المطاحن العربية
Arabian Mills

Corporate Governance Manual

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Part 1: Preliminary Provisions

Article 1: Definitions

Unless the context requires otherwise, the following terms and expressions, wherever used in this Manual, shall have the meanings assigned to each of them:

	Term	Definition
1.	Companies Law	The Saudi Companies Law promulgated by Royal Decree No. (M/132) dated 01/12/1443H.
2.	Capital Market Law	The Capital Market Law promulgated by Royal Decree No. (M/30) dated 02/06/1424H.
3.	Corporate Governance Regulations	The Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 16/05/1438H, corresponding to 13/02/2017, as amended from time to time.
4.	Ministry	The Ministry of Commerce.
5.	Articles of Association	The Company's Articles of Association.
6.	Authority	The Capital Market Authority.
7.	Company	Arabian Mills for Food Products Company
8.	The Exchange	The Saudi Stock Exchange.
9.	Manual	The Company's Corporate Governance Manual.
10.	Board	The Company's Board of Directors.
11.	Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Authority pursuant to Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017), as amended from time to time.
12.	Listing Rules	The Listing Rules proposed by the Board of the Exchange and approved by the Board of the Authority.
13.	Corporate Governance	Rules to lead and guide the Company that includes mechanisms to regulate the various relationships between the Board, Executive Directors, shareholders and Stakeholders, by establishing rules and procedures to facilitate the decision making process and add transparency and credibility to it with the objective of protecting the rights of shareholders and Stakeholders and achieving fairness,

	Term	Definition
		competitiveness and transparency on the Exchange and the business environment.
14.	Implementing Regulations of the Companies Law for Listed Joint Stock Companies	The Implementing Regulations of the Companies Law for Listed Joint Stock Companies issued by the Board of the Authority pursuant to Resolution No. (8-127-2016) dated 16/01/1438 H (corresponding to 17/10/2016), as amended from time to time.
15.	General Assembly	A convened assembly comprised of the shareholders of the Company in accordance with the provisions stipulated in the Companies Law and the Company's Articles of Association.
16.	Ordinary General Assembly	The Ordinary General Assembly of Shareholders convened in accordance with the Company's Articles of Association.
17.	Extraordinary General Assembly	The Extraordinary General Assembly of Shareholders convened in accordance with the Company's Articles of Association.
18.	Chairman of the Board	The Chairman of the Company's Board of Directors.
19.	Person	Any natural or legal person that is recognized as such under the laws of the Kingdom.
20.	The Group	When referring to a person, means the person and his affiliates.
21.	Affiliate	A person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
22.	Related Parties	1. Affiliates of the Company except for wholly-owned companies. 2. Substantial shareholders of the Company. 3. Members of the Board of Directors and Senior Executives of the Company. 4. Members of the Boards of Directors of the Company's affiliates. 5. Members of the Boards of Directors and Senior Executives of the Company's major shareholders. 6. Relatives of any of the persons referred to in Clauses (1, 2, 3, 5) above. 7. Any other company or entity controlled by any person described at (1, 2, 3, 4, 5, 6) above. For the purposes of paragraph (6) of this definition, the term "relatives" shall mean a parent, spouse, and children.

	Term	Definition
23.	Substantial Shareholders	any person who owns (5%) or more of the shares of the Company or voting rights therein.
24.	Controlling Interest	The ability to influence actions or decisions of another person directly, indirectly, individually or collectively with a relative or an affiliate through: a. owning %30 or more of the voting rights in a company, or b. having the right to appoint %30 or more of the administrative team members.
25.	Stakeholders	Any person who has an interest in the Company, including employees, creditors, customers, suppliers and the community.
26.	Cumulative Voting	A voting method for electing Board Members that grants a shareholder voting rights equal to the number of shares owned, allowing the shareholder to cast all votes for one candidate or distribute them among selected candidates without duplicating any votes.
27.	Committees	Committees formed by the Board of Directors.
28.	Board Member	A member of the Company's Board of Directors.
29.	Executive Director	A member of the Board who is a full time member of the executive management team of the Company and participates in its daily activities.
30.	Non-Executive Director	A member of the Board who is not a full-time member of the management team of the Company and does not participate in its daily activities.
31.	Independent Director	A non-executive Board Member who enjoys full independence in position and decision-making and to whom none of the Issues Affecting Independence set out in Article 18 of this Manual apply.
32.	Senior Executives or Executive Management	Persons responsible for managing the daily operations of the Company, and proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his delegates and the Chief Financial Officer (CFO).
33.	Relatives or Kinship	- Fathers, mothers, grandfathers and grandmothers (and their ancestors). - Children and grandchildren and their descendants. - Siblings, maternal and paternal half-siblings. - Husbands and wives.
34	Chief Executive Officer	The Company's Chief Executive Officer.

	Term	Definition
35	Chief Financial Officer	The Company's Chief Financial Officer.
36	Administrative Team	A group of individuals who make strategic decisions for a Person. The Company's Board of Directors is considered its Administrative Team.
37	Remunerations	Amounts, allowances, dividends and the like, periodic or annual bonuses linked to performance, long or short term incentive plans and any other in-kind benefits except the actual reasonable expenses and fees incurred by the Company to enable the Board member to perform his duties.
38	Kingdom	Kingdom of Saudi Arabia
39	Day	Calendar day whether a business day or not.
40	Employee	A person employed by the Company.
41	Policy	A policy annexed to this Manual, where applicable.

Article 2: Preamble

Introduction

The Board is responsible for managing the Company and its business affairs and shall make all decisions relating to the Company's principal policies. Accordingly, the Board has adopted this Corporate Governance Manual. This Manual, together with the Company's Articles of Association and the charters of the Board's committees, provides the appropriate framework of authority and practices for corporate governance.

The Board shall review these guidelines and other aspects of corporate governance from time to time and make such changes as it considers necessary, at its discretion, and to the extent required by the applicable Saudi laws and the regulations of the Capital Market Authority.

Purpose

This document serves as the Company's Corporate Governance Manual and sets out guidelines for effective corporate governance, with a view to enhancing long-term value for the partners.

This Corporate Governance Manual has been developed based on the Companies Law and the Corporate Governance Regulations. In developing this Manual, the guiding principles of corporate governance have been taken into consideration to ensure an effective corporate governance structure for the Company in accordance with the requirements of the Capital Market Authority.

This Manual provides guidelines for effective corporate governance in accordance with the principles and standards set out herein.

This Corporate Governance Manual shall be read in conjunction with the Companies Law, the Corporate Governance Regulations and the Company's Articles of Association. In the event of any conflict between this Corporate Governance Manual and the Companies Law, the Corporate Governance Regulations and/or the Company's Articles of Association, the Companies Law, the Corporate Governance Regulations and/or the Company's Articles of Association, as applicable, shall prevail.

Corporate Governance

The Company aspires to the highest standards of ethical conduct by doing what it says it will do, reporting results with the requisite degree of accuracy and transparency, and maintaining full compliance with the laws, rules and regulations governing the Company's business.

The Board shall provide central leadership for the Company, set its objectives and develop the strategies that guide the Company's ongoing activities towards achieving those objectives. Board Members shall shape the Company's future and protect its assets and reputation.

Board Members are accountable to the Company's Shareholders for the Company's performance. The Company's Shareholders shall, at all times, have the authority to remove the Board of Directors from office.

Article 3: Structure of the Manual

This document sets out the framework for effective corporate governance within the Company, with the aim of enhancing long-term shareholder value. The Manual addresses several key governance matters and principles and is divided into the following sections:

1) **Shareholders and the General Assembly** – This section discusses Shareholders' rights and responsibilities and the procedures for convening General Assembly meetings.
2) **Board of Directors** – This section discusses several key governance matters and principles, including the responsibilities of the Board of Directors, the qualifications of a Board Member, the responsibilities of Board Members, and the structure of the Board.
3) **Company Committees** – This section sets out the charter of each of the Board's committees, as follows:
    a. **Audit Committee Charter** – This charter discusses the purpose, responsibilities,

structure and operations of the Audit Committee of the Board of Directors.

b. **Nomination and Remuneration Committee Charter** – This charter discusses the purpose, responsibilities, structure and operations of the Nomination and Remuneration Committee of the Board of Directors.

c. **Executive Committee Charter** – This charter discusses the purpose, responsibilities, structure and operations of the Executive Committee of the Board of Directors. The Executive Committee supports the Board in carrying out the activities and duties assigned to it by the Board of Directors, with the aim of facilitating the smooth operation of the Company.

4) **Code of Conduct and Ethics** – This document discusses the policies relating to the legal and ethical standards of conduct that Board Members, Executive Management and the Company's employees are expected to observe while performing their duties and responsibilities on behalf of the Company.

