
Part Six: Code of Ethics	81
Final Provisions	83
Chapter Seven: Final Provisions	85

Chapter One

Introductory Provisions

Preamble:

The governance system for Bawan, a Saudi joint stock company, has been prepared in accordance with the requirements of the corporate governance regulations in the Kingdom of Saudi Arabia per resolution, issued by the Board of the Capital Market Authority No. (2017-16-8) dated 05/16/1438 H.

This regulation has been drawn up and approved by the Company's Board of Directors based on the Companies Law and its Implementing Regulations, the Capital Market Authority's rules, regulations, and the principles contained in the Company's Articles of Association and the Company's internal policies.

Chapter One: Objectives of the Regulations**Article Two:**

This regulation aims at developing an effective legal framework for corporate governance and to achieve the following:

1. Directing, managing, and monitoring the company's business to ensure compliance with the best governance practices that guarantee the rights of shareholders and the rights of stakeholders, and activate the disclosure and transparency principles in a fair manner for all investors.
2. Clarifying and activating the responsibilities and powers of the Board of Directors and developing their efficiency to enhance the company's decision-making mechanisms, its role in developing shareholders' rights and preserving their interests, transparently defining the policies and procedures, adopted in selecting the members of the Board of Directors, its committees and their tasks, disbursing bonuses and compensations to them, achieving the principle of justice, transparency and integrity in the financial market and the business environment, and promoting disclosure upon implementation of their administrative tasks.
3. Defining and activating the role of shareholders with their rights and how they obtain the necessary information to make their investment decisions, and introducing them to the policies and procedures used in disclosure and distribution of profits.
4. Setting the general framework for dealing with stakeholders and taking into account their rights, and providing effective and balanced tools to deal with their cases.
5. Increasing the efficiency of supervision of the company, providing the necessary tools for it, and strengthening the mechanisms of control and accountability for the company's employees.
6. Clarifying professional behavior and work to develop it in line with the nature of the company.

Article Three:

The information contained in the preamble of this regulation is an integral part thereof.

Article Four:

The Board of Directors may review, amend, or add to this regulation whenever it deems appropriate within the framework of relevant regulations and instructions.

Article Five:

Everything that is not provided for in these regulations applies to the regulations, decisions and regulations mentioned in the Companies Law and the Capital Market Authority and its implementing regulations.

Chapter Two: Definitions

Article Six

The terms and phrases mentioned in these regulations shall have the meanings ascribed thereto hereunder unless the context indicates otherwise.

Company: Bawan Company (A listed Saudi joint stock company)

Corporate system: The system issued by Royal Decree No. (M)3/ dated 28/01/1437 H, its amendments, and its implementing regulations.

Authority: Capital Market Authority.

Financial Market system: The system issued by Royal Decree No. (M) 30/ dated 2/6/1424 H.

Registration and listing rules: Rules issued by the Board of the Capital Market Authority.

Market: Saudi financial market.

Corporate Governance Regulations: A set of rules for the leadership and direction of the company that includes mechanisms to regulate the various relationships between the Board of Directors, executive managers, shareholders, and stakeholders. This will be through setting special rules and procedures to facilitate the decision-making process, provide transparency and credibility to protect the rights of shareholders and stakeholders, and achieve justice, competitiveness, and transparency in the financial market and the business environment.

Market Website: Tadawul website on the Internet.

Depository Center: Securities Depository Center of Tadawul

The Board: The Board of Directors of the company in charge of managing the company to achieve the interests of the shareholders.

Executive member: A member of the Board of Directors who works full-time in the executive management of the company and participates in its daily business.

Non-executive member: A member of the Board of Directors who is not dedicated to the management of the company and does not participate in its daily business and does not receive a monthly or annually salary.

Independent member: Member of the Board of Directors who enjoys complete independence in his position and decisions, and none of the symptoms of independence apply to him according to what was stipulated in these regulations, which are in line with the corporate governance regulations issued by the Capital Market Authority.

Executive management or senior executives: Any person/natural person who manages the Company's daily operations and is responsible for setting and implementing the strategic decisions of the company, including the CEO of the company, his deputies, and the financial manager.

Shareholders' Assembly: An assembly formed from the company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.

Major Shareholders: Everyone who owns 5% or more of the company's shares or voting rights.

Relatives or kinship:

1. Fathers, mothers, grandfathers, grandmothers, and upwards.
2. The children and their children.
3. Brothers, sisters, siblings, stepbrother, stepsister, and their children.
4. Husbands and wives.

Holding Company: A joint-stock or limited liability Company that aims to control other joint-stock or limited liability companies called affiliates, by owning more than half of the capital of those companies or controlling the composition of their board of directors.

Affiliated company: Any other company controlled by the company by owning more than half of the capital of those companies or by controlling the composition of its board of directors.

The Group: A person / persons and subordinates.

Subordinates: Any person who controls another person, or is controlled by that other person, or both are controlled by a third party, whether the control is direct or indirect.

Related Parties:

1. Major shareholders of the company.
2. Members of the Board of Directors or any of its subsidiaries and their relatives.
3. Senior executives of the company or any of its subsidiaries and their relatives.
4. Members of the Board of Directors and senior executives of the major shareholders of the company.
5. Establishments - other than companies - owned by a board member or a senior executive or their relatives.
6. Companies in which any of the members of the Board of Directors or senior executives or their relatives is a partner.
7. Companies in which any of the members of the Board of Directors or senior executives or their relatives is a member of the board of directors or among its senior executives.
8. Joint-stock companies in which any of the members of the Board of Directors or senior executives or their relatives owns (5%) or more, taking into account the provisions of Paragraph (D).
9. Companies in which any of the members of the Board of Directors or senior executives or their relatives influence decisions, even by giving advice or guidance.
10. Any person whose advice and directives influence the decisions of the company, members of its board of directors, and senior executives.
11. Holding companies or affiliates of the company.

The advices and directions that are provided in a professional manner by a person authorized to do so are excluded from paragraphs (11) (9) of this definitions.

Control Share: The direct or indirect ability of a person or a group, whether alone or jointly with a relative or subordinate, to influence the actions or decisions of another person, through:

1. Owning 30% or more of the voting rights in the company.
2. The right to appoint 30% or more of the members of the administrative body.

Administrative Body: Bawan Board of Directors.

Stakeholders: Everyone has an interest in the company, such as employees, creditors, customers, suppliers, and the community.

Cumulative Voting: Each shareholder should have a number of votes to choose the members of the Board of Directors according to the number of shares he owns. Accordingly, such shareholder shall have the right to vote for one candidate, or to divide his votes among those he chooses, without repeating these votes.

Rewards: Amounts, allowances, profits and the like, periodic or annual bonuses related to performance, short or long-term incentive plans, and any other in-kind benefits, excluding the reasonable actual costs and expenses incurred by the company on behalf of a member of the Board of Directors for the purpose of performing his work.

Day: A calendar day, whether it is a business day or not.

Indicative Text: Text that explains best practices and recommends what to do. Such text shall be not binding in the normal situation

Article Seven:

Terms that are not defined in these regulations will have the same meaning contained 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.

Chapter Three: Principles and Policies of Corporate Governance

Corporate governance means the system through which the company is managed, the systems governing its management are determined and the rights, duties and obligations are distributed to all parties, such as the board of directors, managers, shareholders, and other stakeholders such as employees, suppliers, customers, and society as a whole. Corporate governance also clarifies the procedures and rules that govern Company decision-making.

The corporate governance lays down the structure through which the company's objectives are defined, the means to achieve them, the mechanisms of implementation, and the methods of monitoring its performance, especially – that it is in the interest of investors and stakeholders that the corporate governance structures ensure that the management assumes its responsibility to the shareholders, and defines the values and principles of responsible work practices.

Under the constant efforts made by the Board of Directors to enhance the company's corporate governance system, the Board has adopted the principles, policies and procedures mentioned in these regulations, which are reviewed and amended as necessary and in line with the work environment and the interests of shareholders.

The concept of governance is based on key values and principles such as transparency, accountability, responsibility, and fairness. The corporate governance structure is based on the following principles:

Article Eight: General Principles

1. **Oversight and accountability:** Overseeing the actions, procedures, and accountability of any decision-making person, and making sure of his ability to explain and justify his actions.
2. **Justice:** One of the basic principles of the company is to protect the interests of shareholders and to ensure equality between them, including small shareholders.
3. **Transparency:** It means commitment and accuracy in disclosing all information related to the financial position, the company's performance, the shareholder register, and the company's governance, through specific communication channels that all parties interested in the company can access easily and with sufficient time to be able to make their decisions accurately and according to their interests.
4. **Responsibility:** Ensure the effective performance of tasks and at the best available capabilities.
5. **Equality:** Fair treatment and non-discrimination for all parties.

Article Nine: Internal Governance Regulations and Policies

The company's internal governance regulations have been prepared in accordance with the relevant laws and regulations in the Kingdom, taking into account the international practices of the corporate governance system, which include the following:

1. Regulations of the General Assembly of Shareholders.
2. Board of Directors Regulations.
3. Audit Committee Regulations.
4. Regulations of the Remunerations and Nominations Committee.
5. Risk Management Policy Regulations - Guidance Regulations.

6. Regulations of the Executive Committee.
7. Internal control system regulations.
8. Disclosure and transparency policy.
9. Remuneration policy for members of the Board of Directors and senior executives.
10. Dividend policy.
11. Related party protection policy.
12. Conflict of interest policy.
13. Trading ban policy.
14. Information confidentiality policy.
15. Code of professional ethics.

Article Ten: Commitment to the Policies and Practices of Corporate Governance

The Board of Directors, the Audit Committee, the CEO, and the legal advisor of the company shall be committed to their responsibility to ensure compliance and periodic review of the company's governance policies and practices.

Article Eleven: The Basic Principles of the Company

One of the basic principles of the company is to elect a vigilant, qualified, and independent board of directors, as a guarantee for the existence of a clear and strong system of corporate governance, and its oversight role over the executive management and the rest of the departments is in the interest and benefit of the shareholders, and that the role played by the executive managers of the company and those in charge of the governance system is to implement Therefore, the joint cooperation between all parties and the clear separation of powers are among the most important elements of the success and progress of the governance system.

Article Twelve: Governance of the Board of Directors

1. Powers

The basis of the powers of the Board of Directors are specified in the Articles of Association of the Company and the Regulations of the Board of Directors, in accordance with^aThe requirements of the corporate law, registration and listing rules, and corporate governance regulations issued by the Board of the Capital Market Authority.

2. Board Members

The members of the Board of Directors consist of a number of members as stipulated in the Articles of Association, and that one of the most important considerations taken is the need for the members to have competencies, skills, and various qualifications.

3. Elections and Termination of Members

The general assembly of shareholders shall elect members for a period of more than three (3) years, and they may be re-appointed for several cycles. The general assembly has the right to terminate the service of the board before the end of its term, and the general assembly may take this decision for all members or for a specific member.

4. The Composition of the Board and the Independence of the Members

- The composition of the Board of Directors shall be in light of the appropriate representation of all shareholders, who have the appropriate competencies and skills to perform their supervisory duties and to follow-up to the company's management and strategy.
- The regulations and legislations– which are compatible with the companies' law and the Capital Market Authority's system – prevent the company's chairman from combining the position of the chairman of the board of directors and any other position.

Therefore, the company supports that the chairman of the board shall be a non-executive member, so that the number of executive members in the board of directors shall not exceed 25% of the total number of members. To ensure integrity, impartiality in decision-making, and to balance the interests of all shareholders, at least one-third of the members of the Board of Directors shall be independent non-executive members, and the company will determine these members.

5. Board Committees

Believing in the role of the committees emanating from the Board of Directors and its tasks, the most important of which is providing support to the Board of Directors in its oversight and supervisory duties, the company has formed the following committees:

- Review Committee.
- Nominations and Rewards Committee.
- Risk Management Committee (Guiding text).
- Executive committee.

Each committee has its own regulations that define its membership, powers, work procedures, rights, responsibilities of its members, and its meetings, and such regulations shall be submitted to the Board of Directors.

6. Work Procedures

In the first meeting of the board of directors - after being elected by the general assembly of shareholders - the members shall elect a chairman, its deputy, the managing director, and the secretary. The Board of Directors shall meet according to a fixed schedule. This schedule shall help the Board to perform its duties effectively, and to determine the number of times the Board meets so that it shall be not less than twice a year. The agenda for each meeting shall be determined so that to include all information on the topics raised, including financial information and recommendations for taking decisions and voting, and then issuing the minutes of the meeting signed by the Chairman of the Board of Directors, the members, and the Secretary of the Board.

7. Self-Assessment - Guiding Paragraph -

The Board of Directors shall, on an annual basis, prepare a self-evaluation. This process shall be prepared by the Remunerations and Nominations Committee, and shall be presented for discussion to all members, provided that the evaluation process may be carried out by independent consultants from outside the company.

8. Training and Consultation - Guidance Paragraph

The company shall provide orientation programs for new members on the nature of the company's activity, and some other important matters that help them in performing their duties. Therefore, the company provides all members with continuous training programs, aiming at developing their technical capabilities to manage the company. The company shall also have the right to seek the assistance of independent consultants from outside the company to provide legal, accounting, and other advice when needed.

9. Rewards

Members of the Board of Directors shall be entitled to annual awards for attending meetings, which may be cash or shares in the company. Such awards shall not in any case affect their independence. The Board of Directors, through the Remunerations and Nominations Committee, periodically reviews the members' awards, and these awards must be disclosed in the annual report.

10. Personal Loans

The company shall not grant any type of personal loan to any of the board members.

11. Duties and Responsibilities

The members of the Board of Directors shall perform their duties sincerely and with complete care to achieve the interests of the company and the shareholders in a fair and equal manner for all shareholders and not in the interest of a specific group of them. All members of the Board of Directors are expected to attend all the board meetings and benefiting the companies more than themselves, and maintain the confidentiality of privileged information entrusted to them by virtue of their profession.

12. Validity

The Chief Executive Officer or the Managing Director and his co-executive directors shall carry out the day-to-day management of the company and the implementation of its objectives and strategy.

13. Appointing the Chief Executive Officer and his Assistants

The Board of Directors shall select the Chief Executive Officer or the Managing Director, and the Chief Executive Officer shall in turn nominate the executive managers to the Board of Directors for approval. The Board of Directors may dismiss the Chief Executive Officer or the Managing Director and terminate the services of the executive managers at any time.

14. Duties and Responsibilities of the CEO and his Assistants

The CEO and his assistants shall perform their duties sincerely and with complete care to achieve the interests of the company and all shareholders and not for the interest of a specific group of them. The CEO and his assistants shall be prohibited from participating in events that could lead to a conflict of interest with the company. If such conflict of interest occurs, the CEO and his assistants shall inform the Board of Directors according to the company's conflict of interest policies.

Article Thirteen: Governance of Shareholders' Rights

None of the shareholders may interfere in the works of the Board of Directors or the business of the executive management of the company unless he is a member in its board of directors or from its executive management, or his intervention was through the General Assembly and in accordance with its competencies or within the limits and conditions approved by the Board of Directors.

1. General Assembly of Shareholders

The company has regulations for the General Assembly of Shareholders that clarify all procedures, related to preparation, management and decision-making.

2. General Assembly Meeting

The general assembly shall meet once annually upon invitation by the chairman of the board of directors at least once during the six months following the end of the company's fiscal year, or at the request of the chartered accountant or a number of shareholders whose ownership represents five (5%) percent. Each shareholder has the right to participate in the deliberations and vote during the meeting.

3. The Call for the Meeting and the Agenda

The company shall announce the date of the assembly, and an agenda that includes complete and accurate information, at least ten days before the date of the assembly. The invitation shall be published on Tadawul website, the company's website, and in a daily newspaper

distributed in the city of the company's head office. In addition, the company may call for its public and private assemblies of its shareholders via modern technology.

The executives of the company - under the supervision and control of the Board of Directors – shall be responsible for coordinating the assemblies through the Secretary of the Board of Directors. The Board of Directors shall take into account the business that will be included in the agenda of the Assembly. Shareholders who own at least five (5%) percent of the shares of the company and the Authority may add one or more topics to the agenda of the General Assembly. The agenda shall be amended and changed after being approved by the Board of Directors. Such amendment or addition shall be notified within a period of not less than ten days.

4. Management of the General Assembly of Shareholders

The company shall adopt all necessary methods to facilitate the participation and voting of shareholders in the General Assembly by announcing and publishing the detailed information of the agenda, the venue of the assembly, and availability of the right to appoint other shareholders, provided that they shall not be members of the Board of Directors or employees of the company.

The Company highlights the importance of the members of the Board of Directors, executive managers, the chairman of the audit committee, and the chartered accountant attendance to the general assembly to answer any questions or inquiries that may be raised by the shareholders, and each shareholder has the right to discuss and submit questions and inquiries related to the topics contained in the agenda.

The President of the General Assembly shall manage the meetings with fairness, professionalism, experience, and under effective mechanisms for the voting process, which guarantee the protection of the rights of small shareholders from unfair actions.

5. Voting Results and Meeting Minutes

The voting results shall be presented to the shareholders at the end of the General Assembly meeting. Also, the results of the meeting shall be published on Tadawul website and on the company's website immediately after end of the meeting. The company must provide the Authority with a copy of such results within ten days from the date of the meeting.

6. Shareholders Register:

Shareholders - who want to attend the General Assembly or the Special Assembly - shall register their names at the venue of the meeting ahead of schedule.

The company has the right to appoint an independent external registrar to follow up the shareholder register, and the company highlights trust, effectiveness, and ensure in selecting and appointing an independent external registrar with a good reputation.

7. Related Parties

Should the company run into cases of conflict of interests with related parties that have a direct or indirect relationship with the members of the Board of Directors or the officials of the company, it will take measures to ensure the application of the company's systems in controlling this conflict, ensure dealing on purely commercial basis that does not involve any personal interests, and establish the principle of disclosure of these transactions.

8. Dividend Policy

The company has prepared and implemented a dividend policy regulation that clarifies the procedures related to determining the value of dividends for shares. The objectives of the dividend policy are as follows:

- Establish a clear, understandable, and predictable mechanism for determining the value of the distribution.
- Ensure easy and effective payment procedures.
- Ensure that the payment of the announced distribution is made at its full value and according to the payment dates.

Article Fourteen: Disclosure and Transparency

One of the most important basic principles of the company is transparency, accuracy and appropriate timing for disclosing information so that the shareholder can make his decision.

1. Disclosure Policies and Practices

The company discloses all information and determines the possibility of obtaining it by the shareholders without financial compensation and at the times that are coordinated by it, and this information contains the financial position of the company, its performance, its committees, members of its board of directors, and its governance regulations. The Board of Directors has prepared and approved the disclosure and transparency regulations, and the company is committed to publishing its full annual report, which contains a section on corporate governance, and preparing other reports such as bulletins, quarterly reports, reports of important facts, disclosure of corporate governance practices, its schedule of events, and important information on its website at appropriate times. .