5) **Disclosure Policy.**

6) **Remuneration Policy for Board Members, Committee Members and Executive Management.**

7) **Policies, Criteria and Procedures for Membership on the Company's Board of Directors.**

8) **Whistleblowing Policy.**

9) **Conflict of Interest Policy.**

10) **Dividend Distribution Policy.**

11) **Stakeholder Relations Policy.**

12) **Risk Management Policy.**

Part 2: Shareholders and the General Assembly

Chapter 1: General Rights

Article 4: Rights Related to Shares

All rights related to shares shall be guaranteed to the shareholder, and particularly the following:

a. To receive their share of dividends approved for distribution in cash or through the issuance of shares.
b. To receive their share of the Company's assets upon liquidation.
c. To attend the General or Special Shareholders Assemblies, take part in deliberations and vote on their resolutions.
d. To dispose of their shares in accordance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
e. To monitor the Company's performance and the activities of the Board of Directors; hold the Board members accountable; file liability claims against them; and appeal for nullification of the resolutions of the General and Special Shareholders Assemblies in accordance with the conditions and restrictions set forth in the Companies Law and the Company's Articles of Association.
f. To enquire and request viewing the books and documents of the Company, including the data and information related to the activities of the Company and its operational and investment strategy, in a way that is not detrimental to the interests of the Company and does not contravene any provisions of the Capital Market Law and its implementing regulations.
g. To record their shares in the Company's Shareholders Register.
h. To request to view a copy of the Company's Articles of Association and Memorandum of Association unless the Company publishes them on its website.
i. To nominate and elect Board Members.

Enabling Shareholders to Exercise Their Rights and Making Information Accessible to Them

a. The Company's Articles of Association and Internal Policies shall set out the procedures necessary to ensure that all Shareholders can exercise their legal rights.
b. The Company shall provide the information necessary to enable Shareholders to exercise their rights to the fullest extent. Such information shall be complete, clear and accurate and shall be provided to Shareholders and updated on a regular basis. The Company shall also use the most

effective means of communicating with Shareholders and shall not discriminate among them in providing information.

No Shareholder shall intervene in the operations of the Board or the work of the Executive Management of the Company unless he is a member of its Board or its Executive Management; or unless his intervention is through the Ordinary General Assembly according to its competencies or within the limits and conditions permitted by the Board.

Shareholders' Rights Related to the Meeting of the General Assembly

a. The General and Special Shareholders' Assemblies shall convene upon an invitation from the Board in accordance with the terms and conditions stated in the Companies Law and its Implementing Regulations and the Company's Articles of Association. The Board shall invite the Ordinary General Assembly to convene within 30 days from the date of the External Auditor request, the Audit Committee or a number of shareholders holding shares equal to at least (10%) of the Company's shares that have voting rights. The External Auditor may invite the Ordinary General Assembly to convene if the Board does not invite the assembly within 30 days from the date of the External Auditor's request.
b. The date, place and agenda of a General Assembly meeting shall be announced at least 21 days before the meeting date. The invitation shall be published on the Exchange's website and the Company's website. In addition, the Company may invite its Shareholders to General and Special Shareholders' Assemblies through modern technology.
c. The Company may make changes to the agenda for the General Assembly during the time frame between publishing the announcement mentioned in paragraph (b) of this Article and when the General Assembly meeting is scheduled. However, it shall be announced by the Company according to conditions outlined in paragraph (b) of this Article.
d. Shareholders shall exercise their voting rights at the General Assembly and shall be informed of the rules governing meetings and voting procedures through the General Assembly meeting notices referred to above. General Assembly meetings may also be held, and Shareholders may participate in their deliberations and vote on their resolutions, through modern means of technology.
e. The Board shall work on facilitating the participation of the largest number of Shareholders in the meetings of the General Assembly, including choosing the appropriate place and time of

such meeting.

f. When preparing the General Assembly's agenda, the Board shall take into consideration the topics that the Shareholders wish to list. Shareholders holding no less than (10%) of the Company's shares shall be entitled to add one or more items to the agenda upon its preparation. The Board shall separate each of the matters listed in the agenda of the General Assembly meeting as an independent item, and it shall not combine significantly different matters under one item, and also it shall not combine the businesses and contracts in which Board Members have a direct or indirect interest under one item, for the purpose of obtaining the Shareholders' vote for an item as a whole.

g. All matters to be discussed at the meeting shall be supported by sufficient information to enable Shareholders to make sound decisions on the items under discussion. When the invitation to convene a General Assembly is published, Shareholders shall be able to access, through the Company's website and the Exchange's website, information relating to the items on the General Assembly agenda, particularly the Board's Report, the External Auditor's report, the financial statements and the Audit Committee's Report, so that they can make informed decisions on those items. The Company shall update this information in case the General Assembly's agenda is amended.

Article 8: Management of the Shareholders' Assembly

a. The Shareholders' General Assembly meetings shall be chaired by the chairman, his deputy, if the chairman is absent, or whom is delegated by the Board of directors of its members, when the chairman and his deputy are absent); and if not possible, the General Assembly shall be chaired by whom the shareholders delegates from the Board Members or others by voting.

b. Subject to Article (96) of the Companies Law, Any Shareholder may discuss the items included on the agenda of the General Assembly and direct related questions to Board Members and the External Auditor during the meeting. The Board of Directors or the External Auditor shall answer the questions of Shareholders to the extent that does not undermine the Company's interests.

c. The Chairman of the Shareholders' Assembly shall commit to grant the Shareholders the opportunity to effectively participate and vote in the meetings of the General Assembly, and

avoid any procedure that may prevent their attendance to the assemblies or the exercise of the voting right. Furthermore, they shall be informed of the rules governing such meetings and the voting procedures.

d. General Assembly meetings shall provide individual Shareholders with an opportunity to meet and communicate with the Board of Directors to gain a better understanding of the Company's operations and prospects.

e. Shareholders shall be granted access to the minutes of the General Assembly meeting; and the Company shall provide the Authority with a copy of such minutes within (10) days of the date of any such meeting.

f. A Company shall announce to the public and inform the Authority and the Exchange, as per the rules prescribed by the Authority, of the results of a General Assembly meeting immediately following its conclusion.

Article 9: Ordinary General Assembly

a. The Ordinary General Assembly shall convene at least once a year during the six months following the end of the Company's financial year.

b. An Ordinary General Assembly meeting shall be deemed valid only if attended by Shareholders who represent at least a quarter of the Company's share capital. If this quorum is not met at the first meeting, an invitation shall be made for a second meeting to be held in accordance with the Companies Law and/or the Company's Articles of Association. The second meeting may be held one hour after the end of the period set for the first meeting, provided the invitation for the first meeting provides for the possibility of holding a second meeting. The second meeting shall be valid regardless of the number of shares represented at the meeting.

c. The Ordinary General Assembly shall discuss and address all matters relating to the Company, except for matters falling within the competencies of the Extraordinary General Assembly. The Ordinary General Assembly shall have competencies in all affairs of the Company, and

particularly the following:

- Electing and removing Board members.
- Reviewing and discussing the Board report.
- Reviewing and discussing the Company's annual financial statements.
- Deciding on the proposals of the Board with respect to the method of distributing the net dividends.
- Appointing one or more external auditor of the Company, specifying his fees, reappointing him, dismissing him, discussing his report and making a decision in its regard.
- Permitting a Board member to have direct or indirect interest in the business transactions and contracts that are executed for the Company's account, in compliance with the provisions of the Companies Law and its Implementing Regulations.
- Permitting a Board member to take part in any activities that may lead to competition with the Company, or competition in any of its activities, in compliance with the provisions of the Companies Law and its Implementing Regulations.
- Monitoring the compliance of the Directors with the provisions of the Companies Law and Its Implementing Regulations and other relevant laws and the Company's Articles of Association; inspecting any damage that may occur as a result of their violation of such provisions or mismanagement of the affairs of the Company; determining the liability resulting therefrom and undertaking the procedures it deems proper in this regard pursuant to the Companies Law and its Implementing Regulations.
- looking into the violations and errors committed by the Auditors of the Company when performing their duties and any difficulties, reported by the Company's Auditors, regarding their empowerment by the Company's Board or Management to review the books, records and other documents, statements and clarifications required to perform their duties, and respond to that as it deems appropriate in this regard.
- Setting aside amounts from the Company's net profits to achieve social purposes for the benefit of the Company's employees in accordance with Article (177) of the Companies Law.

- Using the consensual reserve if it is not allocated for a specific purpose. However, such

use shall be approved by the Board and shall be beneficial to either the Company or its Shareholders.

- Forming the Company's reserves and determining their uses.
- Approving the sale of more than (50%) of the assets of the Company, whether in one or several transactions within a period of 12 months from the date of the first selling transaction. In case selling these assets includes what falls within the competencies of the Extraordinary General Assembly, the approval of the said Assembly is required.

d. Subject to Article (92) of the Companies Law, decisions of the Ordinary General Assembly meeting shall be passed by the majority vote of voting rights represented therein.

Article 10: Extraordinary General Assembly

a. The Extraordinary General Assembly shall convene whenever necessary, at such times as the Board of Directors may determine.

b. The duties and responsibilities of the Extraordinary General Assembly shall include the following:
    - Amending the Company's Articles of Association, except for amendments which are deemed null and void pursuant to the provisions of the Companies Law.
    - Approving the Company's shares buy-back.
    - Increasing the Company's share capital in accordance with the situations provided by the Companies Law and its implementing regulations;
    - Decreasing the Company's share capital if it exceeds the Company's needs or in the event the Company incurs financial losses, in accordance with the situations provided by the Companies Law and its Implementing Regulations.
    - Resolving to maintain or liquidate the Company before the end of the term specified in its Articles of Association.
    - Deciding the use of the reserve allocated for specific purposes in the Company's Articles of Association.
    - Issuing preferred shares or redeemable shares or approving their buying, or converting a type or class of the Company's shares into another type or class of shares as per the Company's Articles of Association and the Implementing Regulations of the Companies

Law for Listed Joint Stock Companies.

- Issuing debt instruments or financing deeds convertible into shares, and stating the maximum number of shares that may be issued against these instruments or deeds.
- Allocating shares that are issued upon the capital increase or part of them for the employees of the Company, its affiliates and/or some of them.

c. The Extraordinary General Assembly may issue resolutions that fall within the competencies of the Ordinary General Assembly, provided that such resolutions shall be issued in accordance with the issuance requirements of Ordinary General Assembly resolutions which is the majority of voting rights represented at the meeting.

d. Subject to Article (93) of the Companies Law, an Extraordinary General Assembly meeting shall be deemed valid only if attended by shareholders who represent at least half of the Company's share capital. If the quorum is not met at the first meeting, a second meeting shall be held one hour after the time specified for the first meeting has elapsed, provided the invitation for the first meeting provides for the possibility of holding a second meeting. The second meeting shall be deemed valid if attended by Shareholders who represent at least a quarter of the Company's share capital.

e. Subject to Article (93) of the Companies Law, decisions of the Extraordinary General Assembly meeting shall be passed by the vote of two-thirds of the voting shares represented therein. Decisions relating to the increase or decrease of the share capital, extension of the Company's term, dissolution of the Company prior to the expiry of the term specified in its Articles of Association, merger of the Company with another company, or division of the Company into two companies or more, shall be deemed valid only if made by the vote of three-quarters of the voting shares represented in the meeting.

Article 11: Shareholders' Rights and Voting Powers

a. A Shareholder shall have the right to participate and vote at General Assembly meetings. The Company shall refrain from adopting any procedures that may hinder the exercise of voting

rights and shall seek to facilitate Shareholders' exercise of these rights.

b. Cumulative voting shall be used when electing members of the Board of Directors.

c. Members of the Board of Directors shall not vote on General Assembly decisions concerning transactions and contracts in which they have direct or indirect interest or which involve a conflict of interest.

Article 12: Shareholders' Rights Related to Dividends

a. The Board shall establish a clear policy for the distribution of dividends to achieve the interests of the Shareholders and the Company.

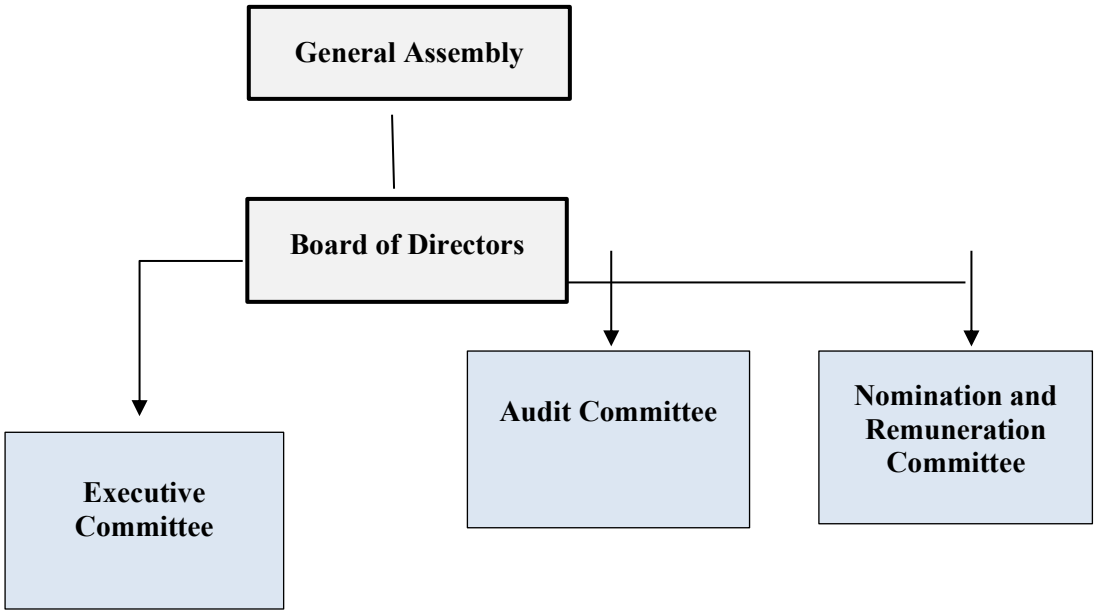
b. A Shareholder shall be entitled to receive his share of dividends as per the decision of the General Assembly in respect of the distribution of dividends to Shareholders or the Board resolution on distributing interim dividends. The resolution shall specify the record date and the distribution date provided that the resolution shall be executed as per the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.

Part 3: Board of Directors

Chapter 1: Overview of the Board of Directors

Article 13: Preamble

The Board's principal responsibilities include ensuring effective governance of the Company's affairs in the interests of its Shareholders, while balancing the interests of the Company's customers, employees, suppliers, and local communities. In all actions taken by the Board, Board members are expected to exercise sound business judgment in determining what is in the best interests of the Company. In discharging these responsibilities, Board members may rely on the integrity and good faith of the Company's senior management, employees, external advisers, and auditors. The following diagram illustrates the committees of the Board of Directors:



Article 14: Responsibilities of the Board of Directors

1. The Board shall represent all Shareholders; it shall perform its duties of care and loyalty in managing the Company's affairs and undertake all actions in the general interest of the Company and develop it and maximize its value.

2. The Company's Board shall be responsible for its actions, and if it delegates committees, bodies, or individuals to exercise some of its competencies. In all cases, the Board shall not issue a general or indefinite delegation.

3. The following describes the functions and activities that the Board regularly performs in discharging its responsibilities. These are intended to serve as guidelines, and the Board may depart from them where appropriate, provided that any such departure is consistent with the standards set out in the Companies Law, the Company's Articles of Association, and the Corporate Governance Regulations.

a. Leadership and Direction, including:

    1. Defining the Company's vision and values and ensuring that the vision is delivered and the values are upheld.

    2. Determining the direction of the business.

    3. Ensuring clarity of responsibilities and communication within the Company, and monitoring the Company's activities.

    4. Creating a positive environment that encourages constructive challenge in relation to the business.

    5. Regularly reviewing the composition and performance of the Board of Directors, as well as succession plans.

6. Appointing and, where necessary, removing the Chairman of the Board of Directors.

b. Approving the Company's strategic direction and objectives and overseeing their implementation, including:

1. Defining the key strategic goals, objectives, and desired strategic outcomes.
2. Developing the business plan, providing constructive challenge, and ensuring its effectiveness.

3. Approving the annual business plan, annual budgets for revenues and operating and capital expenditures, and the financial strategy that supports the achievement of the Company's strategy and plan.

4. Developing a framework for approving and periodically reviewing policies and plans to achieve the objectives.

5. Ensuring that all assets are managed efficiently and effectively and that capital is used appropriately, to ensure long-term continuity and sustainability of the Company and its assets.

6. Overseeing major capital expenditures, acquisitions, and disposals.

7. Setting the performance targets to be achieved and overseeing their implementation and the Company's overall performance.

8. Periodically reviewing and approving the Company's organizational and functional structures.

c. Risk Management, including:

1. Establishing, overseeing, and reviewing the risk management framework, including

approving the risk tolerance.

2. Identifying the principal risks facing the Company's business and ensuring that appropriate systems are in place to manage those risks.

3. Contributing to the review and assessment of strategic risks and receiving periodic reports on these risks and any emerging risks.

4. Ensuring that a positive culture for managing opportunities, risks, and uncertainties is adopted across the Company.

5. Determining policies and decisions relating to matters that may give rise to significant financial or other risks for the Company, or otherwise have a material impact on the Company.

6. Demonstrating the ability to identify and understand the principal risks facing the Company in achieving its objectives through its strategies and business plans.

d. Establishing an Internal Control System and Effective Oversight, including:

1. Establishing a written policy governing potential conflicts of interest involving members of the Board of Directors, Executive Management, and Shareholders. This shall include the misuse of the Company's assets and improper conduct arising from dealings with Related Parties.

2. Ensuring the soundness of the Company's financial and accounting systems, including systems related to financial reporting.

3. Ensuring the implementation of appropriate internal control systems for risk management by developing an overall understanding of the risks the Company may face and presenting those risks transparently.

4. Establishing and overseeing a framework for the delegation of responsibilities, while

avoiding the delegation of responsibilities for an indefinite period or the granting of undefined authority.

5. Conducting annual and periodic reviews of the effectiveness of the Company's internal control procedures.

6. Conducting an annual review of the effectiveness of the Company's internal control procedures. Although the Audit Committee shall conduct this review on behalf of the Board of Directors, this shall not relieve the Board of its responsibility in this regard.

e. Performance Monitoring, including:

1. Regularly reviewing and monitoring performance in relation to plans, budgets, controls, and decisions.

2. Obtaining and considering performance information relating to feedback from customers and Stakeholders and comparing the Company's performance with that of companies engaged in similar business activities.

f. Reporting on the Company's Performance, including:

1. Ensuring that the Company's business is conducted lawfully, in accordance with approved performance standards, and in compliance with disclosure, performance, and integrity requirements.