2. Preparing Financial Statements

The company maintains accounting records, prepares complete financial statements in accordance with the accounting standards in the Kingdom, and discloses them in the annual report, so that the shareholder can evaluate the company's performance. The report of the Board of Directors, the report of the chartered accountant, and the report of the audit committee are complementary to that financial information.

3. Internal Oversight and Audit Committee

The tasks and responsibilities of the Audit Committee are represented in three basic topics: supervising the preparation of financial reports, risk management, internal and external auditing. The committee shall consist of non-executive members who have appropriate experience, provided that one of its members is specialized in financial and accounting affairs. The procedures for the committee are in its own regulations.

4. External Auditor

The external auditor - independent of the company's management and shareholders - shall review the company's financial statements, and shall be chosen by the general assembly of shareholders with a nomination by the Board of Directors based on the recommendation of the Audit Committee.

5. Shareholder Register

The company confirms that the shareholders who own more than five (5%) of the total shares of the company have been disclosed.

Part Two:

**Regulations of General Assemblies of
Shareholders**

Part Two: Regulations of General Assemblies of Shareholders

Preamble:

The General Assembly is the highest authority in the company and consists of its shareholders. The validity of the meeting of the General Assembly shall be conditional to the attendance of its entire legal quorum. Shareholders shall have all the rights related to the share, in particular the right to obtain a share of the profits that the company decides to distribute, the right to obtain a share of the assets of the company upon liquidation, the right to attend shareholders' assemblies, participate in its deliberations and vote on its decisions, the right to dispose of shares, the right to monitor the work of the Board of Directors and file a liability lawsuit against the members of the Board, and the right to inquire and request information in a manner that does not harm the interests of the company and does not conflict with the financial market system and its implementing regulations.

The company's Articles of Association and internal regulations include the necessary procedures and precautions to ensure that all shareholders exercise their statutory rights. The company provides all the information that shall enable shareholders, without discrimination, to exercise their rights to the fullest, so that this information is comprehensible and accurate, and is provided and updated in a regular manner and at the specified times. The company shall use the most effective methods of communication with shareholders

Chapter One: General Rights of Shareholders

Article One: General Rights of Shareholders:

Shareholders enjoy a number of rights, the most prominent of which are:

- 1. Right to justice and equality:** The commitment of the Board of Directors of the company and the executive management to protect the rights of shareholders in a way that guarantees justice and equality between them, and not to withhold any right from them, and not to discriminate between shareholders - owners - of the same class of shares.
- 2. Right associated with the share:** The shareholder, regardless of the number of his shares, shall have the rights associated with the share, and in particular the right to obtain a share of the net profits of the company, which is decided to be distributed in cash or by issuing shares, and the right to obtain his share of the company's assets upon liquidation, the right to attend public and private shareholders' assemblies, participate in their deliberations and vote on their decisions, the right to dispose of the shares in accordance with the Companies Law, the Capital Market Law, and its implementing regulations, the right to view its documents in a way that does not harm the company's interests, and to monitor the performance and work of the Board of Directors without direct intervention except in cases allowed by the system and according to the policies of the internal system of the company in this regard .
The shareholder shall also have the right to file a liability lawsuit against members of the Board of Directors, challenging the invalidity of the decisions of public and private shareholder assemblies according to the Companies Law and the Articles of Association, and the priority of subscription to new shares, electing and nominating members of the Board, and registering his name in the register of shareholders.
- 3. Right to information:** The Board of Directors shall be committed to providing all complete, clear, detailed, correct and non-misleading information to the shareholders in a timely manner, and enable their communication with the company by effective and modern means based on a common understanding of the company's strategic goals and interests, to enable the shareholder to exercise his rights to the fullest.

4. **The right to vote:** The shareholder shall have the right to elect the members of the Board of Directors after examining their experiences, qualifications, skills, jobs, and previous and current memberships announced exclusively upon publishing or sending the invitation to convene the General Assembly on the website of the Market or the company's headquarters or its website, using cumulative voting.
5. **The right to receive profits:** The shareholder shall have the right - as stipulated in the Articles of Association and the dividend policy - to obtain the net profits after setting aside the statutory reserve and other reserves, according to the decision of the General Assembly or the Board of Directors in this regard, with an indication of the date of maturity and the date of distribution.
6. **Right to shareholder register:** The company shall maintain a register showing the names of the shareholders and the ownership of shares, and shall be committed to enabling the shareholder to review the data of the shareholder register without financial consideration during the official working hours of the company, or in accordance with what is specified in the procedures for obtaining information determined by the company, provided that this information shall be dealt with the utmost protection and confidentiality.

It is also not permissible for any of the shareholders to interfere in the work of the Board of Directors or the work of the executive management of the company unless he is a member in board of directors or from its executive management, or his intervention was through the Ordinary General Assembly and in accordance with its competencies or within the limits and conditions approved by the Board of Directors.

Chapter Two: Shareholders' Rights Related To the General Assembly

Article Two: Powers of the Extraordinary General Assembly

1. Amending the company's Articles of Association, with the exception of the amendments that are considered void in accordance with the provisions of the Companies Law
2. Increasing the company's capital in accordance with the conditions stipulated in the Companies Law and its implementing regulations.
3. Reducing the company's capital in the event that it exceeds the company's need or if it suffers financial losses, according to the conditions stipulated in the Companies Law and its implementing regulations.
4. Determining the formation of a voluntary reserve for the company stipulated in its Articles of Association and allocated for a specific purpose, and disposing of it.
5. Determining the continuation of the company or its dissolution before the deadline specified in its Articles of Association.
6. Approval of the purchase of company shares.
7. Issuing preferred shares, approving their purchase, converting ordinary shares into preferred shares, or vice versa.
8. Issuing debt instruments or financing instruments that are convertible into shares, and indicating the maximum number of shares that may be issued in return for such instruments.
9. Allocating the issued shares upon capital increase or part thereof to the employees of the company or its subsidiaries or some of them, or any of that.
10. Suspension of the priority right of the shareholders to subscribe to the capital increase in exchange for cash, or giving priority to non-shareholders in cases it deems appropriate for the interest of the company as stipulated in the company's Articles of Association. The extraordinary general assembly may issue resolutions within the terms of reference of the ordinary general assembly, provided that such resolutions are issued in

accordance with the conditions for issuing the resolutions of the Ordinary General Assembly determined by the absolute majority of the shares represented in the meeting.

Article Three: Competences of the Ordinary General Assembly

Except for what is concerned with the extraordinary general assembly, the ordinary general assembly shall be concerned with all the affairs of the company, in particular:

1. Appointment and removal of members of the Board of Directors.
2. Permitting a Board member to have direct or indirect interest in the business and contracts that are executed for the Company's account, in compliance with the provisions of the Companies Law and Its Implementing Regulations
3. Authorizing the participation of a member of the Board of Directors in any business that may compete with the company, or to compete with the company in one of the branches of the activity it is engaged in, in accordance with the provisions of the Companies Law and Its Implementing Regulations.
4. Monitoring the Board members' compliance with the provisions of the Law and other relevant regulations and the company's Articles of Association, examining any damage arising from their violation of these provisions or their mismanagement of the company's affairs, determining the liability resulting from that, and taking what it deems appropriate in this regard according to Companies Law and Its Implementing Regulations.
5. Composition of the audit committee according to provisions of the Companies Law and Its Implementing Regulations.
6. Approval of the company's financial statements.
7. Approval of the Board of Directors report.
8. Deciding on the proposals of the Board of Directors regarding the method of distributing net profits.
9. Appointing the company's auditors, determining their remuneration, reappointing them, changing them, and approving their reports.
10. Considering the violations and mistakes that occur from the company's auditors in the performance of their duties, and any difficulties that are reported by the company's auditor regarding – enabling the board of directors or the company's management to have access to the books, records, other documents, data and clarifications necessary to perform their duties, and to take what it deems appropriate in this regard.
11. Stop setting aside the company's statutory reserve, when it reaches (30%) of the company's paid-up capital, and decide to distribute what exceeds this percentage to the company's shareholders in the financial years in which the company does not achieve net profit.
12. Using the company's voluntary reserve in the event that it is not allocated for a specific purpose, provided that the use of this reserve shall be based on a proposal from the Board of Directors and in ways that benefit the company or the shareholders.
13. Formation of reserves other than the statutory reserve and the voluntary reserve, and disposal of the same.
14. Deducting sums from the company's net profits to establish social institutions for the company's employees or to assist already existing ones, according to Article (129) of the Companies Law.
15. Approving the sale of more than (50%) of the company's assets, whether in one transaction or several transactions within (12) months from the date of the first sale transaction.

Article Four: Shareholders' Assembly

1. The General Assembly shall convene at least once a year during the six months following the end of the company's fiscal year. Other ordinary general assemblies may be convened whenever the need arises in accordance with the Companies Law, its Implementing Regulations, and the company's Articles of Association.
2. The Board of Directors shall have the right to invite shareholders to a meeting of the general or special assembly of shareholders Companies Law, its Implementing Regulations, and the company's Articles of Association. It must also invite shareholders to a meeting of the general assembly whenever requested by the auditor, the audit committee, or a number of shareholders representing at least (5%) of the capital. The auditor may invite the assembly to convene if the board of directors does not invite within (30) days from the date of his request.
3. The board of directors shall announce the date of the meeting of the general assembly, its place, and its agenda or its amendments at least ten days before the date, and publish the invitation on the market's website, the company's website, and in a daily newspaper distributed in the area where the company's head office is located. The company may also send the invitation via the means of modern technology.
4. Work to facilitate the participation of the largest number of shareholders in the meeting of the General Assembly, including choosing the appropriate place and time, and it may do so by means of modern technology to ensure the opportunity for shareholders to participate effectively in the deliberations and voting in the meetings of the General Assembly.

Article Five: Agenda

The Board of Directors shall take into account, when preparing the agenda of the General Assembly meeting, the topics that the shareholders want to include in the agenda of the meeting, with each topic in a separate item, and not combining fundamentally different topics under one item, especially the works and contracts in which the members of the Board of Directors have a direct or indirect interest.

Shareholders who own less than (5%) of the shares of the company or the Capital Market Authority may add one or more topics to the agenda of the General Assembly. The company shall allow shareholders through the website of the company or the market to obtain information related to the items of the agenda and its amendments.

Article Six: Management of the Shareholders' Assembly

1. Shareholders shall have the opportunity to actively participate and vote in the meetings of the General Assembly of Shareholders, held under the chairmanship of the Chairman of the Board of Directors, its deputy, or whomever the Board of Directors delegates from among its members for that purpose in the absence of the Chairman or his deputy. Shareholders shall also be informed of the rules governing those meetings and voting procedures.
2. Voting is a fundamental right for the shareholder which cannot be revoked in any way. The company shall be committed to avoid taking any measure that may lead to impeding the shareholder's use of the right to vote, and shall also be committed to facilitating the shareholder's exercise of his right to attend assemblies.
3. Shareholders shall have the right to discuss the topics, included into the agenda of Assembly, direct questions to the members of the Board of Directors and the auditor, and they must be answered to the extent that does not jeopardize the Company's interest.

4. Shareholders shall be able to view the minutes of the General Assembly meeting, and the company must provide the Authority with a copy of such minutes within ten days from the date of the meeting.
5. The company shall announce to the public and notify the Authority and the Market of the results of the General Assembly immediately upon its completion, in accordance with the controls specified by the Authority.
6. Shareholders - who want to attend the General Assembly or the Special Assembly –shall register their names at the venue of the meeting ahead of schedule.
7. Meetings of the general assemblies of shareholders may be held, and the shareholder may participate in deliberations and vote on their decisions by means of modern technology, according to the controls set by the competent authorities.

Chapter Three: Shareholders' Voting Rights

Article Seven: The Right to Vote

Every shareholder, whatever his share, has the right to attend the General Assembly, and he may delegate someone else to attend, provided that the delegation shall be confirmed by a written power of attorney according to the following conditions:

1. A member of the Board of Directors, or one of the company's employees, or those assigned to do permanent technical or administrative work may not be authorized.
2. That the power of attorney shall be specific and be submitted to the company during the statutory period from the date of the General Assembly meeting, and no power of attorney arriving after this date shall be considered.
3. If the power of attorney is issued by the shareholder or his representative to another shareholder, the validity of the signature of the representative shall be authenticated by an accredited official authority.
4. The cumulative voting method shall be applied in the case of voting to select members of the Board of Directors in the General Assembly.

Chapter Four: Shareholders' Rights in the Company's Profits

Article Eight: The Right to Obtain Profits

The shareholder shall have rights related to the profits of the company according to the following:

1. The company shall clarify its policy for distributing dividends that would achieve the interests of the shareholders and the company during the meeting of the General Assembly, and refer to such policy in the annual report of the Board of Directors.
2. The Board of Directors shall have the right to distribute interim profits, determine the eligibility date, and limit the dividend policy to what was approved in the General Assembly meeting.
3. The company may, after fulfilling the objective controls of the competent authority, distribute interim profits to the shareholders, and the Board of Directors may be authorized by the General Assembly to do so.

Chapter Five: Shareholders' Rights in the Company's Assets

Article Nine: Shareholders' Right to the Company's Assets:

When the company is liquidated, the shareholder shall be entitled to obtain his rights according to the following:

1. The shareholder shall have equal rights and obligations in the company's assets equal to his share in the company's shares.
2. The company guarantees an equal distribution of its net assets among the shareholders, each according to the number of his shares in the company, whether ordinary or preferred shares, upon liquidation.

Chapter Six: Quorum for the Meeting

Article Ten: Quorum of the General Assembly Meeting and its Decisions

The decisions of the General Assembly shall be issued and the quorum of the meetings shall be established according to the following:

1. The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least (25%) of the capital. Failing such quorum, a second meeting shall be called to discuss the same agenda within thirty days unless the invitation stipulates that the second meeting shall be held an hour after the end of the period specified for the first meeting. The second meeting deliberates validly regardless of what portion of the share capital is represented.
2. The meeting of the Extraordinary General Assembly shall not be valid unless attended by shareholders representing at least (25%) of the capital. Failing such quorum, a second meeting shall be called to discuss the same agenda one hour after the expiration of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence of announcing the possibility of holding the second meeting. In all cases, the second meeting shall be considered valid if attended by shareholders representing at least (25%) of the capital. Failing such quorum, a third meeting shall be held under the same conditions. This third meeting deliberates validly regardless of what portion of the share capital is represented after the approval of the Authority.
3. Decisions are issued by a majority of two-thirds of the shares represented in the meeting, unless the decisions are related to increasing\decreasing the capital, extending the term of the company, or dissolution thereof before the expiration of the period specified in the Articles of Association, or merger with other companies, then such decisions shall not be valid unless it is issued by a majority of three-quarters of the shares represented in the meeting.
4. The Board of Directors shall publish, in accordance with the Companies Law, the decisions of the Extraordinary General Assembly, if such decisions include amending the Articles of Association.
5. The duly constituted assembly represents all shareholders and its issued decisions shall be within its competences, in accordance with the Articles of Association of the company, binding on all shareholders without exception.

Part Three: Regulations of Board of Directors

Part Three: Regulations of the Board of Directors

Preamble

The Board of Directors is a group of individuals elected by the general assembly of shareholders in a company to supervise the management of such company, and they bear the responsibility as a result of their decisions. The members of the Board of Directors shall meet periodically and assume legal responsibility for the company's activities.

Chapter One: General Provisions

Article One: General Provisions

1. The Board of Directors shall appoint from among its members a Chairman and Vice-Chairman, and may appoint a Managing Director bearing in mind that it is not permissible to combine the position of Chairman of the Board of Directors with any other executive position in the company. The Board of Directors shall approve the terms of reference of each of them and define their responsibilities clearly.
2. In all cases, a person may not have the absolute power to take decisions in the company.
3. Each member of the Board of Directors, and its chairman, shall abide by the principles of honesty, trustworthiness, loyalty, care and concern for the interests of the company and the shareholders, and prioritizing the company interests over his personal interest.
4. The company's organizational structure includes defining powers and competencies and distributing tasks between the Board of Directors and the executive management to ensure the efficiency of the company's decision-making and balancing the powers and authorities between them. For this purpose, the Board of Directors shall:
 - Adopt and develop internal policies related to the company's work, including defining the tasks, specializations, and responsibilities assigned to the various organizational levels.
 - Adopt a written and detailed policy defining the powers delegated to the executive management and a table showing these powers, method of implementation, and duration of delegation, provided that the executive management shall submit periodic reports on its exercise of the delegated powers.
 - Determine the issues that the Board has the right to decide on.

Chapter Two: Composition of the Board and Conditions of Membership

Article Two: Composition of the Board of Directors

1. The company shall be managed by a board of directors whose number - as stipulated in the Articles of Association of the company - is nine members, taking into account the availability of the necessary expertise to manage the company's business, for a period of (3) years, with the possibility of successive renewals.
2. The number of independent members of the Board of Directors shall not be less than two or three members of the members of the Board of Directors, whichever is more.
3. The majority of the members of the Board of Directors shall be amongst the non-executive members.
4. The elected member shall not be a member of the board of directors of more than five joint-stock companies listed in the market at the same time.

5. The company shall notify the Authority of the names of the members of the Board of Directors and their membership descriptions within five working days from the date of the commencement of the term of the Board of Directors or from the date of their appointment - whichever is earlier - and any changes to their membership within five working days from the date on which the changes occurred.
6. If the position of one of the Board members selected by the General Assembly becomes vacant, the Board of Directors may appoint a member temporarily in the vacant position, according to the order in obtaining votes in the assembly that elected the Council, provided that this temporary appointment is presented to the General Assembly at its first meeting, and the new member completes the term of his predecessor.
7. If the necessary conditions for the meeting of the Board of Directors are not met because the number of its members is less than the minimum stipulated in the Companies Law, the Ordinary General Assembly must be called as soon as possible to appoint the necessary number of members.
8. It is prohibited to combine the position of Chairman of the Board of Directors with any executive position in the company, such as: the position of Managing Director, Chief Executive Officer, or General Manager.
9. Upon the termination of the membership of a member of the Board of Directors by any way, the Authority and the Market shall be notified immediately with an indication of the grounds for such termination.

Article Three: Conditions for Membership of the Board of Directors

Member of the Board of Directors shall be one of competent professionals who possess the necessary experience, knowledge, skill and independence to be able to exercise his duties efficiently and competently. He shall, in particular, have the following:

1. Leadership ability.
2. Ability to direct.
3. Efficiency.
4. Financial knowledge.
5. Healthy fitness.

Article Four: Termination of Membership of the Board of Directors

1. Membership of the Board of Directors ends with the expiry of its term or with the resignation - according to a written statement to the Chairman -, or his death or if he is convicted of a crime involving moral turpitude or dishonesty, or if he is declared bankrupt, or if he makes arrangements or reconciles with his creditors, or if he becomes unfit for membership of the BOD in accordance with any applicable system or instructions in the Kingdom.
2. The Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors, without prejudice to the right of the dismissed member right in compensation if the removal takes place without an acceptable justification or at an inconvenient time.
3. The General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of any member who has been absent from attending three consecutive meetings of the Board without a legitimate excuse.
4. If a member of the Board of Directors resigns, and he has notes to the company's performance, he must submit a written statement to the Chairman of the Board of Directors, and this statement must be presented to the members of the Board of Directors.

Article Five: Symptoms of Independence of Board Membership

- A. The independent board member shall be able to exercise his duties, express his opinions, and vote on decisions in an objective and impartial manner. This shall help the Board of Directors to take sound decisions that contribute to the achievement of the company's interests.
- B. The board of directors shall make an annual assessment of the extent to which the member's independence has been achieved and to ensure that there are no relationships or circumstances that affect or could affect such member.
- C. Inconsistent with the independence required for an independent board member - for example, but not limited to - the following:
 - 1. To be an owner or has an interest in five per cent (5%) or more of the shares of the company or of the shares of another company of its group or has a relationship with the owner of this percentage.
 - 2. To be a representative of a legal person who owns five per cent (5%) or more of the shares of the company or of the shares of another company of its group
 - 3. Has a relationship with any of the members of the Board of Directors in the company or in another company of its group.
 - 4. Has a relationship with any of the senior executives in the company or another company in its group.
 - 5. To be a member of the board of directors of another company from the group of the company, nominated for membership in its board of directors.
 - 6. Working or was working as an employee during the past two years with the company or any party dealing with it or with another company from its group, such as auditors and major suppliers, or to be an owner of control stakes in any of these parties during the past two years.
 - 7. To have a direct or indirect interest in the business and contracts that are concluded for the company's account.
 - 8. The member of the Board of Directors receives sums of money from the company in addition to the remuneration for membership of the Board of Directors or any of its committees.
 - 9. To engage in a business that would compete with the company, or to trade in one of the branches of the activity practiced by the company.

Chapter Three: The Board's Responsibility and Basic Functions

Article Six: Responsibility of the Board of Directors

- 1. The Board of Directors represents all shareholders, and shall provide care and loyalty in managing the company and everything that would preserve, develop its interests, and maximize its value.
- 2. The company's board of directors shall be responsible for its business, even if it delegates committees' entities, or individuals in some of its powers, and in all cases, the Board of Directors may not issue general or indefinite mandates.
- 3. The Board of Directors shall perform its responsibilities in accordance with its tasks specified in the Articles of Association and internal regulations of the company.
- 4. The Board of Directors shall perform its duties with responsibility, good faith, seriousness and attention and his information shall be based on adequate information from the executive management or from any other reliable source.

Article Seven: The Basic functions of the Board of Directors

Taking into account the terms of reference of the General Assembly in the Companies Law and its Implementing Regulations, and the company's Articles of Association, the Board of Directors shall have the widest powers in managing the company and directing its business in a way that achieves its objectives. The duties and competencies of the Board of Directors shall include the following:

1. Developing plans, policies, strategies, and the main objectives of the company, supervising its implementation and reviewing periodically, and ensuring the availability of human and financial resources necessary to achieve such plans and strategies, including:
 - Developing and reviewing the company's comprehensive strategy, main work plans, and risks management policies and procedures. Determining the optimal capital structure of the company, its strategies, and financial objectives, and approving estimated budgets of all kinds.
 - Overseeing the main capital expenditures of the company, owning, and disposing of assets.
 - Setting performance goals and monitoring implementation and overall performance in the company.
 - Periodic review and approval of the organizational and functional structures in the company.
 - Verifying the availability of human and financial resources necessary to achieve the company's objectives and main plans.
2. Developing systems and controls for internal control and general supervision thereof, including:
 - Set a written policy that covers conflict of interests for the board members, executive management and shareholders, and which should include any misuse of the assets of the company and any misconduct resulting in from related party transactions.
 - Ensuring the integrity of financial and accounting systems, including systems related to the preparation of financial reports.
 - Ensuring the application of appropriate control systems for measuring and managing risks, by developing a general perception of the risks that the company may face, creating risk mitigation culture environment across the company, and presenting the same transparently with stakeholders and related parties.
 - Annual review of the effectiveness of internal control procedures in the company.
3. Preparing clear and specific policies, standards and procedures for membership in the Board of Directors, and putting it into practice after being approved by the General Assembly.
4. Developing a written policy that regulates the relationship with stakeholders in accordance with the provisions of these regulations.
5. Developing policies and procedures that ensure the company's compliance with laws and regulations and the company's obligation to disclose material information to shareholders, creditors and other stakeholders.
6. Overseeing the company's financial management, its cash flows, and its financial and credit relations with third parties.
7. Submission of proposals to the Extraordinary General Assembly regarding the following:

- Increase or decrease the capital of the company.
 - Dissolution of the company before the term specified in the Articles of Association or the decision to continue.
8. Submission of proposals to the Ordinary General Assembly regarding the following:
- Using the company's voluntary reserve in the event that it was formed by the extraordinary general assembly and was not allocated for a specific purpose.
 - Creation of additional financial reserves or allocations for the company.
 - Determining method of distributing the company's net profits.
9. Preparing and approving the company's initial and annual financial statements before publishing.
10. Ensuring the accuracy and integrity of the data and information that shall be disclosed, in accordance with the applicable policies and systems of disclosure and transparency.
11. Establishing effective communication channels that allow shareholders to have continuous and periodic access to the various aspects of the company's activities and any significant developments.
12. Composition of specialized committees per resolutions, specifying the duration of the committee, its powers and responsibilities, and how the Board will supervise. The Composition resolution shall include name of members, their tasks, duties, rights, as well as assessment of the performance of these committees and members in accordance with the Companies Law.
13. Determine the types of bonuses granted to employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares.
14. Setting the values and standards that govern work in the company.
15. Preparing and approving the Board of Directors report before publishing.

Chapter Four: Powers of the Board of Directors

Article Eight: Overseeing the Executive Management

The Board of Directors shall be responsible for forming the executive management of the company, regulating how it operates, controlling and supervising thereof, and verifying its performance of the tasks entrusted to it, and for this purpose:

1. Developing the necessary administrative and financial policies.
2. Verifying that the executive management operates in accordance with the approved policies and regulations.
3. Appointing the CEO of the company, supervising his work, and appointing the director of the internal audit department or the internal auditor, dismissal of the same, and decide on his remuneration.
4. Holding periodic meetings with the executive management to discuss the workflow and the obstacles and problems encountered, and to review and discuss important information regarding the company's activity.
5. Setting performance standards, for the executive management, that are consistent with the company's objectives and strategy.
6. Reviewing and evaluating the performance of the executive management.
7. Developing succession plans for the management of the company.

Article Nine: Competences and Duties of the Executive Management

Taking into account the terms of reference of the Board of Directors according to the provisions of the Companies Law and its Implementing Regulations, the executive management shall be responsible for implementing the company's main plans, policies, strategies, and objectives in order to achieve its objectives. The following are included in the terms of reference of the executive management and its tasks:

1. Implementation of the company's internal policies, bylaws, and systems approved by the Board of Directors.
2. Implementation of the company's comprehensive strategy, main and interim work plans, investment, financing, risk management policies and mechanisms, urgent administrative circumstances plans and their implementation.
3. Proposing a comprehensive strategy for the company, main and interim work plans, investment, financing, risk management policies and mechanisms, urgent administrative circumstances plans and their implementation.
4. Proposing the optimal capital structure for the company, its strategies and financial objectives.
5. Proposing the main capital expenditures of the company and owning and disposing of assets.
6. Proposing organizational and functional structures for the company and submitting it to the Board of Directors for consideration and approval.
7. Implementation of internal control systems and controls and general supervision thereof, including:
 - Implementing a conflict of interest policy.
 - Proper application of financial and accounting systems, including systems related to the preparation of financial statements.
 - Ensuring the application of appropriate control systems for measuring and managing risks, by developing a general perception of the risks that the company may face, creating risk mitigation culture environment across the company, and presenting the same transparently with stakeholders and related parties.
8. Effectively implement the company's governance rules and suggest amending it if necessary.
9. Implementation of policies and procedures that ensure the company's respect for laws and regulations and its commitment to disclose material information to shareholders and stakeholders.
10. Providing the Board of Directors with the necessary information to exercise its powers and make recommendations regarding the following:
 - Increase or decrease the capital of the company.
 - Dissolution of the company before the term specified in the Articles of Association or the decision to continue
 - Use of the company's voluntary reserve.
 - Creation of additional financial reserves or allocations for the company.
 - Determining method of distributing the company's net profits.
11. Proposing a policy and types of bonuses granted to employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares.
12. Preparing periodic financial and non-financial reports on the progress made in the company's activity in light of the company's strategic plans and objectives, and presenting these reports to the Board of Directors.
13. Managing the daily work, as well as managing its resources in an optimal manner, in accordance with the company's objectives and strategy.

14. Effective participation in building and developing a culture of ethical values within the company through the following, for example:

- Implementing internal control and risk management systems, verifying the effectiveness and adequacy of those systems, and ensuring adherence to the risk level approved by the Board of Directors.
- Suggesting and developing internal policies related to the company's work, including defining the tasks, specializations, and responsibilities assigned to the various organizational levels.
- Suggesting a clear policy for delegating work and the way to implement.
- Suggesting the powers to be delegated to it, decision-making procedures and the duration of the delegation, provided that periodic reports shall be submitted to the Board of Directors on its practices of those powers.
- Providing members of the Board of Directors, non-executive and independent members in particular, and committees emanating from the Board of Directors with all necessary information, data, documents, and records, provided that such information shall be complete and accurate in a timely manner, to enable them to perform their duties and tasks.

The CEO shall perform his duties sincerely to the fullest to achieve the interests of the company and all its shareholders and not for the interest of a specific group of them, so that the CEO and his assistant senior executives shall refrain from participating in any business that may lead to the realization of a situation of conflict of interest with the company. Should this happen, the CEO and his assistant senior executives must disclose to the Board of Directors this conflict, according to the policies set by the company in this regard.

In addition, the CEO may not be appointed as chairman of the Board of Directors of the company during the first year after the termination of his services.

Chapter Five: Powers of the Chairman of the Board of Directors and the Tasks and Duties of the Members

Article Ten: Powers and Duties of the Chairman of the Board of Directors

Without prejudice to the terms of reference of the Board of Directors, the Chairman of the Board of Directors shall lead the Board, supervise its workflow, and perform his functions effectively. In particular, the following shall be included in the terms of reference of the Chairman of the Board:

1. Ensuring that Board members obtain complete, clear, correct and non-misleading information in a timely manner.
2. Ensuring that the Board of Directors discusses all major issues effectively and in a timely manner.
3. 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.
4. Encouraging the members of the Board to exercise their duties effectively and in the interest of the company.
5. Ensuring the existence of channels for effective communication with shareholders and communicating their opinions to the Board of Directors.
6. Encouraging constructive relations and effective participation between each of the Board and the executive management and between executive, non-executive and independent members, and creating a culture that encourages constructive criticism.

7. Preparing the agenda for the meetings of the Board of Directors, taking into account any issue raised by a member of the Board or raised by the auditor, and consulting with members of the Board and the CEO when preparing the agenda.
8. Holding regular meetings with non-executive members of the BOD without the presence of any executive in the company.
9. Informing the Ordinary General Assembly, when it convenes, of the business and contracts in which a member of the Board of Directors has a direct or indirect interest, provided that this notification shall include the information provided by the member to the Chairman of the Board of Directors, and that this notification shall be accompanied by a special report from the company's external auditor.

Article Eleven: Duties and Tasks of Board Members

Each member of the Board of Director shall perform the following tasks and duties:

1. Submitting proposals to develop the company's strategy.
2. Monitoring the performance of the executive management and the extent to which it achieves the company's goals and objectives.
3. Reviewing reports on the company's performance.
4. Verifying the integrity of the company's financial statements and information.
5. Verifying that the company's financial control and risk management systems are sound.
6. Determining appropriate levels of remuneration for members of the executive management.
7. Expressing an opinion on the appointment and dismissal of members of the executive management.
8. Participating in developing a succession and replacement plan for the company's executive functions.
9. Full compliance with the provisions of the Companies Law, the Capital Market Law, its implementing regulations, the relevant laws, and the Articles of Association when exercising his membership duties in the Board, and refraining from doing or participating in any act that constitutes a mismanagement of the company's affairs.
10. Attending the meetings of the Board of Directors and not being absent except for a legitimate excuse notified to the Chairman of the Board in advance, or emergency reasons.
11. Allocate sufficient time to carry out his responsibilities, prepare for the meetings of the Board of Directors and its committees, and participate in it effectively, including asking relevant questions and discussing with the senior executives of the company.
12. Studying and analyzing all information related to the topics considered by the Board of Directors before expressing an opinion on it.
13. Enabling other members of the Board of Directors to express their opinions freely, and urging the Board to discuss issues and seek the opinions of experts from among the members of the executive management of the company and others, whenever the need arises.
14. Informing the Board of Directors completely and immediately of any personal interest he has - direct or indirect - in the business and contracts that are made for the company's account. Such notification shall include the nature and limits of that interest and the names of any specific persons and the benefit expected to be obtained directly or indirectly, whether financial or non-financial, from that interest. Such member shall not participate in voting on any decision issued in this regard, in accordance with the Companies Law, the Capital Market Law, and its implementing regulations.
15. Informing the Board of Directors fully and immediately of his direct or indirect participation in any business that would compete with the company directly or indirectly in one of the branches of the activity in which it is engaged, in accordance with the provisions of the Companies Law, the Capital Market Law, and its implementing regulations.

16. The member shall be committed to not to disclose any secrets seen by virtue of his work in the Board to any of the company's shareholders unless that was during the meetings of the General Assembly - or to third parties, as required by the provisions of the Companies Law, the Capital Market Law, and its implementing regulations.
17. Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all Stakeholders.
18. Realizing his duties, roles, and responsibilities resulting from membership.
19. Developing his knowledge in the field of the company's activities and business and in the related financial, commercial, or industrial fields.
20. Resignation from the membership of the Board of Directors in the event that he is unable to fully fulfill his duties therein.

Article Twelve: Tasks of the Independent member

Taking into account the tasks and duties of the members of the Board of Directors mentioned herein, the independent member of the Board of Directors must actively participate in the performance of the following tasks:

1. Expressing an independent opinion on strategic issues, company policies, and performance, and appointment of members of the executive management.
2. Ensuring that the interests of the company and its shareholders are taken into account and prioritized in the event of any conflict of interest.
3. Participation in the board committees, especially the audit committee in the company.
4. Supervising the development of corporate governance regulations or rules, and monitoring the implementation thereof by the executive management.
5. Ensuring to attend all board meetings in which important and fundamental decisions affecting the company's status are taken.

Article Thirteen: Appointing the Chief Executive Officer as Chairman of the Board of Directors

The Chief Executive Officer may not be appointed as Chairman of the Board of Directors of the company during the first year after the termination of his services.

Chapter Six: The Work Procedures of the Board of Directors

Article Fourteen: The Meeting of the Board of Directors and the Legal Quorum

1. The members of the Board of Directors shall allocate sufficient time to carry out their responsibilities, including preparing for the meetings of the Board and its committees and ensuring the coordination, recording, and keeping of the minutes of its meetings.
2. The Board of Directors shall hold regular meetings to exercise its duties effectively, and whenever the need arises, at the invitation of the Chairman or his representative, the Chairman shall invite the Board of Directors to hold an emergency meeting when two members submit a written request.
3. The invitation to the meeting shall be sent to each member at least five days prior to the date of the meeting, along with the agenda of the meeting, documents and information necessary to allow him to study the issues and prepare well for the meeting.
4. In the event that the situation calls for holding an emergency meeting, the invitation to the meeting may be sent to each member within less than five days from the date of the meeting, along with the meeting agenda, documents and necessary information.
5. In the event that there are observations made by the members of the Board of Directors on the company's performance or any of the presented issues, or if any member expresses an opinion different from the Board's decision, it must be written down and documented in detail in the minutes of the Board meeting.

6. An internal bylaw shall be drafted, clarifying work procedures in the Board of Directors, aiming at urging its members to work effectively to abide by their responsibilities towards the company, organizing the attendance of Board members to its meetings, and explaining how to deal with cases of irregular attendance at meetings of the board.
7. The meeting of the Board shall not be valid unless attended by five members on their own behalf, and the member of the Board of Directors may delegate other members to attend the meetings of the Board according to the provisions of the Companies Law, its Implementing Regulations, and the company's Articles of Association.
8. The board's resolutions shall be issued by the majority of the opinions of the members present or represented at the meeting, and in case of a tied vote, the side with which the chairman of the session voted will prevail.
9. The Board of Directors may issue resolutions by circulation regarding urgent matters by presenting it to members individually, unless one of the members requests in writing a meeting of the Board to discuss such resolutions. These resolutions shall be submitted to the Board at its first meeting.

Article Fifteen: Board of Directors' Agenda

The Chairman of the Board of Directors shall consult with the other members and the Chief Executive Officer when preparing the agenda, specifying the issues to be presented to the Board. Once convened, the Board shall approve the agenda; should any member of the Board raise any objection to this agenda, the details of such objection shall be entered in the minutes of the concerned meeting with the assistance of the Secretary of the Board of Directors. Every member of the Board of Directors shall have the right to suggest adding any topic to the agenda.

Article Sixteen: Exercising the Powers of the Board of Directors

The Board of Directors shall exercise its competencies and tasks in leading the company within the framework of prudent and effective controls that allow measuring and managing risks, and mitigating and minimizing their effects.

The Board of Directors may, within its competence, delegate one or more of its members or committees or others in carrying out a specific business or works in accordance with the provisions of the Companies Law and Its Implementing Regulations.

Article Seventeen: Secretary of the Board of Directors

The Board shall elect from among its members a secretary, who shall have the following tasks:

1. Documenting the meetings of the Board of Directors and preparing minutes thereof that include the discussions and deliberations that took place, indicating the place, date, start and end time of the meeting, documenting the Board's resolutions and voting results, and keeping them in a special and organized record, indicating the names of the attending members and their reservations, if any. These minutes shall be signed by all present members.
2. Keeping reports submitted to the Board of Directors and reports prepared by the Board.
3. Providing members of the Board of Directors with the Board's agenda, working papers, relevant documents and information, and any additional documents or information requested by a member of the Board related to the topics included in the meeting's agenda.
4. Verifying that the members of the Board of Directors adhere to the procedures approved by the Board.