2. Ensuring that the Company complies with all relevant regulatory requirements.

3. Reviewing periodic reports issued by the Board committees, Executive Management, the internal auditor, and external auditors to evaluate their performance and address any inconsistencies identified.

4. Reviewing performance information relating to Stakeholder feedback and comparing the

Company's performance with that of companies engaged in similar business activities.

g. Corporate Governance, including:

Adopting an internal corporate governance framework for the Company that does not conflict with the provisions of the Capital Market Authority's regulations, monitoring its effectiveness, and reviewing it where necessary.

h. Commitment, including:

1. Devoting time to attending meetings and fulfilling this commitment.

2. Demonstrating a commitment to reading documents in advance and evaluating the information provided by the Company's management.

3. Making effective contributions to the decision-making process.

i. Continuously monitoring, protecting, and actively enhancing the Company's reputation.

j. Acting as a Representative of the Company, including:

1. Promoting the Company at important events and other meetings and establishing constructive and positive relationships with current and prospective internal and external partners and stakeholders, as required.

2. Monitoring, protecting, and actively enhancing the Company's reputation.

k. Executive and Administrative Matters, including:

1. Appointing and removing the Chief Executive Officer and approving the Chief Executive Officer's salary, remuneration and entitlements, and terms of employment.

2. Ensuring that appropriate policies and systems are in place for the recruitment,

development, retention, and remuneration of employees.

3. Monitoring and managing potential conflicts between the interests of management, Board members, and shareholders, including the misuse of the Company's assets and the abuse of dealings with Related Parties.

4. Establishing policies for evaluating the Company's Executive Management and ensuring that appropriate policies are approved and implemented for Executive Management to evaluate other employees.

5. Evaluating the overall performance of employees and the effectiveness of the Board of Directors and making decisions on matters relating to corporate governance.

6. Reviewing succession plans and management development programs for Executive Management.

I. Reporting, including:

1. Ensuring the integrity of the Company's accounting and financial reporting systems, including independent review, and approving appropriate control systems, particularly systems for risk monitoring, financial controls, and compliance with applicable laws.

2. Overseeing disclosure and communication with Shareholders.

3. Approving the Company's financial statements and ensuring their accuracy before they are presented to Shareholders.

In performing its oversight role, the Board of Directors shall have the authority to investigate any matter presented to it, have full access to all books and records, enter the Company's premises, communicate with the Company's employees, engage external advisers or auditors, and incur other expenses to obtain such services, which shall be borne by the Company. The Board may also meet with investment banks or financial analysts covering

the Company and require any officer or employee of the Company, the Company's external legal counsel, and the Company's external auditors to meet with the Board or any of its committees. The Board shall exercise its discretion to ensure that correspondence does not distract from the Company's business operations and to ensure that a copy of the written correspondence is sent to the Chief Executive Officer.

m. Board Membership, including:

Establishing specific and clear policies, standards, and procedures for Board membership and implementing them after they have been approved by the General Assembly.

n. Stakeholders, including:

Establishing a written policy concerning the Company's Stakeholders to protect their rights. This policy shall specifically include the following:

1. A mechanism for compensating stakeholders in the event of a breach of their legal rights established under applicable laws or contracts.

2. A mechanism for settling disputes or complaints that may arise between the Company and its Stakeholders.

3. Appropriate mechanisms for establishing strong relationships with suppliers and customers and ensuring the confidentiality of their relevant information held by the Company.

4. Establishing principles of professional conduct for the Company's management and employees, consistent with the professional and ethical standards governing relationships with Stakeholders and establishing a mechanism for monitoring their enforcement.

Article 15: Powers and Competencies of the Board of Directors

1. Without prejudice to the powers of the General Assembly, the Company's Board of Directors shall have all the powers necessary to manage the Company. The Board shall have the authority to form committees.

2. Subject to Article (21) of the Corporate Governance Regulations, and without prejudice to the competencies of the General Assembly, the Board shall have the broadest powers in managing the Company and guiding its activities to achieve its objectives. The Board of Directors shall have, without limitation, the following powers:

a. Developing and setting the plans, policies, strategies and main objectives of the Company, supervising their implementation and reviewing them periodically, and ensuring that the human and financial resources required to fulfill them are available, including:

- Setting a comprehensive strategy for the Company, key business plans and policies and mechanisms of risk management and review and guide them.
- Determining the most appropriate capital structure for the Company, its strategies and financial objectives, and approving all kinds of estimated budgets.
- Overseeing the main capital expenditures of the Company and the acquisition or disposal of assets.
- Setting performance indicators and monitoring the implementation thereof and the overall performance of the Company.
- Periodically reviewing and approving the Company's organizational and functional structures.
- Ensuring that the financial and human resources required for achieving the objectives and main plans of the Company are available.

b. Setting rules and procedures for internal control and generally overseeing them, including:

- Developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management, and the Shareholders. This shall include

misuse of the Company's assets and facilities and improper conduct arising from dealings with Related Parties.

- Ensuring the integrity of the financial and accounting systems, including systems related to financial reporting.
- Ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk management at the Company level and disclosing such risks transparently to the Stakeholders and parties related to the Company.
- Reviewing the effectiveness of the Company's internal control procedures on an annual basis.

c. Developing specific and explicit policies, standards and procedures for membership in the Board, without prejudice to the mandatory provisions of Corporate Governance Regulations and implementing them following approval by the General Assembly.

d. Developing a written policy that regulates the relationship with Stakeholders pursuant to the provisions of this Manual.

e. Developing policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to Shareholders and Stakeholders and ensuring the compliance of the Executive Management with these policies and procedures.

f. Supervising the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.

g. Providing recommendations to the Extraordinary General Assembly as to what it deems appropriate regarding the following:

- Increasing or decreasing the share capital of the Company.
- Dissolving the Company before the end of its term as specified in its Articles of Association or deciding the continuity of the Company.

h. Providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:

- Use of the Company's reserves, if they are not allocated for a specific purpose in the Company's Articles of Association.
- Forming additional financial allocations or reserves for the Company.
- The method of distributing the net profits of the Company.

i. Ensuring the accuracy and integrity of the data and information which must be disclosed pursuant to the applicable policies and systems in respect of disclosure and transparency.

j. Developing effective communication channels allowing Shareholders to continuously and periodically review the various aspects of the Company's businesses as well as any material developments.

k. Preparing the Company's interim and annual financial statements and approving them before publishing them.

l. Preparing the Board report and approving it before publishing it.

m. Forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members.

n. Specifying the types of remunerations granted to the Company's employees, such as fixed remunerations, remunerations linked to performance and remunerations in the form of shares without prejudice to the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.

o. Notifying the Ordinary General Assembly when convened of the businesses and contracts in which any Board member has a direct or indirect interest; the notification shall include the

information provided by the member of the Board as per paragraph (14) of Article (28) of the Corporate Governance Regulations and shall be accompanied by a special report of the Company's External Auditor.

p. Setting the values and standards that govern the work at the Company.

Chapter 2: Formation of the Board of Directors

Article 16: Composition of the Board

1. Pursuant to Article (68) of the Companies Law, the Ordinary General Assembly shall elect the members of the Company's Board of Directors, and the number of Board members shall be specified in the Company's Articles of Association. The Board shall consist of nine (9) members, elected for a term of four (4) years.

2. The Board shall at all times comprise a majority of non-executive members and at least three (3) independent members or one-third of the Board members, whichever is greater.

3. The Board of Directors shall elect a Chairman and a Vice Chairman.

4. The Chairman shall be elected by a majority vote of the Board members. The term "majority" shall be interpreted as a vote exceeding 51%.

5. The General Assembly shall be responsible for appointing the members of the Board of Directors for a term specified in the Company's Articles of Association. In all cases, such term shall not exceed four (4) years. The same members may be reappointed at the end of their term, provided that such reappointment does not conflict with the Company's Articles of Association. There shall be no limit on the number of terms served by Board members, nor shall there be a mandatory retirement age. The Board shall determine the term of service of its members at its discretion.

6. The Chairman shall not hold any executive position in the Company, such as department managers or operations managers.

7. A Board member shall not be a member of the Boards of Directors of more than five listed joint stock companies at the same time.

8. The Company shall notify the Authority of the names of the Board members and description of their memberships (in other joint stock companies) within five (5) business days from the commencement date of the Board term or from the date of their appointment, whichever is earlier, as well as any changes that may affect their membership within five (5) business days from the occurrence of such changes.

Article 17: Qualifications of a Board Member

1. Board members shall meet the applicable independence and experience requirements, as required under the applicable laws, rules, and regulations.

2. Board members shall be individuals of integrity and honesty who are focused on long-term shareholder value.

3. Board members shall be willing to devote sufficient time to effectively discharging their duties and responsibilities and shall be committed to long-term service on the Board.

4. Board members shall have experience in positions involving significant responsibilities, be leaders in the companies or institutions with which they are associated, and be selected on the basis of the contributions they can make to the Board.

5. Board members shall be able and willing to develop an understanding of the Company's business and express their own views.

6. The most important skills that Board members shall possess are: vision, strategic perspective, and sound managerial judgment.

Article 18: Issues Affecting Independence

1. The majority of the Board members shall be of Non-Executive Directors. The number of Independent Directors shall not be less than two members or one-third of the Board members, whichever is greater.