5. Informing the members of the Board of Directors of the dates of the Board's meetings before the specified date with a sufficient period in accordance with the provisions of these regulations.
6. Ensuring that the members of the Board of Directors obtain the minutes of the Board meetings, information, and documents related to the company.
7. Coordination between the members of the Board of Directors.
8. Providing assistance and advice to the members of the Board of Directors.
9. Organizing the disclosure record of the members of the Board of Directors and the executive management.
10. The Secretary of the Board of Directors may not be dismissed except by a decision of the Board of Directors.

Part Four:

Regulations of Committees Emanating from the Board of Directors

Part Four: Regulations of the Committees Emanating from the Board of Directors

Chapter One: General Provisions

The Board of Directors shall form an appropriate number of committees according to the company's need, circumstances, and conditions to enable the company to perform its duties effectively, including defining the mission of each committee, the duration of its work, the delegated authorities, and how it monitors and follows up on it on a regular basis, in accordance with the following provisions:

1. Each committee shall be responsible for its work before the Board of Directors, without prejudice to the responsibility of the Board for such work and for the powers or authorities delegated to it in accordance with the provisions of the Companies Law and its Implementing Regulations.
2. The number of committee members shall not be less than three and not more than five.
3. The committee chairmen or their representatives shall attend to the general assemblies to answer shareholders' questions.
4. A sufficient number of non-executive board members shall be appointed in the relevant committees to carry out tasks that may lead to conflicts of interest.
5. When forming the Remuneration and Nomination Committees, the company is keen that its members be independent members. It is permissible to seek the assistance of non-executive members or persons who are not members of the Board, whether from shareholders or others, provided that the chairman of the committee shall be one of the independent members. The committee shall meet at least once every six months and periodically.
6. The committees shall make their decisions or recommendations according to their powers, with the mandate granted to it by the Board of Directors.
7. The committees shall seek the assistance of experts and specialists from within or outside the company within the limits of its powers, provided that this shall be included in the minutes of its meetings, mentioning name of the expert and his relationship with the company or the executive management.
8. The Chairman of the Board of Directors may not be a member in the audit committee, and may participate in other committees of the Board, provided that he does not hold the position of chairman in the committees stipulated in the regulations of the Capital Market Authority.
9. No member of the Board of Directors or the executive management who is not a member of the committees is entitled to attend its meetings unless the Committee requested to listen to his opinion or seek his advice.
10. Validity of committees' meetings required the presence of the majority of its members, and shall issue its recommendations or decisions by a majority vote of the members present. In the event of equal votes, the side with which the chairman of the meeting voted will prevail.
11. Committee meetings shall be documented and preparing minutes thereof, including the discussions and deliberations, their recommendations and voting results. Such information shall be kept in a special and organized register, indicating the names of the present members and their reservations - if any - and these minutes shall be signed by all the present members.

12. In the first meeting of committee, each committee shall select a chairperson from among its members. The members of the committee may choose a vice-chairman for the duration of the committee's membership, who will assist the chairman in performing his duties and replace him in his absence. The members of the committee shall also select a secretary who shall be responsible for preparing the minutes of its meetings and handle its administrative work.

13. The chairman of the committee shall supervise the committee's accomplishment of its duties, and he shall, in particular, be responsible for the following:

- Calling upon the Committee to convene and determine the time, date, place of each meeting and the agenda, in coordination with the members of the committee.
- Presiding over committee meetings.
- Submitting the results of the committee's work and its recommendations to the Board of Directors.
- Preparing the committee's budget, work plan, and projects in the short, medium and long term, and presenting it to the committee before referral to the Board of Directors, after being approved by the committee.
- Representing the committee before the Board of Directors and any other party.

14. The member and the secretary of the committees shall be entitled to an attendance allowance for each of its sessions, and a decision to determine the amount of this allowance shall be issued by the Board of Directors.

15. The Board of Directors may pay an annual remuneration (a lump sum) to committee members and the secretary, and determine the eligibility conditions.

16.

17. Membership in the committee terminates with the expiry of the term specified in the appointment decision, or until a decision is issued by the Board to terminate or re-form the committee. Expiry of the Board's term or dissolution thereof for any reason shall terminate the committee's tenure and the committee must be reconstituted by the new Board of Directors. The Board of Directors may dismiss a member of the committees in the event of his violation of the provisions contained therein, or for any other reasons the Board of Directors deems appropriate. The committee member shall also have the right to retire, provided that this is at a reasonable time acceptable to the Board of Directors.

18. If the position of any member of the committees became vacant for any reason, the Board of Directors shall appoint a replacement for him to complete the remaining period of membership of the outgoing member, provided that if he was a member of the Audit Committee, the Board shall submit the matter to the Assembly in its first session.

19. The members of the committees shall be committed to all the obligations that a member of the Board of Directors is bound by regarding the confidentiality of the information and documents. The committee member shall not, under any circumstances, disclose them to any individual or entity that has not been authorized by the Board of Directors, or by virtue of a decision of the Committee, and within the limits of the authorization granted by either of them.

Chapter Two: Regulations of the Audit Committee

Preamble:

The Audit Committee is an oversight committee, affiliated to the Board of Directors of the company, appointed by the General Assembly, and submits its reports and recommendations to the Board. The role of the Audit Committee is considered a fundamental, effective and essential guide to the work of the Board of Directors, as it is responsible for internal and external audit work, the internal control process, the development of systems and plans related to it, follow-up on its implementation, and the company's commitment and compliance with universally recognized regulations and standards.

Article One: The Objectives of the Committee

1. The primary task of the Audit Committee is to verify the adequacy of the internal control system and its effective implementation.
2. Submitting any recommendations to the Board of Directors that would activate and develop the system to achieve the company's objectives and protect the interests of shareholders and investors with higher efficiency and reasonable cost.
3. Providing assistance and advice to the company's Board of Directors in monitoring the company's financial, administrative, and operational activities, especially with regard to financial statements, compliance with policies, systems, regulations and procedures, and control of work environment risks.
4. Assisting the Board of Directors in implementing its responsibilities related to the company's accounting policies, internal control, and financial reports.
5. Verifying compliance with regulations, laws, standards, and policies related to the scope of work, tasks, and responsibilities of the committee.
6. Evaluation of the level of effectiveness of the company's internal control and audit systems.

Article Two: Formation of the Audit Committee and its work controls

Based on a proposal by the Board of Directors and a resolution of the Ordinary General Assembly of Shareholders, an Audit Committee shall be formed of shareholders or others with experience and competence, provided that the number of its members is not less than three and not more than five, and for the term of membership of the Board of Directors, in accordance with the following controls:

1. Audit Committee shall not include any of the Executive Board members.
2. Audit Committee shall include a member specialized in financial and accounting affairs.
3. A person who has been working for the company's auditor during the past two years may not be a member of the audit committee.
4. The chairman of the board of directors of the company may not be a member of the audit committee.
5. Audit Committee shall include an independent member of the Board of Directors.
6. The members of the committee shall elect a chairman for the committee, provided that he is a non-executive or independent member.
7. If the position of any member of the committees became vacant for any reason, the Board of Directors shall appoint a temporary member in the vacant position, provided that he has sufficient experience and this appointment shall be submitted to the Ordinary General Assembly at its first meeting for approval. The new member completes the term of his predecessor.

8. The committee shall appoint a secretary to carry out the duties of the secretary of the audit committee, whether from among its members or whomever it deems appropriate from among non-members, to prepare for the meetings and work of the committee, prepare its minutes, document it, and follow up on the implementation of its recommendations, directives, and decisions without the right to vote.

Article Three: The Committee's Powers and Responsibilities

The audit committee shall be responsible for monitoring the company's business and verifying the integrity of the reports, financial statements, and internal control systems therein. The committee's duties include, in particular, the following:

1. Financial Reports:

- A. Studying the company's interim financial statements before submitting to the Board of Directors and expressing an opinion and recommendation in this regard to ensure its integrity, fairness, and transparency.
- B. Expressing a technical opinion - at the request of the Board of Directors - whether the Board's report and the company's financial statements are fair, balanced, understandable, and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model, and strategy.
- C. Examining any important or unusual issues, contained in the financial reports.
- D. Verifying accounting estimates in substantial issues, contained in the financial reports.
- E. Studying the accounting policies, adopted in the company and expressing an opinion and recommendation to the Board of Directors in this regard.
- F. Providing assistance during the preparation of accounts and financial reports to ensure the correctness, transparency, and completeness of the financial information that the company discloses.
- G. Ensuring that the financial reports are prepared in accordance with the accounting policies, followed by the company.
- H. Examining the company's financial statements, reports and notes submitted by the auditor, and expressing opinions on them, if any.
- I. Preparing recommendations to the Board of Directors regarding the appropriateness of the accounting policies applied to the nature of the company, evaluation of the financial reports issued by the company, and the nature of the review process thereof.

2. Internal Audit:

- A. Studying and reviewing the company's internal and financial control and risk management systems.
- B. Studying internal audit reports and following up on the implementation of corrective measures regarding the observations contained therein.
- C. Overseeing the internal audit department in the company to verify its effectiveness in implementing the work and tasks set by the Board of Directors by verifying the availability of the necessary resources. Also, preparing an evaluation of the performance of the internal audit department and its auditors, so that the evaluation includes the objectives of the powers of the department and the reports that it performs.
- D. Recommending to the Board of Directors the appointment of the director of the internal audit unit or department or the internal auditor and suggest his remuneration.

3. **Auditor:**

- A. Recommending to the Board of Directors the nomination and removal of auditors, determining their fees and evaluating their performance, after ensuring their independence, and reviewing the scope of their work and the terms of their contracts
- B. Verifying the auditor's independence and objectivity, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- C. Reviewing the company's auditor's plan and work, verifying that he does not perform technical or administrative work outside the scope of the audit work, and expressing its views on that.
- D. Answering the inquiries of the companies' auditors.
- E. Studying the auditor's reports and notes on the financial statements and following up on what has been taken in this regard.

4. **Ensure Compliance**

- A. Review the reports of the regulatory bodies and ensure that the necessary procedures have been taken.
- B. Verify the company's compliance with relevant regulations, policies and instructions.
- C. Review contracts and transactions, proposed to be concluded by the company with related parties, and submit what it deems appropriate to the Board of Directors.
- D. Refer to the Board of Directors the issues it deems necessary to take action in their regard and make recommendations regarding the measures to be taken.
- E. The chairmen of the committees or whomever they delegate shall attend the general assemblies to answer shareholders' questions.
- F. Develop a mechanism that allows the company's employees to report internally their concerns and doubts about any unsound practices or issues in the financial or other reports.
- G. Verify the implementation of these arrangements by conducting an independent investigation commensurate with the size of the error or overrun, and adopt appropriate follow-up procedures.
- H. The Board of Directors, based on the proposal of the Audit Committee, shall develop the necessary policies or procedures to be followed by stakeholders in submitting their complaints, taking into account the following:
 - 1. Facilitating the reporting of stakeholders, including the company's employees, to the Board of Directors, of any actions or practices of the executive management in violation of the applicable laws, regulations, and rules, or issues that raise suspicions about the financial reports, the internal control systems or any other issues.
 - 2. Maintain the confidentiality of reporting procedures by facilitating direct contact with an independent member of the audit committee or other competent committees.
 - 3. Assigning a specialized person to receive and deal with stakeholders' complaints or reports.
 - 4. Customize a phone or e-mail to receive complaints.
 - 5. Provide the necessary protection for stakeholders.

Article Four: Meetings of Audit Committee

The Audit Committee shall meet regularly, at least four times during the fiscal year. It also shall meet with each of the company's auditors and the company's internal auditor and they shall have the right to request a meeting with the committee whenever the need arises, according to the following:

1. The Audit Committee shall periodically meet the company's auditor and the company's internal auditor.
2. The committee may hold extraordinary meetings as necessary, based on the request of the committee chairman or the majority of the members.
3. The committee meeting shall constitute a quorum only in the presence of a majority of its members.
4. The invitation to attend the meetings of the Committee shall be sent in writing by the Chairman of the Committee or whomever he delegates from among the members of the Committee or its Secretary substantially earlier than the scheduled date of the meeting. The members of the Committee shall also be provided with the agenda of the meeting and the necessary presentations and documents substantially earlier than the scheduled date of the meeting.
5. In the event that the chairman of the committee is unable to attend, he may authorize one of its members to preside over the specified meeting.
6. Each member of the committee shall have an equal vote, and the decisions of the committee shall be issued by the majority of the members present and represented in the meeting. When the votes are equal, the opinion voted for by the meeting chairperson shall prevail. The committee may issue resolutions by circulation regarding urgent matters by presenting it to members individually, unless one of the members requests in writing a meeting of the committee to discuss such resolutions. These resolutions shall be submitted to the Board at its first meeting.
7. The committee shall appoint a secretary from among its members or others. The secretary of the committee shall prepare a draft of the minutes of the committee meeting and send it to the chairman and members of the committee to review. These minutes shall be kept with the important documents of the company.
8. The Board of Directors shall follow up on the work and performance of the Committee through its Chairman by submitting periodic reports to the Board of Directors, which also include minutes of committee meetings
9. No member of the Board of Directors or the Executive Management who is not a member of the Committee is entitled to attend its meetings unless the Committee requests to hear his opinion or seek his advice.

Article Five: Appointing Experts, External Consultants, and Specialists

The committee may perform investigations or studies on issues within its scope of responsibility, or authorize someone to do so. It shall also seek assistance, at the expense of the company, from an independent, specialized third party to perform such works whenever it deems it necessary.

Article Six: Powers of the Audit Committee

The Audit Committee, in order to perform its duties, shall:

1. Have the right to view the company's records and documents.
2. Request any clarification or statement from the members of the Board of Directors or the Executive Management.
3. Request the Board of Directors to convene the General Assembly of the company if its work has been hampered or if the company is exposed to serious damages or losses.

Article Seven: Appointing the Company's Auditor

The company shall assign - based on a proposal by the Board of Directors and a recommendation from the Audit Committee - the task of auditing its annual accounts to an independent, competent, experienced, and qualified auditor, to prepare an objective and independent report for the Board of Directors and shareholders, indicating whether the company's financial statements clearly and fairly express the company's financial position and performance.

Article Eight: Committee Report

The Committee shall issue a report that includes a comprehensive summary of its work, performance, and most prominent achievements, and how to perform its competencies and tasks in light of the requirements, standards, and determinants of the regulations and laws of the contents and requirements of this report, as required by professional custom and good practices, in order to present it to the General Assembly of Shareholders in accordance with the method determined by the Companies Law or any other

The latest regulations are issued by the competent legislators and the best practices in this regard, provided that it includes their recommendations and opinion on the adequacy of the internal and financial control and risk management systems in the company, and a summary of the report is read during the meeting of the General Assembly.

Article Nine: The Occurrence of a Conflict between the Audit Committee and the Board of Directors

If there is a conflict between the audit committee's recommendations and the decisions of the Board of Directors, or if the Board refuses to take the committee's recommendation regarding the appointment of the company's auditor, dismissing him, determining his fees and evaluating his performance, or appointing the internal auditor, the report of the Board of Directors shall include the committee's recommendation and its justifications, and the reasons for not adopting it.

Article Ten: Remunerations and Compensations of the Audit Committee

Audit committee members' remunerations shall consist of annual bonuses in addition to attendance allowance for meetings, in accordance with the approved remuneration policy.

Chapter Three: Regulations of the Remunerations and Nominations Committee

Preamble:

The role of the Remunerations and Nominations Committee is to assist the Board of Directors in performing its advisory and supervisory duties efficiently and effectively. The General Assembly of the company, based on the proposal of the Board of Directors, shall issue the work regulation of the Remunerations and Nominations Committee, provided that these regulations shall include the controls and procedures for the work of the committee, its tasks, the rules for selecting its members, and the term of their membership, and their remunerations.

Article One: The Capacity of the committee

A committee of the Board of Directors of the company, appointed by the Board in accordance with the work regulations approved by the General Assembly of the company.

Article Two: Objective of the Committee

The Remunerations and Nominations Committee aims to assist the Board of Directors in carrying out the following tasks and responsibilities:

1. Enhancing the performance and effectiveness of the Board of Directors in accomplishing the various tasks related to the work of the Committee.
2. Defining compensation and remuneration policies, and defining the responsibilities, duties, and powers of the various departments.
3. Setting policies and standards for the compensation of members of the Board of Directors and senior executives in the company.
4. Supervising the rewards and incentives plan for the company's employees and following up on implementation thereof.
5. Supervising the process of nomination for membership of the Board, committees, and executive management of the company and ensure that it is linked to performance.
6. Managing the evaluation process of the performance of board members and committees.

Article Three: Composition of the Remunerations and Nominations Committee and Its Work Controls

1. It shall be formed by a decision of the Board of Directors of the company, and its membership begins with the beginning of the session of the Board of Directors of the company and ends with the end of the session of the Board of Directors.
2. The number of its members shall be from three to five shall not be members of the Executive Board of Directors, whether from shareholders or others, provided that at least one of them is an independent member.
3. The members of the committee shall elect a chairman, provided that he is an independent member of the Board of Directors.
4. Committee members shall have appropriate experience and qualifications relevant to the committee's tasks, responsibilities, and nature of work.
5. The Board of Directors has the right to remove or replace one or all of the committee members at any time it deems appropriate. A committee member may also resign from the committee membership, provided that this is at an appropriate time.

6. If the position of one of the committee members becomes vacant, the Board of Directors may appoint a member in the vacant position, provided that he is one of those with experience and competence.
7. The committee selects one of its members to be secretary, and the secretary may be appointed from among non-members. The committee secretary shall be responsible for distributing meeting invitations and agendas to all committee members and other business matters, assigned by the committee.

Article Four: Terms of Reference of the Remunerations and Nominations Committee

A. Regarding Remunerations:

1. Preparing a clear policy for the remuneration of members of the Board of Directors, the committees of the Board, and the Executive Management. Such policy shall enhance the motivation of the administrative staff and the preservation of outstanding cadres, and shall be submitted to the Board of Directors for consideration in preparation for its approval by the General Assembly. In this policy, standards related to performance shall be taken into account, disclosed, and ensure their implementation.
2. Clarifying the relationship between the granted remunerations and the applicable remunerations policy, and indicate any material deviation from this policy.
3. Periodic review of the remunerations policy and evaluation of its effectiveness in achieving its objectives.
4. Recommending to the Board of Directors the remunerations of the members of the Board of Directors, its committees, and senior executives of the company in accordance with the approved policy.
5. Reviewing the CEO's financial rewards, including long and short-term incentives, as well as determining the level of the results expected to be achieved by the CEO, and submitting recommendations thereon to the Board of Directors.