2. An Independent Director shall be able to perform his/her duties, express his/her opinions and vote on decisions objectively with no bias in order to help the Board make correct decisions that contribute to achieving the interests of the Company.

3. The Board shall annually evaluate the extent of the member's independence and ensure that there are no relationships or circumstances that affect or may affect his/her independence.

4. By way of example, the following negate the independence requirement for an Independent Director:

a. If he/she holds five percent or more of the shares of the Company or any other company within its group; or is a relative of who owns such percentage.

b. If he/she is a relative of any member of the Board of the Company, or any other company within the Company's group.

c. If he/she is a relative of any Senior Executive of the Company, or of any other company within the Company's group.

d. If he/she is a Board member of any company within the group of the Company for which he/she is nominated to be a Board member.

e. If he/she is an employee or used to be an employee, during the preceding two years, of the Company or a company within its group, or if he/she held a controlling interest in the Company

or any party dealing with the Company or any company within its group, such as external auditors or main suppliers during the preceding two years.

f. If he/she has a direct or indirect interest in the businesses and contracts executed for the Company's account.

g. If the member of the Board receives financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its committees exceeding an amount of (SAR 200,000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less.

h. If he/she engages in a business where he competes with the Company, or conducts businesses in any of the company's activities.

i. If he/she served for more than nine (9) years, consecutive or inconsecutive, as a Board member of the Company.

5. Unless the Nominations and Remuneration Committee considers otherwise, the businesses and contracts with the Board member to meet his/her personal needs shall not be deemed as an interest that affect the independence of the Board member which require an authorization from the Ordinary General Assembly, provided that such businesses and contracts are carried out in the same conditions and settings followed by the Company with all contractors and dealers, and that such businesses and contracts shall be within the normal course of the Company's activities.

6. The Nomination and Remuneration Committee shall review the independence of the independent Board members annually, as stipulated in its Charter.

Article 19: Termination of Board Membership

1. The membership of the Board of Directors shall terminate upon the expiration of its term or upon the termination of the member's eligibility in accordance with the laws or instructions in force in the Kingdom.

2. The General Assembly shall have the right to remove all or any of the members of the Board of Directors. A member of the Company's Board of Directors may resign, provided that the resignation is given at an appropriate time; otherwise, the member shall be liable for any damage resulting from the resignation.

3. Upon the termination of the membership of a Board member by any termination method, the Company shall promptly notify the Authority and the Exchange and shall specify the reasons for such termination.

4. If a member of the Board of Directors resigns and has comments on the performance of the Company, he shall submit a written statement explaining such comments to the Board Chairman and such statement shall be presented to the Board of Directors.

a. Resignation

A member of the Board of Directors may resign from his position by submitting a written notice to the Board Chairman. If the Chairman resigns, the notice shall be directed to the other Board members and the Board Secretary. In both cases, the resignation shall take effect from the date specified in the notice.

b. Termination

The membership of the Board of Directors shall terminate upon the expiration of its term or upon the termination of the member's eligibility in accordance with the laws or instructions in force in the Kingdom. The General Assembly, upon the recommendation of the Board of Directors, may resolve to terminate the membership of any Board member who fails to attend three (3) consecutive meetings or five (5) non-consecutive meetings during their term of office without a

legitimate excuse deemed acceptable by the Board of Directors. In addition, the term of office of a Board member may also be terminated in any of the following cases:

1. The Ordinary General Assembly may at any time dismiss all or some of the Board members. In such cases, the Ordinary General Assembly shall elect a new Board of Directors or a replacement for the dismissed member, as applicable, in accordance with the provisions of the Companies Law.

2. If it is established to the Board of Directors that the Board member has breached his duties to the detriment of the Company's interest, provided that this is accompanied by the approval of the Ordinary General Assembly.

Chapter Three: Competencies of the Chairman and Board Members

Article 20: Competencies and Duties of the Chairman of the Board

The Board of Directors shall appoint a Chairman from among its members, who shall exercise all the powers of the Board as stipulated in the Company's Articles of Association. As Chairman of the Board, the Chairman shall play a central role in ensuring sound corporate governance and shall be responsible for the effective performance of the Board's functions. The role of the Chairman shall include the following:

1. The Chairman shall represent the Company in its relations with third parties and before all courts and judicial committees, as well as before notaries public and all official and unofficial entities. The Chairman shall have the right to conduct pleadings and exercise the right of defence, sign the articles of association of companies in which the Company participates and all amendments thereto, and execute other contracts, obligations, instruments, and property transfer documents. The Chairman shall also have the authority to open bank accounts, make withdrawals and deposits, make investments, close and liquidate accounts, open letters of credit, sign documents before notaries public and the official authorities designated by the Board of Directors, and undertake all matters necessary to conduct the Company's affairs, achieve its objectives, and carry out any tasks entrusted to the Chairman by the Board. The Chairman shall

also have the right to delegate any or all these powers to any member of the Board of Directors or to a third party.

2. The Chairman shall be responsible for leading the Board and ensuring that it properly discharges its overall responsibilities for the Company as a whole.

3. The Chairman shall be responsible for:

   a. Ensuring that the Board of Directors provides leadership and vision for the Company.

   b. Ensuring that the Board of Directors participates in establishing the Company's objectives, strategies, and policies.

   c. Ensuring adequate oversight of progress towards achieving the Company's objectives.

   d. Leading Board discussions to ensure that meeting time is used effectively to address the key issues facing the Company.

   e. Preparing the agenda for Board meetings, considering any matter raised by a Board member or by the External Auditor, and consulting with Board members and the Chief Executive Officer when preparing the Board agenda.

4. Ensuring that Board members are empowered and encouraged to fulfil their roles effectively during meetings.

5. Ensuring that Board members are given sufficient opportunities to express their views.

6. Ensuring that Board members receive adequate, clear, and accurate information in a timely manner.

7. Ensuring that the minutes of meetings accurately reflect the decisions taken.
8. Participating in the continuous development of the Board as a whole and of individual Board members.

9. Monitoring the Corporate Governance Regulations.

10. Convening Board meetings as necessary.

11. Ensuring that effective communication channels are in place with Shareholders and that Shareholders' views are communicated to the Board.

Article 21: Orientation and Training of Board Members

1. The Board of Directors shall provide an orientation program for new Board members, including presentations prepared by Executive Management covering the Company's strategic plans and key issues relating to finance, accounting, and risk management; compliance programs; operations; the Code of Conduct; the management structure; key policies and practices; executive officers; and internal and external auditors. The orientation program shall also include visits to certain key branches, where practicable. In addition, each new Board member shall receive an initial information package containing copies of the Articles of Association and the Memorandum of Association, extracts from relevant policies, a general summary of the Company's plan, and other appropriate information.

2. The Board shall also provide ongoing training programs for all Board members, and all Board members are expected to participate in the orientation and ongoing training programs. The Chairman of the Board shall be responsible for providing a continuing education program for Board members, ensuring that all members receive materials and/or attend briefing sessions periodically on topics that will assist them in performing their duties. Furthermore, all Board members are encouraged to participate in appropriate continuing education programs, at the Company's expense, to assist them in discharging their duties and responsibilities.

Article 22: Tasks and Duties of Board Members

Each Board member shall, being a Board member, perform the following tasks and duties:

1. Providing proposals to develop the strategy of the Company.

2. Monitoring the performance of the Executive Management and the extent to which it has achieved the objectives and purposes of the Company.

3. Reviewing reports related to the performance of the Company.

4. Ensuring the integrity and impartiality of the financial statements and information of the Company.

5. Ensuring that the financial control and risk management systems are sound.

6. Determining the appropriate level of remunerations of the members of the Executive Management.

7. Expressing opinions as to the appointment and dismissal of members of the Executive Management.

8. Participating in developing the succession and replacement plans of executive positions within the Company.

9. Complying fully with the provisions of the Companies Law, Capital Market Law, their Implementing Regulations, the relevant regulations and the Articles of Association when performing his duties as a Board member and abstaining from taking or participating in any action that constitutes mismanagement of the Company's affairs.

10. Attending the Board and the General Assembly meetings and not being absent except for legitimate excuse of which the Chairman of the Board shall be notified by prior notice, or for emergency reasons.

11. Allocating sufficient time to fulfill his responsibilities and preparing for the Board and its committees' meetings and effectively participating therein, including raising relevant questions and carrying out discussions with the Senior Executives.

12. Studying and analyzing all information related to the matters investigated by the Board before expressing an opinion on the same.

13. Enabling other Board members to express their opinions freely and encouraging the Board to deliberate on the subjects and obtain the views of the competent members of the Company's Executive Management and others, when necessary.

14. Notifying the Board fully and immediately of any interest, either direct or indirect, in the businesses and contracts that are executed for the Company's account. This notification shall include the nature and extent of such interest, the names of concerned persons, and the expected benefit to be obtained directly or indirectly from interest whether financial or non-financial. The concerned member shall abstain from voting on any decisions issued in connection therewith in compliance with the provisions of the Companies Law, the Capital Market Law and their Implementing Regulations.

15. Notifying the Board fully and immediately of his participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company, directly or indirectly, in respect of any of its activities, in compliance with the provisions of the Companies Law, the Capital Market Law and their Implementing Regulations.