B. Regarding Nominations:

1. Suggesting clear policies and standards for membership in the Board of Directors, its committees and the executive management.
2. Annual review of the necessary requirements in terms of skills or experience for membership of the Board of Directors and executive management positions, preparation of a description of the capabilities and qualifications required for membership of the Board of Directors and executive management positions, including determining the time a member should allocate for the work of the Board of Directors.
3. Reviewing the structure of the Board of Directors, committees, and executive management, and making recommendations regarding changes that can be made.
4. Developing job descriptions for executive members, non-executive members, independent members, and senior executives.
5. Developing special procedures in the case that there is a vacancy in the membership of the Board of Directors or senior executives.

6. Identify weaknesses and strengths in the Board of Directors and propose solutions to address them in line with the Company's interests by proposing the necessary mechanisms to evaluate the performance of the Board, its members, and committees, and the executive management annually. Such evaluation shall be through appropriate performance indicators linked to the extent to which the strategic objectives of the company are achieved, the quality of risk management, the adequacy of internal control systems, and others. The aspects of strength and weakness shall be identified with submission of a proposal to address them in accordance with the interest of the company.
7. Reviewing the remunerations of the Board committees, recommending any amendments in this regard, and presenting them to the Board for approval. The committee may also submit its recommendations to the Board in the event of a vacancy in any of the Board committees' positions by appointing new members when needed.
8. Verifying annually the independence of the independent members, and verifying that there is no conflict of interest if the member is a member of the board of directors of another company.
9. Studying and reviewing the CEO's recommendations regarding the appointment and termination of senior executives.
10. Studying and reviewing management succession or job replacement plans for the company in general and for the board, CEO, and senior executives in particular.
11. Providing an appropriate level of training and induction to new members of the Board and committees about the company's tasks and achievements to enable them to perform their work with the required efficiently.
12. Developing the necessary mechanisms for each of the members of the Board of Directors and the Executive Management to constantly obtain training programs and courses to develop their skills and knowledge in areas related to the company's activities.

C. Other Duties and Responsibilities:

Assist the Board of Directors in developing and reviewing the organizational structure of the company and the operational model, regulating the relationship between the company and its subsidiaries.

Article Five: Meetings of Remunerations and Nominations Committee

1. The meetings of the Remunerations and Nominations Committee shall be held periodically, at least every six months. The committee may also hold exceptional or emergency meetings as required by the work interest, based on an invitation from the Chairman of the Committee or two of its members.
2. Majority of the committee's members shall constitute the legal quorum.
3. If the committee chairman is unable to attend, he has the right to authorize one of its members to preside over that meeting.
4. The board's resolutions shall be issued by the majority of the opinions of the members present or represented at the meeting, and in case of a tied vote, the side with which the chairman of the session voted will prevail. The committee may issue resolutions by circulation regarding urgent matters by presenting it to members individually, unless one of the members requests in writing a meeting of the committee to discuss such resolutions. These resolutions shall be presented to the Audit Committee in the first next meeting.

5. The agenda for the meeting, which is included in the invitation, shall be prepared in coordination with the committee chairman before the meeting.
6. Only members of the committee shall attend its meetings except for the secretary of the committee. However, non-members of the committee from the executive management, managers, employees, or observers may attend all or part of the meetings based on a request or invitation from the committee.
7. The Secretary of the Committee shall prepare draft minutes of the Committee meeting including the names of the members present, in addition to the discussions, deliberations, and decisions that took place, and send it to the Chairman and members of the Committee to review, make any comments on it, and sign it. These minutes shall be kept among the important documents of the company.
8. The Board of Directors shall follow up on the work and performance of the committee through its chairman and through periodic reports and minutes of meetings that are submitted to the Board.
9. The meeting may be held through modern technology, and attendance through it is considered authentic.

Article Six: Powers of the Committee

1. The right to investigate any matter that falls within its terms of reference and duties, or any subject specifically requested by the Board and falls within its competence.
2. The committee has the right to seek assistance from experts and specialists from inside or outside the company within the limits of its powers to assist the committee in performing its duties.
3. The committee has the right to review all data, information and records related to bonuses and compensations in the company, and to review administrative succession reports for executives.
4. Recommend appointment for membership of the Board of Directors in accordance with the policies and standards adopted in the company and the necessary regulations and instructions in force from the competent authorities, taking into account not to nominate any person previously convicted of a crime involving breach of honor or trust.

Article Seven: Remunerations and Compensations of the Remunerations and Nominations Committee

The remuneration of the members of the Nomination and Remuneration Committee consists of an attendance allowance in accordance with the approved remunerations policy.

Chapter Four: Regulations of the Executive Committee

Preamble:

The Executive Committee of the company has been appointed by the Board of Directors to provide the Board's presence between its meetings and provide the ability to respond quickly in emergency situations, in addition to assisting the Board in performing its supervisory duties efficiently and effectively, especially with regard to defining the company's strategic objectives and its financial and operational priorities, in addition to carrying out By assessing the long-term productivity of the company's operations.

All recommendations issued by the Executive Committee are considered non-binding to the Board of Directors, except for decisions that are among the powers of the Executive Committee according to the list and table of powers issued by the Board of Directors.

Article One: The Capacity of the committee

An Executive Committee of the Board of Directors, appointed by the later, and includes a number of the Board of Directors members.

Article Two: Objective of the Committee

The main objective of the composition of the Executive Committee is to assist the Board of Directors in assuming its responsibilities in matters related to supervising the executive management of the company, review, and monitoring the work of the company and its subsidiaries on a regular basis, and make the necessary recommendations to the Board when needed, or taking the decisions delegated to it by the Board of Directors.

The committee may also, at the request of the Board, make the necessary studies and recommendations in strategic matters, goals, and investments inside and outside the Kingdom.

Article Three: Composition of the Executive Committee

1. The Executive Committee shall be composed of at least three members from among the members of the Board of Directors, including the Chief Executive Officer or Managing Director of the company.
2. If the position of a committee member becomes vacant during the term of membership, the Board of Directors shall appoint another member in the vacant position, and the new member shall complete the term of his predecessor.
3. The term of membership of the Committee shall coincide with the term of the Board of Directors.
4. The Board of Directors is entitled to dismiss any of the Committee members and appoint a replacement for him at any time. The Committee member may also retire, provided that this is at an appropriate time acceptable to the Board of Directors.
5. The committee selects one of its members to perform the duties of the committee's secretary, and the secretary may be appointed from among non-members. The committee secretary shall be responsible for distributing meeting invitations and agendas to all committee members and other works assigned to him by the committee.

Article Four: Rules for the Selection of Committee Members

Upon selection of a committee member, the following should be taken into account:

1. To be nominated by the Board of Directors.
2. To be a member of the Board of Directors.
3. The Executive Committee Members shall include the CEO or Managing Director of the company, even if they are not members in the Board.
4. The committee members and its secretary are obligated to preserve the secrets of the company, and they may not disclose to the shareholders or to third parties what they have come to know as a result of implementing their work.

Article Five: The Committee's Work Controls and Method of Work

1. The members of the committee choose from among themselves a chairperson and a deputy in the first meeting according to the method agreed upon by the members.
2. If the committee chairman is absent, his deputy has the right to preside over the meeting.
3. The committee has the right to choose a secretary from among its members or from others who shall be entrusted with preparing the minutes of its meetings and who undertakes the administrative work of the committee.

4. The committee shall meet at least twice a year, and whenever the need arises.
5. The chairman of the committee, after consulting with the relevant executive management, shall direct the committee secretary to prepare, review, and approve the draft agenda of the meeting and the necessary information before distributing it to the members by an appropriate period to give the members sufficient opportunity to view the documents and topics to be discussed during the meeting.
6. The committee has the right to invite whoever it deems appropriate from Non-members to attend the meeting.
7. The meeting shall be called by the committee chairperson or secretary prior to a sufficient period of time, whether by e-mail, telephone or in writing.
8. The quorum is valid upon the attendance of the majority of the members, and the decisions of the committee are issued by the majority of the votes of the members present.
9. The committee's deliberations and decisions shall be recorded in minutes reviewed and signed by the committee members and its secretary. These minutes shall be kept in a special register.
10. The reports of the Committee shall be submitted to the Board of Directors, accompanied by the recommendations - if any - for approval by the Board at the first meeting following the Committee meeting.
11. The Committee has the right to review these regulations and recommend their amendment if necessary, provided that such amendments are approved by the Board of Directors.

Article Six: The Committee's Terms of Reference, Duties and Responsibilities

1. The Committee will exercise all the powers granted to carry out its duty towards the meetings of the Board of Directors.
2. The committee will discuss and make decisions related to urgent issues that need urgent decision-making.
3. The committee's responsibilities shall include making decisions related to the day-to-day business of the company.
4. The committee shall implement the work mentioned below related to the company's strategy:
 - A. Reviewing the company's strategic planning procedures and processes in cooperation with the CEO.
 - B. Ensuring the completion of strategic plans that achieve the company's objectives.
 - C. Reviewing the CEO's recommendations regarding the distribution of the company's resources, aiming at achieving compatibility between the company's strategic plans and its long-term operational goals.
 - D. Periodic review of the strategic plans and operational objectives of the company and its subsidiaries to ensure their compatibility with the company's objectives.
5. The committee shall prepare recommendations to the Board of Directors regarding the company's operational priorities and strategies.
6. The committee shall perform the following activities related to the company's financial planning:
 - A. Preparing and reviewing annual and long-term financial goals and strategies and making the necessary recommendations to the Board of Directors.
 - B. Reviewing the financial affairs of the company and its subsidiaries, in cooperation with the company's executive management and the Audit Committee.

- C. Preparing and reviewing dividend policies and how to implement them, and providing the necessary recommendations to the Board of Directors.
- D. Periodic review of actual capital expenditures to match it with approved budgets.
- E. The committee shall review and prepare the necessary recommendations for the Board of Directors regarding the company's productivity and the extent of its impact on the company's future to achieve the desired goals to improve the quality of products and services.

Article Seven: Powers of the Executive Committee

In order for the Committee to carry out its responsibilities, the Board of Directors delegates to it the following powers:

- 1. Request documents, reports, clarifications, and other appropriate information from the company's officials, executives, employees, legal, and professional advisors from inside or outside the company or any other internal or external parties.
- 2. Invite the officials, executives, and employees of the company to meet with the committee to question them and hear their explanations, whenever required.
- 3. Seek help from consultants and specialized experts from outside the company to help it in evaluation of the studies and plans presented to it.
- 4. Study the investment opportunities, offered to the company, whether purchase of shares in existing companies, or acquisition of companies operating in the same field of work, or complementing its business.

The Committee may assign expert advisory bodies to carry out the necessary studies and recommend the purchase to the Board of Directors.

- 5. Performing other services required by the Board of Directors, falling within the competence of the Committee.
- 6. Preparing the annual review and evaluation of the activities of the committee and its members.

Article Eight: Duties of the Executive Committee

Committee members shall perform the following duties:

- 1. Participate in the activities and work of the committee, and attend all committee meetings.
- 2. Full knowledge of all developments in the company's business.
- 3. Considering the information obtained due to their work in the committee as confidential information.
- 4. Inform the Board of Directors in case of conflict of interest.
- 5. Submit periodic reports and minutes of meetings to the Board of Directors.

Article Nine: Terms of Reference of the Committee Chairman, His Deputy, and the Committee Secretary

- 1. The members of the committee shall select a chairperson from among themselves for the duration of membership of the Committee. The Chairman of the Committee shall supervise the completion of the Committee's tasks and shall, in particular, do the following:
 - A. Invite the committee to convene and specifying the time, date, and place of each meeting and the agenda, in coordination with the members of the committee.
 - B. Preside over committee meetings.
 - C. Submit the results of the committee's work and its recommendations to the BOD.
 - D. Represent the committee before the BOD and any other party.

2. The members of the committee may choose from among themselves a vice-chairman for the duration of the committee's membership, who shall assist the chairman in performing his duties and replace him in his absence.
3. Selection of the secretary shall take into account that he has the academic qualification and practical experience that enables him to carry out the tasks entrusted to him. The secretary shall be committed to preserve the company's secrets and refrain from any activities that may be contrary to the interest of the company.
4. The secretary - who is appointed by the committee and whose remuneration is determined by it – shall attend the meetings of the committee without having the right to vote. He shall prepare minutes of meetings, communicate the dates of the meetings and the agenda to the members, and perform all the administrative work of the committee.

Article Ten: Meetings of the Executive Committee

1. The committee shall approve the schedule of its meetings before the beginning of each year, provided that the members shall agree during each meeting on the date of the next meeting.
2. The committee shall select a chairperson according to the majority votes of its members.
3. Committee meetings will be held when needed or every three months, and the committee meeting will be held before the meeting of the Board of Directors.
4. Committee meetings are called by the committee chairperson, members, or by the board of directors.
5. The quorum for the committee meeting shall not be complete without the attendance of at least half of the committee members.
6. The committee secretary shall be responsible for distributing the meeting invitation and agenda to all committee members.
7. Minutes of meetings shall be signed by all attending members.
8. The decisions of the committee shall be taken by the majority of votes of the present members.
9. The minutes of the committee meetings shall be presented to the Board of Directors for review and approval.

Article Eleven: Remunerations of Executive Committee Members

The remuneration of the members of the Executive Committee shall consist of an attendance allowance in accordance with the approved remunerations policy.

Chapter Five: The Internal Control System

Preamble:

The Board of Directors shall adopt an internal control system for the company to evaluate the policies and procedures related to risk management, apply the provisions of the corporate governance rules adopted by the company, and comply with relevant laws and regulations.

This system shall ensure that clear standards of responsibility are adopted at all executive levels in the company and that dealings with relevant parties are according to terms and conditions.

Article One: Establishing Independent Units or Departments in the Company

1. The company - to implement the approved internal control system – shall establish units or departments for risk assessment and management, and internal audit.
2. The company may use external parties to perform the tasks and specializations of risk assessment and management units or departments, and internal audit, without prejudice to the company's responsibility for those tasks and specializations.

Article Two: Functions of the Internal Audit Unit or Department

The internal audit unit or department shall be responsible for evaluating the internal control system, supervising its implementation, and verifying the extent to which the company and its employees comply with the applicable laws, regulations, instructions, and company policies and procedures.

Article Three: Formation of the Internal Audit Department

The internal audit unit or department shall consist of at least one internal auditor who is recommended to be appointed by the Audit Committee and accountable to.

The formation and work of the internal audit unit or department shall take into account the following:

1. That its employees have competence, independence and appropriate training, and that they are not assigned to any other work other than the work of internal auditing and the internal control system.
2. That the unit or department submit its reports to the Audit Committee, be associated with it, and be accountable to it.
3. That the remuneration of the director of the audit unit or department be determined based on the proposal of the audit committee in accordance with^ato company policies.
4. To be able to view and obtain information, documents and papers without restriction.

Article Four: The Internal Audit Management Plan

The Internal Audit Department shall work according to a comprehensive audit plan approved by the Audit Committee, and this plan shall be updated annually.

Article Five: Report of the Internal Audit Department

The Internal Audit Department shall prepare a written report on its works and submit it to the Audit Committee on a quarterly basis, at least. This report shall include an assessment of the internal control system in the company, the conclusions, recommendations of the department, a statement of the actions taken by each department regarding processing the results and recommendations of the previous audit, and any observations in this regard, especially the lack of timely processing and the reasons for that.

Article Six: Archiving of Internal Audit Reports

The company shall keep the internal audit reports and work documents, clearly including what has been accomplished, its conclusions, recommendations, and what has been taken in their regard.

Part Five:**Policies, Disclosure, and Transparency**

Part Five: Policies, Disclosure, and Transparency

Chapter One: Disclosure and Transparency Policy

Preamble:

1. The Board of Directors issues written disclosure policies, procedures and supervisory systems in accordance with the disclosure requirements contained in the Companies Law, the Capital Market Law and their implementing regulations.
2. This policy regulates the process of disclosing the company's information, its various businesses and activities, and the developments that occur therein.
3. Disclosure to shareholders and investors shall be without discrimination, in a clear, correct and non-misleading manner, in a timely, regular and accurate manner, in order to enable shareholders and stakeholders to fully exercise their rights.
4. The company is committed to following the regulations, instructions and regulations of the Capital Market Authority related to disclosure and transparency.
5. The disclosure shall be in accordance with^aFor the Authority's disclosure forms and instructions for corporate announcements.

Article One: The Purpose of the Disclosure and Transparency Policy

1. Achieving the principle of fairness in providing appropriate information at the right time to help investors make investment decisions based on correct and adequate information.
2. All beneficiary parties shall obtain equal opportunities to access information and ensure that information is not leaked to some investors without others.
3. Commitment to reviewing and implementing the policies and procedures set by the Board of Directors periodically, and verifying their compatibility with the provisions of the Capital Market Law and its implementing regulations, legal requirements, and applicable regulations, and according to the systems, specifying information that must be disclosed, regarding the disclosure of important developments, financial statements, and performance reports therein.

Article Two: Disclosure procedures and controls

1. The company shall specify the persons authorized to disclose on its behalf
2. No person other than the authorized persons may make any statements about the company's strategies and plans, the company's operations and activities, current and future financial performance, investment opportunities in general, production capacities, litigation, lawsuits, decisions to own, acquire, merge, restructure, decisions to sell and exit from certain investments, and other important strategic initiatives.
3. The members of the Board of Directors and all employees of the company and its subsidiaries who are not authorized to speak on behalf of the company must transfer the requests received from them from financial institutions, shareholders, investors and the media to the persons authorized to disclose the name of the company.
4. The company shall be committed to making any disclosure to the public and the Authority clear: true, and not misleading.
5. The company is committed to publishing its announcements on the Tadawul website at least half an hour before the start of trading.

6. The company may request the temporary suspension of share trading when an event occurs during the trading period that must be disclosed without delay, and the company cannot secure its confidentiality until the end of the trading period, taking into account the rules and regulations governing the suspension process.

7. If the company considers that disclosing a matter – that must be disclosed in accordance with the instructions of the Capital Market Authority - could lead to unjustified harm and that failure to disclose the matter is unlikely to mislead investors, regarding the facts and circumstances of which knowledge is necessary to evaluate the relevant securities, the company may apply to the Authority to be exempted from such disclosure, subject to the instructions imposed by the Authority.

8. Information that has not been published on the financial market website should not be disclosed.

9. The company shall determine the need to broadcast an advertisement on (Tadawul) website to respond to any rumors related to any material developments, out of its belief in the importance of providing correct information from its reliable sources, and its importance in making sound investment decisions by shareholders. The Authority has the right to oblige companies to broadcast an announcement whenever it deems it necessary.

10. The company's compliance department shall supervise the disclosure and its procedures in coordination with responsible persons and the departments concerned with the disclosure data.