16. Refraining from disclosing or announcing any secrets he came across through his membership in the Board to any Shareholder of the Company, unless such disclosure is made during the meetings of the General Assembly, or to a third party, in pursuance with the provisions of the Companies Law, the Capital Market Law and their Implementing Regulations.

17. Working on the basis of complete information, in good faith and with the necessary care and diligence for the interest of the Company and all Shareholders.

18. Recognizing his duties, roles and responsibilities arising from the membership.

19. Developing his knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields.

20. Resigning from membership of the Board if he is unable to fully fulfill his duties in the Board.

Article 23: Duties of the Independent Director

Without prejudice to Article (28) of Corporate Governance Regulations, an Independent Director of the Board shall effectively participate in the following duties:

1. Expressing their independent perspective regarding strategic issues, the Company's policies and performance, and the appointment of members of the Executive Management.
2. Ensuring that the interest of the Company and its Shareholders are prioritized in case of any conflicts of interest.
3. Overseeing the development of the Company's Corporate Governance rules and overseeing their implementation by the Executive Management.

Article 24: Board Secretary

The Board shall appoint a secretary among its members or a third party. The Secretary's powers, competencies and wage shall be specified by a Board resolution. The Board Secretary shall not be dismissed except by a Board resolution. These powers and competencies shall include:

1. Documenting the Board meetings and preparing minutes therefor, which shall include the discussions and deliberations carried during such meetings, as well as the place, date, times on which such meetings commenced and concluded; and recording the decisions of the Board and voting results and retaining them in a special and organized register and including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by

the chairman of the meeting, all the attending members and the Secretary.

2. Retaining the reports submitted to the Board and the reports prepared by it.

3. Providing the Board members with the agenda of the Board meeting and related worksheets, documents and information and any additional information, related to the topics included in the agenda items, requested by any Board member.

4. Ensuring that the Board members comply with the procedures approved by the Board.

5. Notifying the Board members of the dates of the Board's meetings within sufficient time prior to the date specified for the meeting.

6. Presenting the draft minutes to the Board members to provide their opinions on them before signing the same.

7. Ensuring that the Board members receive, fully and promptly, a copy of the minutes of the Board's meetings as well as the information and documents related to the Company.

8. Coordinating among the Board members.

9. Regulating the disclosure register of the Board and Executive Management as per Article (89) of the Corporate Governance Regulations.

10. Providing assistance and advice to the Board members.

Chapter 4: Procedures of the Board Activities

Article 25: Board Meetings

1. The Board shall convene no less than four meetings per year, and no less than one meeting every three months.

2. The Board shall meet upon the invitation of its Chairman or upon a request from one of its members. The invitation to the meeting shall be sent to each of the Board members no less

than five days prior to the date of the meeting accompanied by its agenda and the necessary documents and information, unless circumstances require convening an emergency meeting; in such a case, the invitation accompanied with the agenda and necessary documents and information may be sent within a period less than the five days.

3. Without prejudice to the Companies Law and its implementing regulations, the Board shall convene regular meetings to perform its duties effectively, and also convene meetings whenever needed. Board meetings shall be held at the Company's head office or at any other place determined by the Board.
4. Resolutions of the Board shall be adopted at a meeting by the approval of at least 51% of the Board members, whether present in person or represented by proxy.

5. In urgent cases, the Board may adopt resolutions by circulation by submitting them to all Board members, unless any member requests in writing that a Board meeting be convened to deliberate on the matter. Such resolutions shall be adopted with the approval of at least 51% of the Board members, whether present in person or represented by proxy. Such resolutions shall be submitted to the Board at its next meeting for inclusion in the minutes of that meeting.

6. A Board member may participate in a Board meeting by telephone or similar means of communication, provided that all participants in the meeting are able to hear and speak to one another throughout the meeting. Unless notified otherwise, the Chairman may deem a participant using such means to be present in person at the meeting, and that participant's participation shall count towards the quorum.

7. The Chairman of the Board shall preside over Board meetings and shall be responsible for coordinating the Board's overall administration and activities. In the Chairman's absence, the Vice Chairman or a person delegated by the Chairman shall act in the Chairman's place. The Company's Secretary shall notify all Board members of the Board meeting.

8. The Board shall ensure that minutes are kept for all meetings, signed by the Chairman or his representative, and signed by all Board members in attendance and the Board Secretary.

9. A Board member may delegate another member to attend Board meetings on his behalf, subject to the following conditions:

   a. A Board member shall not act as a proxy for more than one member at the same meeting.

   b. The delegation shall be in writing and be limited to one specific meeting on a specified date.

   c. The proxy shall not vote on any resolution for which the principal is prohibited from voting under applicable law.

Article 26: Board Materials and Presentations

a. Important information and data necessary for understanding the Board's activities shall be provided to the Board in writing before each meeting. Management shall make every effort to ensure that these materials are as concise as possible while still containing all essential information. As a general rule, presentations on specific topics should be circulated to Board members in advance so that Board meetings can focus on the questions that Board members may raise regarding those topics. Where a matter is highly sensitive and cannot be put in writing, the presentations shall be discussed during the meeting.

b. The Board shall receive sufficient information to fully discharge its governance functions. Such information may come from a variety of sources, including management reports, personal observation, comparisons of performance against plans, securities analysts' reports, articles published in various business publications, etc.

Article 27: Remarks of Board Members

1. If any Board member has any remarks in respect of the performance of the Company or any of the matters presented and which was not resolved in the Board meeting, such remarks shall be recorded and the procedures taken or to be taken by the Board in connection therewith shall be

set forth in the minutes of the Board meeting.

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

Article 28: Attendance and Meetings

1. Board members are expected to attend the Company's General Assembly meetings, Board meetings, and meetings of the committees and subcommittees on which they serve. They are also expected to devote the necessary time and meet as frequently as required to properly discharge their responsibilities, including preparing for meetings.

2. An Independent Director of the Board shall make every effort to attend all meetings in which important and material decisions affecting the position of the Company are made.

3. The Chairman and Vice Chairman of the Board may invite one or more members of the Company's Executive Management to attend Board meetings on a regular basis. Company officers and employees may also be invited from time to time, as appropriate and depending on the circumstances.

Article 29: Board Quorum

The Board meeting shall not be valid unless attended by 51% of the Board members (whether present in person or represented by proxy), provided that the number of attendees shall not be less than three.

Article 30: Meeting Minutes

1. Pursuant to Article (83) of the Companies Law, minutes shall be prepared for each meeting, providing a comprehensive summary of the discussions held, including the resolutions adopted and voting on them. The minutes shall be signed by the members present and the Board

Secretary and shall be recorded in a special register signed by the Chairman of the Board and the Board Secretary. The minutes shall be kept in a secure location and in a manner that facilitates easy retrieval.

2. Board meetings shall be documented by assigning sequential numbers to the minutes of meetings. The minutes shall accurately reflect the proceedings of each meeting and include the names and titles of the persons present, the meeting agenda, the exact wording of the resolutions adopted, the matters discussed, the views expressed by those present, and any dissenting opinions. The minutes shall be prepared by the Board Secretary.

Article 31: Conduct of Meetings

The Chairman shall determine the degree of formality required for each Board meeting while ensuring that proper decorum is maintained during Board meetings. In all cases, the following general rules shall apply:

1. The Chairman shall ensure that all members understand the matters discussed during the meeting.

2. The Chairman shall also maintain sufficient control to ensure that the Chairman's authority is respected and that a return to certain formal procedures is possible when necessary to facilitate progress.

3. The Chairman shall ensure that resolutions are properly understood and recorded.

4. The Chairman shall ensure that decisions and discussions are brought to a conclusion by adopting an appropriate formal resolution setting out the conclusions reached.

Article 32: Engagement of Executive Management and Independent Consultants

1. In the course of performing its oversight role, the Board of Directors may investigate any matter

submitted to it, have full access to all books and records, inspect the Company's facilities, and communicate with the Company's employees. It may also appoint external legal counsel, auditors, or consultants.

2. The Board of Directors may require any member of Executive Management, any employee of the Company or any of its subsidiaries, the Company's external legal counsel, and/or the Company's external auditors to meet with the Board or any of its committees, provided that the Board exercises its discretion to ensure that such contact does not distract from the Company's business operations and that a copy of any written communication is provided to the Chief Executive Officer.

Article 33: Assessment of the Board of Directors

The Board of Directors shall conduct an annual self-assessment to determine whether the Board and its committees are operating effectively. This assessment shall be an important factor in determining the term of office of Board members, as well as the skills and attributes required of potential candidates for appointment to the Board.

Article 34: Assessment of the Chief Executive Officer

1. The Board of Directors shall evaluate the performance of the Chief Executive Officer against the objectives set by the Board, including, but not limited to, business results, and the achievement of the Company's strategy.

2. The criteria for evaluating the Chief Executive Officer shall be aligned with the long-term interests of Shareholders.

3. The Chief Executive Officer shall be evaluated against a comparable peer group, and a substantial portion of the Chief Executive Officer's total remuneration shall be based on performance.

Part 4: Company Committees

Chapter 1: General Provisions

Article 35: Formation of Committees

The Board shall form specialized committees as follows:

1. As may be needed depending on the Company's circumstances in order to enable it to effectively perform its duties.

2. The formation of the committees shall be made in accordance with general procedures developed by the Board, which shall determine the duties, term and powers of each committee, and the manner in which the Board monitors the activities of each committee. The committee shall inform the Board of its findings or decisions with complete transparency. The Board shall regularly follow up the activities of such committees to ensure the performance of the duties delegated thereto.