Article Three: Disclosure of Important and Fundamental Developments

The company shall inform the Authority and the public without delay of any material developments that fall within the framework of its activities and are not known to the general public and may affect its assets and liabilities, its financial position, or the general course of its business or its subsidiaries, and it can:

1. Lead to a significant change in the price of listed securities.
2. Make an impact remarkable in the company's ability to meet its obligations, related to debt instruments.
3. In order to determine the development that falls within the scope of this paragraph, the company must estimate whether any investor is likely to take this development into consideration when making his investment decision.

Article Four: Disclosure in the Report of the Board of Directors

The Board of Directors prepares its annual report in accordance with the disclosure requirements contained in the Companies Law, the Capital Market Law, and their implementing regulations regarding the contents of the Board of Directors' report. The report shall include a presentation of the company's operations during the fiscal year, and the factors affecting the company's business that the investors need to be able to evaluate the company's assets and liabilities and its financial position. The report of the Board of Directors shall include the requirements contained in the corporate governance regulations issued by the Capital Market Authority and any other relevant regulations.

Article Five: Disclosure in the Audit Committee Report

1. The Audit Committee shall issue its annual report, which shall include details of its performance of its competencies and tasks stipulated in the Companies Law and its implementing regulations. The report shall include its recommendations and opinion on the adequacy of the internal and financial control systems and risk management in the company.

2. Copies of the audit committee's report shall be kept by the Board of Directors in the company's head office and to be published on the company's website and the market's website when publishing the invitation to convene the general assembly, to enable shareholders who wish to obtain a copy thereof. A summary of the report shall be read during the General Assembly.

Article Six: Disclosure of Members of the Board of Directors and Senior Executives

The Board of Directors shall regulate the disclosures of each of its members and members of the Executive Management, taking into account the following:

1. Developing a record of disclosures of the members of the Board of Directors and the Executive Management and update it periodically, in accordance with the disclosures required under the Companies Law, the Capital Market Law, and their implementing regulations.
2. Allowing the shareholders of the company to access to the register without financial consideration.

Article Seven: Disclosure of Remunerations

1. The Remuneration Committee shall disclose the remuneration policy of the Board of Directors, its committees, and the Executive Management, and submit such policy to the Board of Directors for consideration prior to its approval by the General Assembly, provided that the policy shall be linked to performance criteria.
2. The Board of Directors shall disclose in its annual report the details of the policies related to remuneration, the mechanisms for determining them, and the amounts and financial and in-kind benefits paid to each member of the Board of Directors in return for any executive, technical or advisory work or positions.

The Board of Directors shall be committed to the following:

1. Disclosure of the remuneration policy and how to determine the remuneration of the members of the Board and the executive management in the company.
2. Clarifying the relationship between the granted remunerations and the applicable remuneration policy, and indicate any material deviation from this policy.
3. Accurately, transparently, and in detail disclosing the remunerations granted to members of the Board of Directors and Executive Management, directly or indirectly, without concealment or misleading, whether they are amounts, benefits of any nature whatsoever. If the benefits are shares in the company, then the value entered for the shares is the market value at the maturity date.
4. Statement of the necessary details regarding rewards and compensations paid to each of the following separately:
 - A. Board members.
 - B. Five senior executives who have received the highest remuneration from the company, including the CEO and Chief Financial Officer.
 - C. Committee members.
 - D. The disclosure contained in this article shall be in the report of the Board of Directors and in accordance the tables, attached to corporate governance regulations.

Article Eight: Disclosure of competing interests and businesses

1. Members of the Board of Directors and executive management or other employees of the company must disclose the conflict of interests and competing businesses, and obtain a license before starting businesses that may result in a conflict of interests.
2. Cases that may lead to a conflict of interests, or when such a conflict occurs, must be disclosed permanently, as well as, any change in the interest, so that the stakeholder discloses to the Board of Directors his interest in the business and contracts that are concluded with the company and in which he has a direct or indirect interest. The Chairman of the Board shall then inform about these interests to the General Assembly of the company and put it to vote during the meeting of the General Assembly of the company. Any contract, transaction, or agreement shall not be concluded without prior approval.

Article Nine: Disclosure of Financial Information

1. The board of directors shall approve the company's interim and annual financial statements and such statements shall be signed by an authorized member of the board of directors, the CEO, and financial manager, before publishing and distributing it to shareholders and others.
2. The interim and annual financial statements and the Board of Director's report shall be submitted to the Authority immediately upon approval thereof by the Board of Directors.
3. The company shall announce through (Tadawul) its preliminary and annual financial statements immediately upon approval by the Board of Directors and such statements shall not be published to the shareholders or third parties prior to their announcement in the market.

Article Ten: Disclosure of the Dividend

1. The Board of Directors shall include in its annual report, submitted to the Company's General Assembly, the percentage of profits distributed to shareholders during the different periods of the fiscal year, in addition to the percentage of profits proposed to be distributed at the end of the fiscal year, and the total of these profits.
2. The Board of Directors, when making the decision to distribute interim profits, is obliged to disclose and announce that immediately on the website of the financial market (Tadawul).

Article Eleven: Disclosure of Transactions with Related Parties

1. Board members and its committees shall periodically disclose all their related parties.
2. The senior executives shall periodically disclose all their related parties.
3. All transactions with related parties shall be disclosed in the company's general assembly meeting and in the annual report of the Board of Directors.

4. The company shall publish an advertisement on the market's website about any deal between the company and a related party or any arrangement under which the company and a related party invest in any project or asset or provide financing for it if this deal or arrangement is equal to or more than the percentage prescribed in the regulations and circulars, issued by the Authority in this regard.
5. The Board shall disclose in its annual report information relating to any business or contracts to which the Company is party or have interest to one of the members of the company's board of directors and its committees, or its senior executives, or any person related to any of them. Such disclosure shall include the names of those involved in the works or contracts, and the nature, conditions, duration, and amount of these works or contracts. If there are no such works or contracts, the company shall submit the relevant declaration.
6. The remunerations granted to members of the Board of Directors and members of the Board shall be accurately, transparently, and detailed disclosed in the Board of Directors' report without concealment or misleading, whether they are amounts, benefits of any nature whatsoever. If the benefits are shares in the company, then the value entered for the shares is the market value at the maturity date.
7. Any dealings with a related party shall be disclosed in the notes, attached to the company's financial statements in accordance with the applicable accounting standards in the Kingdom.

Article Twelve: Ensuring Confidentiality of Information

The members of the Board of Directors, members of the committees, the executive management, and all employees of the company shall be obligated to maintain the confidentiality of the information they obtain through their work, and to use it for the purpose of performing their duties only. They shall not to announce or disclose any of that information to any other party, or to disclose or exploit it in any way, or using it for any purpose whatsoever, or dealing with it with the media, or disclosing it to any person, or speaking on behalf of the company, unless he is authorized to do so by the Board. This obligation shall also include maintaining the confidentiality of such information after the termination of membership in the Committee.

Chapter Two: Dividend Policy

Preamble:

1. The dividend policy regulation has been prepared in accordance with the Companies Law, the Company's Articles of Association, and the requirements of the corporate governance regulation, issued by the Capital Market Authority.
2. This regulation defines the controls and procedures for cash dividends and bonus shares to shareholders.
3. These regulations shall be amended per a resolution by the Board of Directors, and the amendment does not take effect until after the approval of the company's general assembly, unless the regulations, regulations, and instructions issued by the competent authorities include otherwise.

Article One: Distribution of cash dividends

Dividends are distributed to shareholders in accordance with the provisions of the Companies Law and its bylaws and the Company's Articles of Association. The company's net profits are distributed after deducting all general expenses and other costs as follows:

1. Setting aside (10%) of the net profits to form a statutory reserve, and the Ordinary General Assembly may stop such appropriation once these reserves reach (30%) of the paid-up capital.
2. The Ordinary General Assembly may, upon a proposal from the Board of Directors, appropriate a portion of the net profit to form a voluntary reserve that is allocated to certain purpose or purposes. This reserve may not be used except by a decision of the Extraordinary General Assembly.
3. The Ordinary General Assembly may decide to make other reserves, to the extent that it serves the interest of the Company or to ensure the distribution of fixed profits to the shareholders as much as possible. The assembly may also deduct from the net profits amounts to establish social institutions for the company's employees or to assist what is already in place.
4. From the remaining balance a 1st payment to the Shareholders should be executed equivalent to (5%) from then paid up capital.
5. Subject to the provisions established in this regard, a percentage not exceeding (10%) of the remainder shall be allocated to the remuneration of the Board of Directors if the remuneration is a specific percentage of the company's profits, provided that the remuneration is commensurate with the number of meetings attended by the member.
6. The company may, after fulfilling the controls set by the competent authority, distribute interim dividends to its shareholders on a quarterly or semi-annual basis, and may delegate the Board of Directors to do so

Article Two: Dividend Distribution as Shares

1. The company may distribute profits in the form of granting bonus shares to shareholders with the aim of increasing the capital by issuing bonus shares at the nominal value of the share, whereby the value of those new shares is transferred from the item of the remaining profits and added to the capital.
2. The Authority's approval must be obtained for the capital increase request, and then the approval of the company's extraordinary general assembly must be obtained.

Article Three: Interim Dividend

The company may distribute interim dividend to its shareholders on a semi-annual or quarterly basis, if its Articles of Association stipulate that this is permissible, after fulfilling the following requirements:

1. The Ordinary General Assembly shall authorize the Board to distribute interim dividend by virtue of a resolution to be renewed annually.
2. The company is profitable and regular.
3. The company has reasonable liquidity and can reasonably predict the level of its future profits.
4. The board's resolution to distribute interim dividend is approved at the end of the year by the Company's General Assembly.

Article Four: Entitlement to Dividend

The shareholder shall be entitled to his share in the cash dividends or bonus shares according to a resolution of the General Assembly issued in this regard or the decision of the Board of Directors to distribute interim dividend. Such resolution shall indicate the date of maturity and the date of distribution.

Chapter Three: Conflict of Interest Policy

Preamble:

1. This policy regulates cases of conflict of interest with members of the Board of Directors, senior executives, company employees, major shareholders, auditors, consultants, and other stakeholders.
2. The company shall, in its business, be committed to professional practices that require acting with integrity and transparency in all its actions and dealings with shareholders, the Board of Directors, employees, customers, suppliers, competitors, regulatory and governmental authorities, the public, and the business community, allowing for fair competition and in accordance with equal competitive terms.
3. Board members, executive management, department managers, and company employees must comply with and abide by this policy.
4. The company fully believes that its management of its dealings and decision-making must be based on strictly economic grounds, and that the process of hiring and incumbency in the company is based on competencies. Thus, the company is trying to avoid any conflict of interest of any kind that may affect the economic foundations in running business or making decisions, and if there is any conflict of interest, the company tries to manage it in a way that does not affect its decisions.

Article One: Scope of the Policy Application

This policy applies to all stakeholders and they are as follows:

1. Major shareholders who own 5% or more of the company's capital.
2. Members of the Board of Directors and Board Committees.
3. Senior executives, managers and employees of the company.
4. Auditors and consultants contracting with the company.
5. Customers, suppliers, creditors, the community, and other stakeholders.

Article Two: Supervising the Implementation of the Policy

1. The Audit Committee, in coordination with the Internal Control Department, shall supervise the implementation of the policy by reviewing the transactions and contracts that take place with related parties or that are likely to involve a situation of conflict of interest, and ensures the protection of shareholders' rights, the application of relevant laws and regulations, and submitting its recommendation to the Board of Directors about this.
2. The concerned departments of the company, in the event of dealing with a related person or a related party, are obligated to collect all information that shows the nature of this relationship in order to detect potential conflicts of interest.
3. The Board of Directors has the power to impose penalties on violators of these regulations and to file cases to claim damages that result from non-compliance of all stakeholders with these regulations.
4. The company is obligated to follow the instructions, rules and regulations that regulate the relationship with stakeholders and disclose it.

Article Three: Conflict of Interests

1. Related to Members of the Board of Directors and Members of Committees:

- The member of the Board of Directors may not have any direct or indirect interest in the business and contracts, concluded for the account of the company except with a prior authorization from the Ordinary General Assembly, which is renewed every year. The member of the Board of Directors shall inform the BOD of his direct or indirect interest in the business and contracts, concluded for the account of the company. Such notification shall be recorded in the minutes of the meeting. This member may not participate in voting on the decision issued in this regard by the Board of Directors and the shareholders' assemblies. The Chairman of the Board of Directors shall notify the Ordinary General Assembly, when it convenes, of the business and contracts in which a member of the Board has a direct or indirect interest. The notification shall be accompanied by a special report from the company's external auditor.
- If a board member fails to disclose his interest according to the previous paragraph, the company or any stakeholder may claim before the competent judicial authority for the avoidance of the contract or oblige the member to pay any gained profit or benefit.
- The member of the Board of Directors may not participate in any business that would compete with the company in any of the activity branches in which the company is engaged, otherwise the company may claim before the competent judicial authority for appropriate compensation, unless such member obtained a prior authorization from the Ordinary General Assembly, which is renewed every year.

- An independent member of the Board of Directors may not have a direct or indirect interest in the business and contracts, concluded for the company's account, nor to participate in a business that would compete with the company, or to trade in one of the branches of the activity in which the company is engaged in.
- It is not permissible for any member of the Board of Directors to accept gifts from any person who has commercial dealings with the company, if such gifts would lead to a conflict of interest.
- The company shall include an independent item in the agenda of the General Assembly to vote on business and contracts in which a member of the Board of Directors has a direct or indirect interest, or to vote on the participation of a member of the Board of Directors in an activity that would compete with the company's activity or trading in one of the branches of the company's activity. The name of the member, nature, conditions, and the value of the transaction for each transaction, shall be presented to the Assembly and the report of the special auditor on these works and contracts shall be attached according to the forms issued by the Saudi Organization for Certified Public Accountants, and voting takes place in the General Assembly on each case of conflict of interest separately.
- If the General Assembly refuses to renew the license granted under Articles 71 and 72 of the Companies Law and Article 46 of the Corporate Governance Regulations, the member of the Board of Directors must submit his resignation within a period determined by the General Assembly. If the member fails to do so, his membership in the Board shall be deemed terminated, unless he decides to abandon the contract, deal, competition, or regularize its position in accordance with the provisions of the Companies Law and its Implementing Regulations before the expiration of the deadline set by the General Assembly.
- The company may not provide a loan of any kind to any of the members of its board of directors or the committees emanating from it or its shareholders, or to guarantee any loan concluded by any of them with others.
- A member of the Board of Directors shall represent all the shareholders of the company, and shall be committed to achieving the interest of the company and the interest of the shareholders, taking into account the rights of other stakeholders, and not only the interest of the group that elected him.
- A member of the board or committee shall exercise his duties with honesty and integrity, give priority to the interests of the company over his personal interest, and not use his position to achieve private interests.
- A member of the board or committee shall avoid cases of conflict of interest and inform the board of directors completely and immediately of any interest he has - direct or indirect - in the business and contracts that are made for the company's account. Such notification shall include the nature and limits of that interest, the names of any persons involved in, and the expected benefit, to be directly or indirectly obtained from that interest, whether that interest is financial or non-financial. Such member shall not participate in voting on any decision issued in this regard, in accordance with^aProvisions of the Companies Law, the Capital Market Law and their implementing regulations.
- The member of the board or committee must keep the information related to the company and its activities confidential and not disclose it to anyone.

- A member of the board or committee must fully and promptly inform the board of his involvement – Whether directly or indirectly - in any business that would compete with the company or in one of the branches of the activity in which the company is engaged according to provisions of the Companies Law, the Capital Market Law and their implementing regulations.
- Whoever wishes to nominate himself for membership in the Board of Directors or its committees shall disclose to the Board and the General Assembly any cases of conflict of interest - according to the procedures established by the Authority - which include:
 - A. A direct or indirect interest in the business and contracts that are concluded for the account of the company he wishes to run for its board of directors.
 - B. His participation in a business that would compete with the company, or compete with it in one of the branches of the activity it is engaged in.

2. Related to Company Employees:

Any of the employees of the company who have an actual or potential interest, or have doubt occurrence in a situation of actual or potential conflict of interests, shall disclose in writing to the Board of Directors, the Board Secretary or the legal advisor, the nature and degree of the actual or potential conflict of interests.

Employees of the company shall immediately and in a detailed manner, supported by the necessary documents and facts, disclose as soon as they realize that they are in a situation of actual or potential conflict of interests.

3. Related to Major Shareholders:

- Transactions and contracts with major shareholders and their relatives who own 5% or more of the company's shares, directly or indirectly, are subject to the same conditions as transactions with third parties without any preferential conditions or discrimination.
- Transactions with major shareholders shall be disclosed in accordance with what was stipulated in the Authority's regulations, the company's disclosure policy, and in the annual report of the Board of Directors. Cases of conflict of interest shall be presented to the company's annual general assembly to authorize it or to renew the license.
- The company shall avoid such transactions as much as possible and to be to a minimum in the interest of the company and the shareholders. Such transactions shall also be implemented in accordance with the laws and regulations in force in this regard.

4. Related to Auditors and Advisors:

- The Ordinary General Assembly shall appoint the company's external auditors based on the recommendation of the Audit Committee.
- The auditors shall have complete independence, shall not engage in any other advisory work for the company, and shall not have any other conflict of interest in accordance with the relevant and followed systems and standards. In the event of such a conflict, it shall be disclosed and dealt with in accordance with the governing regulations and in the interest of the company and the shareholders.
- No member of the Board of Directors, committee, or employee of the company may accept any gifts from the auditors of the company or present gifts to them that would influence their decision-making regarding the performance of their duties in supervision of the company.
- When hiring any financial, legal or technical advisor, cases of conflict of interest and the provisions of laws and regulations in this regard should be taken into account.

5. Related to Other Stakeholders:

- All transactions and contracts, concluded with the company's customers, suppliers, and creditors shall be subject to the same conditions as transactions that take place with third parties in terms of evaluation, fairness of implementation, disclosure or notification required without any discrimination.
- Suppliers and contractors are allowed to compete to obtain the company's business without any discrimination, and the assessment shall be based on the company's interests.
- The company shall be committed to honor its obligations and ending it with customers, supplier, and creditors immediately and in fairness, and in return, expect the same from these parties.
- The company shall be obligated to disclose any conflict of interests with stakeholders in accordance with^ato applicable laws and regulations.

Article 4: Commitment to the Policy of Disclosing Conflicts of interest

- The company shall inform the Authority and the public without any delay when the company contracts or deals with a related party, if this contract or deal is equivalent to or more than 1% of the company's total revenue according to the latest audited annual financial statements.
- The report of the board of directors of the company shall include the following:
 1. Description of any transaction between the company and a related party.
 2. Information relating to any business or contracts in which the Company is a, or in which there was an interest for one of the members of the Board of Directors of the company, senior executives, or any person related to any of them. Such information shall include the names of those appointed to perform the works and contracts, and the nature, conditions, duration, and amount of those works or contracts, and if there are no such works or contracts, the company must also submit the relevant declaration.