3. Each committee shall be responsible before the Board for its activities, this shall not relief the Board of its responsibility for such activities, duties and powers that it has delegated to such committee.

4. The number of members of a committee shall not be less than three or more than five.

5. The chairmen or whom they delegate of each committee members, shall attend the General Assembly Meetings and answer any questions raised by the Shareholders.

6. The Company shall provide the Authority with the names of the members and the types of membership in such Board's committees within five (5) days of their appointment and shall notify the Authority of any changes thereto within five (5) days of the date of such changes.

The Board of Directors has formed three committees, namely:

1. Audit Committee (please refer to Appendix 1 for the Audit Committee Charter).

2. Executive Committee (please refer to Appendix 2 for the Executive Committee Charter).

3. Nomination and Remuneration Committee (please refer to Appendix 3 for the Nomination and Remuneration Committee Charter).

Article 36: Committee Membership

1. The Board committees shall be formed by resolution of the Board of Directors. These committees shall inform the Board of Directors of their activities, results, or decisions with complete transparency. The Board of Directors shall periodically oversee the activities of these committees to ensure that the responsibilities assigned to them are properly discharged.

2. A sufficient number of Non-Executive Directors shall be appointed to the committees which perform duties that may involve a conflict of interest, such as ensuring the integrity of financial and non-financial reports, reviewing Related Party transactions, nomination to membership of the Board, appointment of Senior Executives and determining the remuneration. Chairmen and members of these committees shall comply with duties of care and loyalty and shall attend to the interests of the Company and its shareholders and prioritize them over their personal interests.

3. The Company shall take into consideration while forming the remuneration and nomination committees that their members are of Independent Directors. The Board may appoint Non-Executive Directors or persons other than Board members either from Shareholders or others, provided that the chairmen of committees mentioned in this paragraph are of the Independent Directors.

4. Chairman of the Board shall not be a member of the Audit Committee. He may be a member of other committees, provided that he is not the chairman of committees mentioned in the Corporate Governance Regulations.

5. The Company's General Assembly shall issue the Audit Committee Charter and the Nomination and Remuneration Committee Charter, upon a proposal by the Board of Directors. The Board of Directors shall approve the Executive Committee Charter. Other committees may be established from time to time by an affirmative vote of a majority of the members of the Board of Directors.

6. The purpose and responsibilities of each committee are set out in its respective charter. The Board of Directors shall appoint and remove committee members at its discretion.

7. Committee members shall meet the independence, experience, and other requirements prescribed by the applicable laws, rules, and regulations.

Article 37: Committees Meetings

1. No person other than the Secretary or the members of the committee shall have the right to attend committee meetings. However, other persons may attend at the invitation of the committee.

2. Committee meetings are valid if attended by a majority of its members. Resolutions of the committees shall be issued by a majority of the votes present and, in case of a tie, the chairman of the relevant committee shall have the casting vote.

3. Committee meetings shall be documented and minutes including the discussions and deliberations carried out during such meetings shall be prepared. Recommendations of the committees and voting results shall be documented and retained in a special and organized register, including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by all the attending members.

APPENDIX (1)

Audit Committee Charter

Audit Committee Charter

Purpose

The purpose of this Charter is to regulate the work of the Audit Committee by defining its duties, powers, working procedures, and the rules and method of selecting and nominating its members, in accordance with the Corporate Governance Regulations issued by the Authority.

The Audit Committee (the "Audit Committee" or the "Committee") assists the Board of Directors in fulfilling its oversight responsibilities in relation to the following:

1. Protecting the Company's assets.
2. Preparing reliable financial information.
3. Overseeing and monitoring enterprise-wide risks to manage the Company's operations.
4. The adequacy and effectiveness of internal control and financial accounting systems, reporting policies and practices, and the effectiveness of internal and external audit functions.
5. Compliance with applicable legal and regulatory requirements and the Company's approved policies and procedures.
6. The adequacy and accuracy of policies and procedures concerning the safety and security of the Company's assets and resources, as well as the integrity of its financial data.
7. Overseeing the Company's internal and external audit functions and ensuring their independence.
8. Establishing and overseeing a framework for identifying the key risks of the Company's operations and ensuring the implementation of appropriate risk management systems.
9. Contributing to the review and assessment of strategic risks, and receiving periodic reports on such risks and any emerging risks.
10. Ensuring a positive culture exists for managing opportunities, threats, and uncertainties across the Company.

Audit Committee Formation

1. The Audit Committee shall be formed by a resolution of the Board of Directors.
2. The Audit Committee members may be shareholders or non-shareholders, provided that at least one independent member is included, and at least one member is a specialist in financial and

accounting affairs. The Audit Committee shall not include any executive members of the Board of Directors.

3. The number of Audit Committee members shall not be less than three (3) nor more than five (5), and shall include a specialist in financial and accounting affairs.

4. It is preferable that the Chairman of the Audit Committee be an independent member.

5. Anyone who is currently working, or has worked during the past two years, in the financial or executive management of the Company, or for the Company's auditor, shall not be eligible to be a member of the Audit Committee.

6. A member of the Audit Committee shall not serve on the audit committees of more than five (5) listed joint stock companies simultaneously.

7. The Committee members shall appoint a Chairman from among themselves by a majority vote.

8. In the event of the absence of the Committee Chairman, the remaining present members shall elect one of their number to chair the meeting, or the Chairman may designate one of the members to act on their behalf.

9. The Board of Directors shall appoint the Committee members for a term of four (4) renewable years, commencing and expiring concurrently with the term of the Board. They may be reappointed as needed for the formation of the Committee.

10. Any member of the Committee may tender their resignation by giving written notice to the Company thirty (30) days prior to the effective date of such resignation.

11. The Company undertakes to notify the Ministry of the names of the Audit Committee members and their membership status within five (5) business days from the date of their appointment, as well as any changes thereto within five (5) business days from the date of such changes. The Company shall also immediately and without delay inform the Capital Market Authority and the public of any changes in the composition of the Audit Committee.

12. In the event of a vacancy on the Audit Committee, the Board may appoint a member to fill the vacant position, provided that such member possesses the requisite experience and competence. Such appointment shall be reported to the Ministry of Commerce within five (5) business days from the date thereof, and the new Audit Committee member shall complete the remaining term of their predecessor.

Audit Committee Secretary

1. The Audit Committee shall appoint a Secretary to maintain the minutes of its meetings and resolutions. The Secretary may be a member or a non-member of the Committee. The Secretary shall have no voting rights.

2. The Secretary shall be responsible for maintaining complete records of the Committee's meetings for the purpose of issuing reports on the Committee's performance and activities to the Board of Directors and the annual report of the General Assembly. In particular, the Secretary shall be responsible for:

a. Sharing the Committee's resolutions with relevant parties.

b. Coordinating with the concerned departments regarding the Committee's resolutions that require legal compliance or regulatory action.

c. Establishing a tracking and follow-up mechanism for the Committee's resolutions.

d. Performing any other tasks or responsibilities assigned by the Committee Chairman or any of its members.

Duties and Responsibilities of Audit Committee Members

1. Comply with the capital market regulations, other applicable laws and regulations, and the Company's policies when performing their duties.

2. Members shall maintain the confidentiality of Company information that comes to their knowledge while performing their duties and shall not disclose confidential information to shareholders outside the General Assembly or to any other party. In the event of a breach of this obligation, the member shall be removed from the Committee and shall be held liable for the resulting financial damages.

3. Audit Committee members may not undertake any executive work in the Company, even in the form of consulting services.

4. Members shall demonstrate integrity, honesty, objectivity, and independence in performing their duties.

5. Members may not participate in any activity that may violate the Company's rules of conduct and ethics or its principles.

6. Members shall not accept gifts from any person who has business dealings with the Company.

7. Members may not accept any work that may conflict with the Company's interests and may prevent them from performing their duties objectively.

Committee Procedures:

1. The presence of a majority of the Committee members shall constitute a quorum. Each Audit Committee member shall have one vote, and the Committee Chairman shall have a casting vote in the event of a tie.

2. The Audit Committee shall meet at least four (4) times in each financial year and shall have the authority to hold additional meetings from time to time when needed or at the request of the Board of Directors. The Committee shall hold its meetings in person or through modern means of technology.

3. The Audit Committee shall meet periodically with the Company's external auditor and with the Company's internal auditor.

4. The agenda for each meeting shall be prepared by the Committee Chairman.

5. The Committee Chairman shall preside over all Committee meetings attended by them. The resolutions and recommendations of the Audit Committee shall be documented in a separate register maintained for this purpose and duly signed by the Committee Chairman and the Secretary.

6. The Audit Committee shall meet at such times as determined by its Chairman or upon the request of any two (2) of its members.

7. The Audit Committee shall pass its resolutions by a majority vote.

8. No person other than the members of the Audit Committee shall be entitled to attend its meetings. However, members of the Board of Directors or executive management may be invited to attend any or all meetings of the Audit Committee. Invitations addressed to such members shall be coordinated by the Secretary of the Audit Committee as directed by the Committee Chairman.

9. The Audit Committee may pass its resolutions by circulation in emergency or urgent cases, or in cases where it is impracticable for the Committee to meet.