The Chairman and members of the Board of Directors, senior executives, and department managers of the company will sign an acknowledgment and undertaking confirming that each of them:

1. Received a copy of the conflict of interest policy statement.
2. Has read and understood all the articles and provisions stipulated in the Conflict of Interest Policy Regulations.
3. Has agreed to abide by the Conflict of Interest Policy Regulations and to abide by any additions or amendments to it that the company's management may make from time to time and communicate it to its employees.

Article Five: Examples of conflict of interest

This policy sets examples of behavioral standards for a number of situations, but it does not necessarily cover all other situations that may occur. Examples of conflict of interests include if a person has a direct or indirect interest or relationship in the subject under consideration by that person for the purpose of taking a decision about it, so that this interest or relationship prevents him, or leads to the belief that it prevented him from expressing his real opinion or taking his decision independently, impartially and without consideration of this interest or relationship. Conflict of interests situations include:

1. Cases between the members of the Board of Directors when voting in the Board or the Assembly if there is a subject on the agenda of the Board or the Assembly and has a direct or indirect interest for the member.
2. In the company's operations and contracts, the conflict of interest arises, for example, in the event that a member of the board of directors or the committee or any of the company's employees is involved or related to any activity, or has a personal, organizational, or professional interest in any work or activity that may directly or indirectly affect the objectivity of the decisions of that member or employee or his ability to perform his duties and responsibilities towards the company.
3. Conflicts of interest also arise through material benefit by entering into transactions such selling, buying or leasing to the company directly or through a broker or partner.
4. Conflict of interest also arises in the event that a member of the Board of Directors or Committee or a senior executive receives or obtains personal gains from any other party, whether directly or indirectly, as a beneficiary from his position in the company.
5. Conflict of interest also arises when a board member, committee member, or any of the company's employees recommends one of the company's clients.
6. In determining the remunerations and allowances of the members of the Board of Directors, the conflict of interests arises here if the discussion of the remunerations due to a member of the Board, the committee or senior executives is on the agenda of the board, committee, or assembly.
7. In providing and guaranteeing loans to members of the Board of Directors when a member of the Board or Committee receives a loan from the company or a loan secured by his position as member of the Board or Committee.
8. An example of a conflict of interest is when a member of the board, committee, or senior executives takes advantage of the investment opportunities offered to the company and information related to it, or exploits the company's assets and facilities to achieve a personal interest, accomplish a task for himself or one of his relatives, or benefit from confidential information, seen by virtue of his work.

9. Examples of conflict of interests include engaging in business that would compete with the company, such as practicing a competitive activity with the company's activities or participating in its practice without the prior approval of the company's general assembly.
10. An example of a conflict of interest is accepting gifts from a third party, dealing with the company. Gifts and honors that the employee receives for his job position, whether offered to him or one of his relatives.
11. An example of a conflict of interest is the conflict of duties of a member of the boards of directors of two competing companies, such as participating in membership of a board or a committee of the company's competitors.
12. In the work of executives and other employees and workers through the employee's use or abusing his authority or influence in the company for his personal interest or for the benefit of others.
13. Conflict of interest also arises by taking advantage of the job position in appointing sons or relatives in jobs.
14. Disclosing company secrets or giving information that is considered private property of the company, seen by virtue of his work, even after leaving the company.
15. Purchases of any materials, equipment or property based on information from the company for the purpose of selling or leasing it to the company.
16. If a relative of the board members, senior executives, and employees accepted gifts from persons or entities dealing with the company, aiming at influencing the employee's actions in the company may result in a conflict of interest.
17. Repairing or constructing property for the employee or his family at the expense of any party that deals with the company or seeks to deal with it. Also, if the employee or a member of his family receives from any party amounts or other valuable items due to that party's dealings with the company or seeks to deal with it.
18. Any entity dealing or seeking to deal with the company pays bills required by the employee or a member of his family.

Chapter Four: Policy of Transactions with Related Parties

Preamble:

1. This policy regulates the company's dealings with related parties, which are transactions in which services, resources, or obligations are exchanged between the company and a related party. This policy is considered complementary to the policy of regulating the relationship with stakeholders.
2. The company shall be committed in its business to professional practices that require acting with integrity and transparency in all its actions and dealings with shareholders, the Board of Directors, employees, customers, suppliers, competitors, regulatory and governmental authorities, the public and the business community, allowing for fair competition and in accordance with equal competitive terms.
3. The Company recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are in the best interests of the Company and the shareholders. Therefore, the company prefers to avoid these transactions as much as possible, but in some cases transactions with related parties may involve interests of the company that cannot be ignored. Therefore, the company in this policy regulated how to deal with cases of the company's dealings with a related party.
4. The company fully believes that its management of its dealings and decision-making must be based on strictly economic grounds and in the interest of the company and the shareholders.

5. The Board of Directors, executive management, directors of departments, and employees of the company must comply with and abide by this policy when starting, approving, and implementing all business operations.

Article One: Scope of the Policy Application

This policy applies to all transactions with related parties who are as follows:

1. Major shareholders of the company.
 2. Members of the Board of Directors of the company or any of its subsidiaries and their relatives.
 3. Senior executives of the company or any of its subsidiaries and their relatives.
 4. Members of the Board of Directors and senior executives of the major shareholders of the company.
 5. Establishments - other than companies - owned by a board member or a senior executive or their relatives.
 6. Companies in which any of the members of the Board of Directors or senior executives or their relatives is a partner
 7. Companies in which any of the members of the Board of Directors or senior executives or their relatives is a member in its board of directors or one of its senior executives.
 8. Joint-stock companies in which any of the members of the Board of Directors or senior executives or their relatives owns (5%) or more.
 9. Companies in which any of the members of the Board of Directors or senior executives or their relatives may influence the decisions, even by providing advice or guidance.
 10. Any person whose advices and directives may influence the decisions of the company, members of its board of directors, and senior executives.
 11. Holding companies or affiliates of the company.
- The provisions of the paragraphs (9) and (10) shall not apply to the advice and directions that are provided in a professional manner by a person authorized to do so.

Article Two: General Provisions

1. Transactions with related parties include any dealings, whether direct or indirect, that are entered into by the company with any of the parties specified in the definition of related parties according to the applicable regulations. These transactions include sale / purchase / guarantee / payments / exchange of resources, services or obligations between the two parties, contracts for supply and leasing or services and others.
2. All transactions with related parties shall be on purely commercial terms and without any preferential terms as follows:
 - A. Such transactions shall be subject to the same level of due diligence and as similar transactions with third parties or other parties dealing with the company.
 - B. Such transactions shall be subject to the application of the same terms and conditions that apply to similar transactions with third parties.
 - C. These transactions must be approved in accordance with the laws and regulations in force in this regard, and to vote for the license or renew the license to conduct or enter into at the meeting of the company's general assembly.

- D. The company may not provide a loan of any kind to any of the members of its board of directors, its committees, or its shareholders, or to guarantee any loan concluded by any of them with others.
- E. The Company's Internal Control Department shall conduct an annual audit of related party transactions to verify compliance with this policy and related instructions, and shall provide the Audit Committee with its approval in this regard.
- F. The company may not provide a loan of any kind to any of its senior executives, or to guarantee any loan concluded by any of them with third parties, unless according to the employee incentive programs that were approved in accordance with the provisions of the company's Articles of Association or by a decision of the Ordinary General Assembly.
- G. The company, when dealing with related parties, shall be committed to the regulations, bylaws, and instructions issued in this regard.
- H. The company shall be committed to disclosing its transactions with related parties immediately to the Authority and the public in accordance with the rules of registration and listing and the policy of disclosure and transparency followed by the company.

Article Three: Reporting on Transactions with Related Parties

1. The company shall take all measures to prevent discrimination between the types of transactions with the company and to reveal whether the dealings are with a related party or not.
2. The competent authority shall refer the matter to the Internal Control Department if it is proven that the transaction involves a related party.
3. The Internal Control Department shall conduct the process of investigating whether or not the transaction involves a related party after providing it with all the data required by the department that wants to conduct the transaction and submits the matter to the specialists to obtain the necessary approvals.
4. In the event that it is proven that the transaction involves a related party, the transaction shall be discussed immediately with the CEO or Managing Director and submitted later to the Board of Directors or the relevant committee to decide on continue or not.
5. Under no circumstances the company shall enter into a transaction with a related party except after the approval of the CEO or Managing Director and the Board or the relevant committee.

Article 4: Procedures Followed in Transactions with Related Parties

A. Existing Transactions:

1. The Internal Control Department shall examine transactions with related parties and ensure that such transactions took place on the same terms and conditions that the company follows with all dealers and suppliers and does not contain any preferential terms.
2. The Internal Control Department shall prepare its report on transactions with related parties and submits it to the audit committee. After presenting the report to the committee, it shall be sent to the auditor to issue his annual report on these transactions, which will be presented to the company's general assembly.
3. The transactions shall be presented to the general assembly of the company with all the information required at its annual meeting to vote on the renewal of its license after reading the auditor's report on the transactions. These works and contracts shall be in accordance with the forms issued by the Saudi Organization for Certified Public Accountants, and voting shall be in the General Assembly on each case of conflict of interest separately.

4. After the General Assembly approval to license or renewal the license to conduct transactions with related parties, the competent departments shall be notified of who has been licensed to deal with.

B. Possible Transactions:

1. Although the stakeholder in dealing with a related party is responsible for disclosing his interest to the company, nevertheless, the company has taken internal measures to limit the possibility of conducting a transaction with a related party without following the regular procedures, by the need for individuals and departments that conduct these transactions to communicate with those who apply To deal with the company for the first time.
2. The department or employee who obtained the above information informs the Internal Control Department of the existence of a possible transaction with a related party, and all information related to the client is transferred to the Department for review, collection of information, and submission to the Board of Directors for approval of the transaction or not.
3. Before the annual meeting of the Assembly, a separate item shall be included for each potential transaction with a related party to vote on the authorization to conduct the transaction. If the Assembly approves, the contract shall be signed and the transaction begins. The company shall announce any transaction according to the rules of registration and listing issued by the Authority and the company's disclosure policy.

Chapter Five: The Policy of Regulating the Relationship with Stakeholders

Preamble:

1. This policy regulates the company's relationship with stakeholders in a way that guarantees the rights of the company and the rights of stakeholders in a balanced manner. The applicable laws and regulations, agreements, and contracts form the basis for defining the rights and duties of stakeholders. The company, in its agreements and contracts with stakeholders, shall clarify and define these rights and duties, the method of their fulfillment, the consequences of failure to perform. The limits of liability, the methods of compensation and disputes settlement.
2. In its contracts and agreements with stakeholders, the company seeks to include methods of compensation and settlement of disputes that may arise when executing these contracts and agreements. The company is committed to following these methods when settling any disputes with stakeholders.
3. The executive management, directors of departments, and employees of the company must comply with and abide by this policy.

Article One: General Provisions

1. The company seeks to resolve all disputes that arise with the stakeholders by amicable means and in a way that does not conflict with the interest of the company and the general and special regulations of the company as much as possible. The stakeholders shall be compensated in accordance with what is issued by the competent authorities after having tried all the legal and Sharia procedures regarding these provisions and decisions.
2. The company shall be committed to dealing with members of the Board of Directors and related parties on the same terms that it applies with stakeholders without discrimination or preferential terms. Accordingly, stakeholders shall not have a preferential advantage.
3. The company has procedures that guarantee the clarity of the mechanism for awarding contracts, deals, and transactions through the purchase order.
4. The company shall include in its contracts and agreements with stakeholders the terms of the contract, the rights and obligations of both parties, and the mechanism for settling disputes and paying compensation.
5. All members of the Board of Directors, members of its committees, senior executives of the company, its employees and other stakeholders shall be prohibited from disclosing any confidential information about the performance, business and plans of the company. They shall maintain the confidentiality of the information received by any of them and protect it from unauthorized use or disclosure to any party. This aims at granting all parties in the market equal opportunities to access and obtain the company's information by disclosing it through the market. None of the previous parties, whether during or after his period of service, shall have the right to disclose any confidential information outside the company unless authorized by the Board of Directors, or if requested to do so by virtue of the regulations. It is prohibited to use any confidential information to achieve any personal gains for any of them or for other parties outside the company.
6. The company shall be committed to treating the employees of the company in accordance with principles of justice, equality, and non-discrimination.

Article Two: The objective of the policy

This policy aims to achieve the following:

1. Protecting the rights of shareholders and other stakeholders.
2. Compliance with the regulations and instructions of the Capital Market Authority related to dealing with stakeholders.
3. Statement of the supervisory systems and procedures that govern the relationship with stakeholders and ensuring compliance and continuity in the implementation of these systems and procedures.
4. Work according to principle of transparency that guarantees the company's respect of its commitments, laws, regulations, and its commitment to disclose material information to shareholders and stakeholders in accordance with the company's disclosure policy and according to the Authority's regulations and instructions.

Article Three: Scope of the Policy Application

This policy applies to all stakeholders who are as follows:

1. Major shareholders who own 5% or more of the company's capital.
2. Members of the Board of Directors and Board Committees.
3. Senior executives, managers and employees of the company.
4. Auditors and consultants contracting with the company.

5. Customers, suppliers, creditors, the community, and other stakeholders.

Article Four: Mechanisms for Compensating Stakeholders

Stakeholders shall be compensated in cases of violation of their rights in accordance with the following:

1. If the violation is a result of the company's failure to fulfill its obligations specified in contracts and related regulations, or for not taking sufficient care, or for not following approved professional standards and practices.
2. There is a causal relationship between the company's behavior and the damage, caused to related parties.
3. The company strives to determine the extent of the damage, caused to the stakeholder and the causal relationship between this damage and the company's behavior when determining the value of compensation.
4. The violation must be proven, whether by the company's approval or by a ruling from the competent adjudicating authorities.
5. The company seeks to engage in discussions and negotiations with the affected parties to examine the possibility of settlement or to agree on the way and amount of compensation.
6. The company shall be committed to providing appropriate and sufficient insurance coverage to compensate the affected party for potential damages.
7. Every action by the employees of the company that results in harm to others does not obligate the company to any material or moral consequences; unless this person is authorized by the company to carry out this action without prejudice to such authorization.

Article Five: Mechanisms for Settling Complaints or Disputes with Stakeholders

Disputes and complaints with stakeholders shall be settled according the following:

1. The company is committed to following the rules, regulations, and instructions when it values settling disputes with stakeholders, in addition to including in its contracts and agreements with stakeholders legal conditions that avoid the parties from falling into potential disputes.
2. The company seeks to include in its contracts and agreements with stakeholders the method of settling these disputes and how to compensate for them. The company is committed to following the methods of settling disputes stipulated in the agreements and contracts whenever possible.
3. The company strives to settle its dispute with stakeholders amicably whenever possible.
4. The company's policies and internal regulations include procedures for dealing with employee, supplier, and customer complaints and how to resolve them.
5. The company's performance standards include standards for measuring the volume of customer complaints and the speed of resolution to achieve the highest level of customer satisfaction.

Chapter Six: Remuneration Policy Regulations

Preamble:

1. The remuneration policy and criteria regulations have been prepared in accordance with the Companies Law, the Company's Articles of Association, and the requirements of the corporate governance regulations. This regulation defines the controls and procedures for granting remuneration to members of the Board of Directors and senior executives.
2. This regulation shall not be amended except per on a resolution by the Board of Directors, and the amendment does not take effect until after the approval of the General Assembly of the company, unless the regulations and instructions issued by the competent authorities stipulated otherwise.

Article One: Policy Objectives

This regulation aims at defining clear criteria for the remuneration of the members of the Board of Directors, members of its committees, and senior executives in light of the requirements of the Companies Law and the rules and regulations of the Capital Market Authority.

Article Two: General Provisions

The Remunerations and Nominations Committee shall be concerned with preparing a clear policy for the remunerations of members of the Board of Directors, members of its committees, and the executive management, provided that the policy shall follow standards related to performance, disclose them, and verify their implementation, as well as clarifying the relationship between the granted remunerations and the applicable remuneration policy, indicating any material deviation from this policy, as well as the periodic review of the remuneration policy, evaluating its effectiveness in achieving objectives, as well as recommending to the Board of Directors the rewards of the members of the Board of Directors, its committees, and senior executives of the company in accordance with the approved policy.

Without prejudice to the provisions of the Companies Law, the Capital Market Law and their implementing regulations, the following must be taken into account in the remuneration policy:

1. The remunerations shall commensurate with the company's activity and the necessary ability to manage it.
2. The member shall be entitled to the remuneration from the date of joining the Board or committee and according to the term of his membership.
3. The company shall take into account the compatibility of rewards with the company's strategy and objectives and with the size, nature and degree of risks it has.
4. The remunerations shall be fair and commensurate with the member's competencies, work and responsibilities carried out and borne by the members of the Board of Directors or the committees, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
5. The remunerations shall be determined based on the job level, the tasks and responsibilities assigned to the occupant, academic qualifications, practical experience, skills, and level of performance.
6. The remunerations shall be prepared in coordination with the Remunerations and Nominations Committee upon new appointments.

7. The company shall disclose the remuneration of board members, committees' members, and senior executives in the annual report of the Board of Directors in accordance with the controls and directives issued under the Companies Law, the regulations of the Capital Market Authority and their implementing regulations.

Article Three: Board Member Remuneration

The remuneration of the members of the Board of Directors shall include the following:

1. A fixed annual bonus of 200,000 Saudi riyals according to the Companies Law and according to the Company's Articles of Association, so that the total of what a member of the Board of Directors receives in terms of financial or in-kind rewards and benefits shall not exceed five hundred thousand Saudi riyals annually according to the controls set by the competent authority, and according to the above remuneration policy.
2. Each member, if his permanent residence is outside the city where the meetings of the Board of Directors are held, shall be paid a boarding allowance equal to the value of his first-class ticket on Saudi Airlines, in addition to an overnight allowance at the rate of 2000 Saudi riyals for each day of the meeting.
3. A lump sum shall be disbursed as compensation for the expenses of housing, food, transportation, etc. when attending the meeting of the Board of Directors outside the city of Riyadh (The Head Office of the company). In any other city within the Kingdom, a lump sum of three thousand 3,000 Saudi Riyals shall be paid for each member who attends the meeting, in addition to a first-class (round trip) ticket from the city of Riyadh to the city in which the meeting will be held, or its equivalent value.
4. A lump sum shall be disbursed as compensation for housing, food, transportation, etc., to each member while attending a meeting of the Board of Directors outside the Kingdom, with a lump sum of \$3000, in addition to a first-class ticket (round trip) from Riyadh to the city in which the meeting will be held, or its equivalent value.

If the Chairman of the Board of Directors requests any of the committees to hold a meeting of the committee outside the city of Riyadh, or for the participation of any or all of the committee members in the meeting of the Board of Directors, the attending members shall be compensated for the expenses similar to the members of the Board of Directors.

If more than one meeting coincides on the same day and place, compensation for the above-mentioned expenses is paid only once for each member.

The annual fixed bonuses shall be paid according to the member's attendance at meetings, and allowances for attending meetings shall be paid after the meeting.

Article Four: Remuneration of Members of the Board's Committees

The remuneration of the members of the BOD committees shall include the following:

1. Fixed annual bonus of 100,000 Saudi Riyals for members of the Audit Committee, in accordance with the controls set by the competent authorities, according to the abovementioned remuneration policy.
2. Allowance for attending committee meetings of 3,000 Saudi riyals for each member of the Board of Directors for each meeting.

3. Each member of the Board of Directors, if his permanent residence is outside the city in which the committee meetings are held, is paid a boarding allowance equal to the value of his first-class ticket on Saudi Airlines, in addition to an overnight allowance at the rate of 2000 Saudi Riyals for each day of the meeting.
4. A lump sum shall be disbursed as compensation for the expenses of housing, food, transportation, etc. when attending the meeting of the Board of Directors outside the city of Riyadh (The Head Office of the company). In any other city within the Kingdom, a lump sum of three thousand 3,000 Saudi Riyals shall be paid for each member who attends the meeting, in addition to a first-class (round trip) ticket from the city of Riyadh to the city in which the meeting will be held, or its equivalent value.
5. A lump sum shall be disbursed as compensation for housing, food, transportation, etc., to each member while attending a meeting of the Board of Directors outside the Kingdom, with a lump sum of \$3000, in addition to a first-class ticket (round trip) from Riyadh to the city in which the meeting will be held, or its equivalent value.

If more than one meeting coincides on the same day and place, compensation for the above-mentioned expenses is paid only once for each member.

Article Five: Executive Management Remuneration Policy

1. The Board of Directors determines the types of rewards to be granted to the employees of the company - based on the recommendation of the executive management, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares, in a manner that does not conflict with the regulatory controls and procedures issued for implementation. The corporate system for listed joint stock companies.
2. The Remuneration and Nomination Committee reviews the salary scale specified for all employees and senior executives and the incentive program and plans on an ongoing basis and approves them based on the recommendation of the executive management.
3. At the beginning of the year, the company's annual goals and those of its senior executives and employees are approved, and at the end of the year the company's overall performance and goals achieved are evaluated.
4. The main performance criteria at the company level include a set of short- and long-term goals, including profitability indicators, solvency, liquidity and growth. The performance management process ensures that all objectives are properly sequenced at all levels of the company down into business units and concerned employees.
5. Remuneration aims at providing a state of competitiveness required to attract and retain qualified and efficient employees and to maintain the high level of skills that the company needs.

Chapter Seven: Policies, Standards, and Procedures for Membership in the Board of Directors

Preamble:

1. This regulation defines the controls and procedures for membership in the Board of Directors and the company's policy to be followed when appointing members of the Board of Directors.
2. The provisions of this regulation shall not prejudice the right of every shareholder in the company to nominate himself or others for membership of the Board of Directors in accordance with provisions of the Companies Law and its implementing regulations.
3. This regulation shall not be amended except per a resolution by the Board of Directors, and the amendment does not take effect until after the approval of the General Assembly of the company, unless the regulations, regulations, and instructions issued by the competent authorities include otherwise.

Article One: The Objective of the Policy

This regulation aims to set clear and specific standards and procedures that explain - to the company's shareholders and candidates for membership of the Board of Directors - the conditions, standards, and procedures followed when selecting members of the Board of Directors, how to elect them, and to ensure balance and efficiency in the formation of the Board of Directors.

Article Two: Policies and Standards for Membership in the Company's Board of Director

Member of the Board of Directors is required to be of high professional competence who have the necessary experience, knowledge, skill, and independence to be able to exercise his duties efficiently and competently. The General Assembly, when electing members of the Board of Directors, shall take into account the recommendations of the Remuneration and Nomination Committee of the Company and the availability of the personal and professional capabilities required to perform their duties effectively. The member shall, in particular, have the following:

1. **Leadership Ability:** The member shall has leadership skills that qualify him to be granted powers in a way that leads to stimulating performance and applying best practices in the field of effective management and adherence to professional values and ethics.
2. **Efficiency:** The member shall has qualifications, appropriate professional and personal skills, level of training and practical experience, related to the company's current and future activities, management, economics, and accounting, as well as the willingness to learn and train.

3. **Capability to Steer:** The member shall have the technical, leadership, administrative capabilities, the speed of decision-making, understanding technical requirements related to workflow, and capable of strategic guiding, planning, and clear future vision.
4. **Financial knowledge:** The member shall be able to read and understand financial statements and reports.
5. **Health Fitness:** The member shall not have a health impediment that prevents him from exercising his duties and functions.
6. Must not have been convicted of a felony or misdemeanor prejudicial to honor or involving dishonesty or distrust or has been convicted of conducting an offense in financial markets or business, or was declared bankrupt, or made arrangements or conciliations with his creditors, or was unfit for membership of the Board in accordance with any applicable system or instructions in the Kingdom.
7. He shall not be a senior executive, board member or partner in a company declared bankrupt or liquidated on the basis of a judicial decision.
8. When nominating for membership in the audit committee, the candidate must have experience in financial and accounting matters that qualifies him for membership in such committee, and he should not be related to senior executives or the company's auditor.
9. In the event of a candidacy as an independent member, the nominated member shall not have any conditions that contradict independence.
10. The candidate shall not be a member of more than five joint stock companies listed in the Saudi Stock Exchange.
11. When nominating for Board membership, it shall be taken into account that there is no conflict of interest, and that the candidate should not be government employee.
12. The number of independent members shall not be less than one-third of the members of the Board.
13. The member of the Board of Directors represents all shareholders, and he shall be committed to what achieves the interests of the company in general not the interests of the group he represents or voted to appoint him.
14. The independent member shall have complete independence in his position and decisions, and none of the symptoms of independence shall apply to him.
15. The candidate for membership of the Board shall be committed to the principles of honesty, trustworthiness, loyalty, care, concern for the interests of the company and shareholders, and prioritizing the company interests over his personal interest.

Article Three: Procedures of the Board Membership Nomination

1. The company's Articles of Association determines the number of members of the Board of Directors, provided that it shall not be less than three and not more than eleven.
2. The General Assembly elects the members of the Board of Directors for the term stipulated in the Company's Articles of Association, provided that it does not exceed three years. They may be re-elected unless the company's Articles of Association stipulate otherwise.
3. Each shareholder has the right to nominate himself or another person or more for membership of the Board of Directors, within the limits of his ownership percentage in the capital.
4. The Remuneration and Nomination Committee shall coordinate with the executive management of the company to announce the opening of nomination for membership of the Board of Directors of the company before the end of the Board term.

5. The candidacy announcement shall be published on the website of the financial market (Tadawul), as well as on the company's website, and in any other means specified by the Authority, to invite persons wishing to run for membership of the Board of Directors.
6. The Remuneration and Nomination Committee shall submit its recommendations to the Board of Directors regarding candidacy for Board membership in accordance with the criteria set out in this policy.
7. Whoever wants to nominate himself for the membership of the Board of Directors of the company shall disclose his desire to be nominated by notification, submitted to the management of the company in accordance with the period and dates stipulated in this policy and the applicable laws and regulations. This notification must include a definition of the candidate in Arabic in terms of his resume, qualifications, and practical experience, in addition to providing the company with all supporting documents such as (national identity card, family card, passport for non-Saudis running for BOD membership, and any other related documents required by the company to fulfill the statutory requirements).
8. A candidate for Board membership must disclose to the Board and the General Assembly any cases of conflict of interest that include:
 - A. A direct or indirect interest in the business and contracts that are concluded for the account of the company
 - B. Candidacy for its board of directors.
 - C. Participation in a business that would compete with the company in one of the branches of the activity in which the company engaged.
9. Applicants to Board shall fill in the form or forms specified by the Capital Market Authority, which can be obtained through the Authority's website.
10. A candidate who has previously served as a member of the BOD of a joint-stock company shall attach a statement of the number and dates of the boards of directors of the companies in which he was a member. The statement shall explain the following:
 - A. The number of board meetings that took place during each year of the cycle. The number of meetings the member attended by himself, and the percentage of his attendance to all meetings.
 - B. The permanent committees in which the member participated, the number of meetings held by each of those committees during each year, the number of meetings he attended, and the percentage of his attendance to the total number of meetings.
11. If the candidate previously served as a member of the BOD of the company, he must attach with the application a statement from the secretariat of the Board of Directors of the company about the last cycle in which he assumed membership of the Board, including the following information:
 - A. The number of board meetings that took place during each year of the cycle, the number of meetings attended by the member, and the percentage of his attendance to all meetings.
 - B. The permanent committees in which the member participated, the number of meetings held by each of those committees during each year, the number of meetings he attended, and the percentage of his attendance to the total number of meetings.
 - C. A summary of the financial results achieved by the company during each year of the session.
12. The status of membership must be clarified, i.e. whether the member is an executive member, a non-executive member, or an independent member.
13. The nature of membership must be clarified, i.e. whether the member is a candidate in his personal capacity or as a representative of a legal person.

14. The member shall fill out the disclosure forms No. (1) and No. (2) issued by the Ministry of Commerce regarding conflict of interests and competing works, which can be obtained from the link:

<http://aamal.sa/CmpServices/SCmps/Pages/Forms.aspx>.

15. The members of the Board of Directors shall be voted in the form of cumulative voting.

16. The Remuneration and Nomination Committee shall coordinate with the executive management to finalize the statutory requirements and provide the relevant statutory authorities with all required documents.

17. Voting in General Assembly will be only for those who nominate themselves for Board of Directors according to the aforementioned policies, standards and procedures.

Article Four: Mechanism for Selecting the Chairman and Vice-Chairman

Shareholders shall elect the members of the Board of Directors at the General Assembly meeting according to the system and criteria included in this policy, then the Board shall elect a Chairman and a deputy from among its non-executive members. The Board shall have the right to dismiss them or re-select them at any time.

Article Five: Filling Vacancies

Should the position of a member of the BOD becomes vacant during the membership period, the BOD shall have the right to appoint a member temporarily in the vacant position according to the ranking in obtaining votes in the General Assembly that elected the BOD, provided that the new member shall have experience and sufficiency. Such appointment shall be presented to the General Assembly in its first meeting for approval, and the new member completes the term of his predecessor, in the light of what was mentioned in the Company's Articles of Association.

Article Six: Termination of Membership

1. The membership of the Board shall be terminated at the end of its term, which is three years from the date of its election by the General Assembly.
2. Membership of the Board member shall be terminated in accordance with any system or instructions in force in the Kingdom, or due to death or resignation, or if he is convicted of a crime involving moral turpitude or corruption. However, the Ordinary General Assembly may at any time dismiss all or some of the Board members, without prejudice to his right in compensation if the removal takes place without an acceptable justification or at an inconvenient time. The member of the Board may resign, provided that this is at an appropriate time, otherwise he shall be liable before the company for the damages resulting from his retirement.
3. The General Assembly may, upon a recommendation from the Board, terminate the membership of any member who fails to attend three consecutive meetings of the Board without a legitimate excuse.

Chapter Eight: Policy of Commitment to Confidentiality of Information

In this regard, the company shall do the following:

1. Familiarity and compliance with the laws and regulations related to preserving privacy and confidentiality of information, which involve the controls for regulating private data and personal information in the country in which such data and information are collected, processed, and used, as well as familiarity with and compliance with the instructions in force in the company in this regard.
2. Collecting, processing, and using personal data for legitimate purposes only, before establishing or updating any system for collecting, using, disclosing, or

transferring personal information. The company must ensure that all conditions and requirements related to dealing with personal data are fully complied with.

3. Non-utilization of, as much as possible, “anonymous and negotiable” data, and data that comes in general without a name, or “that does not have defining characteristics that are difficult to attribute to a specific person or entity.”

4. Limiting the process of obtaining, accessing, and processing personal data to those authorized to do so exclusively and for business purposes only.

5. Conduct due diligence to prevent unauthorized access to personal data while it is being processed, and to prevent sudden loss or accidental damage of such data.

6. Notify the line manager, legal affairs, or the competent security officer In case of discovering the use of personal data in a manner inconsistent with this policy, or in the event that it is discovered that the security protection of the system that contains personal data has been or is being exposed to a threat.

Part Six: **Code of Ethics**

Article One: Company Values

The code of conduct and professional ethics in the company shall be regulated through promoting the following values:

Stimulus: Providing workers with what enables them fully, clearly and correctly understand the frameworks of the rules of professional conduct, professional ethics, and the proper performance requirements that they must adhere to and work accordingly.

Engagement: Providing appropriate opportunities for the company's human resources, by taking all possible measures to create an environment based on respect and creating favorable conditions for work.

Creativity: Continuous compliance with laws, regulations, perfect performance requirements, and professional conduct that the company seeks, in support of efforts to innovate in products and operational processes, to provide solutions in an environment, characterized by a high degree of discipline, and to ensure compliance with laws and regulatory controls.

Achievement: Achieving growth by earning the trust of the company's employees, customers, and business partners, in keeping with unwavering commitment to the best ethical values, basis and principles, which represent the foundation for the professional behavior required of employees of the company, and a standard on which the company relies to evaluate their performance, without the slightest compromise or negligence in adhering to the highest ethical standards and obligations of professional integrity.

Article Two: Code of Conduct and Professional Ethics

1. The Code of Professional Ethics contains standards and policies of conduct that all employees of the company must follow and observe, in all transactions, and in every site in which they perform their work. Such transactions shall be in a way that guarantees the preservation and development of the company's interests, maximizing its value, giving priority to its interests over personal interests of employees, and ensuring not to exploit job positions - whether members of the Board of Directors or executive management - with the aim of achieving their own interests.

2. The company shall in the event of any concerns or doubts about non-compliance with the code of professional ethics, to motivate and create a culture of reporting immediately to the competent authority through the rules regulating this, through several channels, including the direct manager, human resources, legal affairs, and the telephone line dedicated to technical support in the field of dealing with legal and regulatory violations and/or direct communication with one of the independent members. An emphasis shall be given to not taking any accountability measures or legal consequences of any kind against any person as a result of reporting his fears or doubts about the occurrence of legal or regulatory violations in accordance with what is included in the provisions of these regulations.

This arises from the established principles of the company, that the members of the Board of Directors or its senior executives abide by all relevant rules, regulations, and instructions, that they represent all shareholders of the company, and are committed to what achieves their interest and the interest of the company, taking into account the rights of other stakeholders not only the interest of the group that elected them.

3. The Code of Professional Ethics consists of policies concerned with integrity, covering the most prominent areas of risks and threats, and includes rules governing behavior in several aspects, including, for example, the following rules:

- A. Dealing and conducting the company's business affairs honestly, observing the highest ethical methods and principles in management, and avoiding everything that affects the honor and dignity of the company inside and outside work.

- B. Putting time and effort to perform the work and be careful not to waste the time of others.
- C. Cooperating with colleagues at work in a way that leads to the smooth functioning of the company.
- D. Management and employees shall have some qualities, the most notable of which is loyalty to the company. Everyone must affirm loyalty and act always for the interest of the company in all business relationships, including relationships with customers, government agencies, and fellow employees. The senior management shall be informed of any behavior that may be adversely affecting the company.
- E. Conduct on the grounds that all employees are partners in the responsibility to support the objectives of the Company; related to internal administrative and financial control and adherence to these objectives.
- F. Refrain from using any information or materials, seen by the employee confidentially - as one of the company's employees - for personal purposes or interest, and avoid disclosing confidential proprietary, technical or managerial knowledge to any unauthorized party.
- G. Refrain from participating - in return for payment or free of charge - in any media activity, such as making statements or publishing articles, without a prior written permission from the authorized official in the company.
- H. Refrain from accepting gifts or advantages from external or internal parties that would affect the employee's decision or his performance of his duties in the company.
- I. Not under any circumstances offer or attempt to offer a bribe or any other temptation to a potential customer to promote the company's products or services, or with the intention of influencing his decision.
- J. Not to accept a bribe or any temptation - of any kind - to achieve any purpose, such as awarding a contract or a purchase order to a potential seller or supplier, or giving him information. If an employee is offered a bribe or any other awarding of any kind, he must report it immediately to his immediate superior.
- K. Not to exploit power, title or position for the purposes of personal gain and illegal benefit.
- L. Commitment to accuracy and fairness in recording all financial transactions of the company in accordance with internationally accepted accounting standards. The company's property shall be protected in accordance with the policies and procedures, established by the company, also ensuring that these assets are used properly, and that the financial and operational records and reports are accurate, complete, and reliable.
- M. The employee shall maintain work secrets and the information he sees or accesses by virtue of his job. He shall not transfer such unpublished information to other party outside the Company, unless it is part of the normal performance of job duties or being authorized by the company.
- N. The company prohibits the use of computers, telephone lines and equipment, the internet, and the e-mail system, in aggressive ways towards others, or in ways that compromise staff morale or performance. Company property may not be used to invite others to participate in commercial solidarity projects, or to engage in religious or political issues, or matters not related to work.
- O. All the regulations and systems in force in the Kingdom of Saudi Arabia.

Article Three: Results of Adherence to the Code of Professional Ethics

The company shall establish a culture of compliance with laws and regulations, which will enhance growth, and in turn development plans in the company through:

1. Adding value to the company's brand, and increasing the confidence of customers, suppliers, partners and communities in the company.
2. Providing an opportunity for teamwork, whereby the entire company seeks to devote its efforts towards achieving the same common goals.
3. Encouraging self-censorship, and providing protection beyond what control methods provide
4. Increasing employees' self-confidence, as they can learn about work values and introduce others to.
5. Demonstrating professional responsibility, so that employees can draw behavioral expectations that will motivate them to act in a correct professional manner.
6. Spreading the concept of compliance with laws and regulations, helping employees to work in an environment characterized by disciplined performance and adherence to the requirements of regulation.

Part Seven: Final Provisions

Part Seven: Final Provisions

Article One: Retention of Documents

The company shall keep all minutes, documents, reports and other documents required to be kept under these regulations at the company's headquarters for a period of not less than ten years.

Article Two: Publication and Entry into Force

After reviewing this regulation, the Board of Directors of the company issued, on Sunday, 03/12/2017, a resolution to approve Bawan corporate governance regulations. As for the articles that shall be approved by the General Assembly of Shareholders, the Board recommended that such articles shall be presented to the General Assembly for approval. These articles were as follows:

- Audit Committee Regulations.
- Remunerations and Nominations Committee Regulations.
- Policies, standards, and procedures for membership in the Board of Directors.
- Remuneration Policy Regulations.

In the meeting of the General Assembly of Shareholders held on Tuesday 26/12/2017, the aforementioned articles were approved by the Assembly.