10. The Audit Committee shall maintain a record of its meetings and report thereon to the Board of Directors.

11. The meetings of the Committee shall be documented as follows:

- 11.1 The minutes shall include the date and venue of the meeting, the names of attending and absent members, a summary of the discussions held during the meeting, and the decisions and recommendations adopted.
- 11.2 The Committee Secretary shall prepare the draft meeting minutes and send them to all Committee members, who shall have seven (7) business days from the date of sending to review the draft and provide their comments.
- 11.3 The Committee Secretary shall amend the minutes' draft based on the members' remarks and forward it, along with such remarks, to the Committee Chairman.
- 11.4 The Committee Secretary shall prepare the final minutes based on the recommendation of the Committee Chairman and send them, duly signed by both the Committee Chairman and the Committee Secretary, to the Committee members for their signature.
- 11.5 The signed copy of the minutes, together with related documents and correspondence, shall be retained in a separate file maintained by the Committee Secretary.

Competencies and Duties of the Audit Committee

The Audit Committee shall be responsible for monitoring the Company's business and verifying the integrity and soundness of its reports, financial statements, and internal control systems. The Committee's duties shall particularly include the following:

a. Financial Reporting:

1. Examining the Company's interim and annual financial statements prior to submitting them to the Board of Directors, and providing its opinion and recommendations in respect thereof, to ensure their integrity, fairness, and transparency.
2. Providing a technical opinion, upon the request of the Board, as to whether the Board's report and the Company's financial statements are fair, balanced and understandable, and whether they contain information that enables shareholders and investors to assess the Company's financial position, performance, business model and strategy.
3. Examining any significant or unusual matters contained in the financial reports.
4. Thoroughly investigating any matters raised by the Company's Chief Financial Officer (CFO) or whoever assumes their duties, the Company's Compliance Officer, or the external auditor.
5. Verifying the accounting estimates in respect of material matters contained in the financial reports.

6. Examining the accounting policies adopted by the Company, and providing its opinion and recommendations to the Board of Directors in respect thereof.
7. Reviewing the external auditor's comments on the financial statements and following up on the actions taken in respect thereof.
8. Reviewing with Management and the external auditor the impact of any regulatory or accounting initiatives on the Company's financial statements.
9. Submitting regular reports to the Board of Directors regarding any issues arising in relation to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, and the performance and independence of the Company's external auditor.

b. Internal Control and Accounting Policies:

1. Reviewing with the Company Management, the internal auditors, and the external auditor the Company's general policies and procedures to obtain reasonable assurance as to the adequacy of the accounting principles and financial practices applied by the Company.
2. Reviewing the effectiveness of the Company's internal control system, including information technology security and controls.
3. Monitoring and overseeing the performance and activities of the internal auditor and the Internal Audit Department of the Company to verify the availability and effectiveness of necessary resources in performing the duties and tasks assigned to them.
4. Reviewing and providing remarks on significant new changes or amendments to existing policies and procedures approved by Management, and providing its opinion and recommendations to the Board of Directors in respect thereof.
5. Examining and reviewing the Company's internal control system, and preparing a report stating its opinion on the adequacy of such system and other work performed within its scope of competency. The Board of Directors shall deposit sufficient copies of this report at the Company's head office upon announcement of the date of the General Assembly meeting; to provide a copy to any shareholder wishing to receive one, and a summary of the report shall be read out during the General Assembly meeting.

c. External Audit:

1. Recommending to the Board of Directors on an annual basis the nomination, dismissal, and remuneration of the external auditor.

2. Reviewing and confirming the independence of the external auditors by obtaining statements from them regarding relationships between the auditors and the Company, including the provision of non-audit services, and discussing such relationships with the auditors.

3. Reviewing external audit reports, working with external auditors, and providing support to them where possible, in order to serve as an alternative point of contact between the external auditors and the Board of Directors when needed.

4. Overseeing the arrangements for the finalization the audited financial statements at year-end.

5. Examining the audit plan with the external auditor (specifically examining the scope and approach of the proposed audit), including the coordination of audit efforts with the internal auditor.

6. Examining the audited financial statements, discussing the audit approach and accounting adjustments with the external auditor, and submitting recommendations to the Board of Directors for improving internal controls and any other significant findings resulting from the audit process.

7. Considering the qualifications of the external auditor and evaluating their performance and independence, including reviewing and evaluating the lead partner, taking into account the views of the Company's Management and internal auditors, and presenting its conclusions to the Board of Directors.

8. Examining the terms and specifications of each consulting engagement relating to a special audit performed by external auditors and the remuneration therefor.

9. Meeting periodically with the external auditors to discuss any matters that the Audit Committee or the auditors deem necessary to discuss in a closed session.

d. Internal Audit:

1. Ensuring that the Company formally defines the purpose, authorities, and responsibilities assigned to the Internal Audit Unit for conducting and reviewing ongoing evaluations of the Company's operations, risk management processes, and internal control system, in coordination with Senior Management and the Audit Committee.

2. Recommending to the Board of Directors the appointment of the Head of the Internal Audit Department or the internal auditor, and proposing their remuneration.

3. Supervising internal audit activities, and reviewing its charter, scope, efficiency, independence, objectivity, performance, and work plan; examining the findings resulting from internal audit efforts with the internal auditor on a quarterly basis or as needed; and reviewing periodic and annual internal audit reports.

4. Examining summaries of all internal audit reports, including Management's responses and noted exceptions, and following up on the implementation of corrective actions for the observations contained in internal audit reports.

5. Supervising the Company's Internal Audit Unit to ensure its effectiveness in executing its duties and responsibilities as determined by the Board of Directors.

6. The Audit Committee shall have final authority to review and approve the annual audit plan and all major changes made thereto.

7. Ensuring that there are no unjustified restrictions, and reviewing and approving the appointment, replacement, or dismissal of an internal auditor.

8. Reviewing the performance of the internal auditor at least once a year, and approving their annual compensation and salary adjustment, as necessary.

9. Reviewing the effectiveness of the Internal Audit Unit, including compliance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA).

10. Meeting periodically with the internal auditor to discuss any matters that the Audit Committee or the Internal Audit Unit deems necessary to discuss in a closed session.

e. Ensuring Compliance:

1. Reviewing the effectiveness of the monitoring system and compliance with laws and regulations, and examining and following up on the findings of Management investigations (including any disciplinary actions) regarding instances of non-compliance.

2. Examining the findings of examinations conducted by regulatory authorities, and considering the auditor's observations.

3. Reviewing the contracts and transactions proposed to be entered into by the Company with related parties, and submitting its views in respect thereof to the Board of Directors.

4. Reporting to the Board of Directors any matters it deems necessary to take action on, and providing its recommendations regarding the actions to be taken.

5. Reviewing the process for communicating the code of professional conduct and ethics to the Company's employees, and the process for monitoring compliance therewith.

6. Obtaining periodic updates from Management and the Company's Legal Counsel regarding compliance matters.

f. Risk Management:

1. Supervising and enhancing the risk management framework adopted by the Company.

2. Identifying and monitoring the main risks faced by the Company, evaluating the management of such risks, and aligning risk management activities with the Company's overall objectives and policies.

3. Ensuring that risks are taken within acceptable tolerance limits, taking into account business objectives, the Company's size, workload, ratios, and its short-term and long-term outlook.

4. Ensuring that written policies and procedures are established and maintained to identify, measure, monitor and control all key risks associated with the Company's operations and objectives.

5. Approving risk management policies and procedures that define appropriate approval authority thresholds for decisions, as well as other checks and balances, limits for risk management, and administrative risk reporting requirements.

6. Receiving the results of the annual review conducted by the internal auditor regarding the enforcement of the Company's risk management policies and procedures, and submitting recommendations for changes should issues arise regarding management deficiencies or problems in the methodologies applied to measure risks.

7. Exercising administrative oversight over all precautionary reviews, following up on any required administrative actions taken by relevant sectors, and ensuring that scope is provided for a "big picture" analysis of future risks, taking into account relevant trends.

8. Conducting a critical evaluation of the Company's business strategies and plans from a risk management perspective.

9. Deliberating on policies relating to risk assessment and management, including key financial risks to which the Company is exposed and the steps taken by the Company Management to monitor and control them.

10. Periodically reviewing key risk assessment activities.

11. Considering legal claims filed against the Company.

12. Reviewing the Company's Business Continuity Plan (BCP).

g. Information Technology Systems Control:

1. The Committee shall examine and review the following with Management, the external auditors, and the internal auditor:

a. The effectiveness and/or weaknesses of the control and security system of the Company's information system.

b. Any related significant findings and recommendations submitted by the external auditors and the Internal Audit Unit, and Management's responses thereto, including considering the timeline prepared to implement recommendations for remediating identified control and security weaknesses, as well as any material risks related to key controls.

c. The status and adequacy of Management Information Systems (MIS) and other information technologies.

2. Considering the coordination of audit efforts with the internal auditor and external auditors to ensure that the audit covers key system controls and risk areas related to IT controls.

h. Other Responsibilities:

1. Performing other tasks related to the above-mentioned matters upon request from the Board of Directors.

2. Following up on allegations regarding material, financial, ethical, or legal violations, and considering severe breaches of Company policies, alleged violations of legal provisions, or code of conduct violations reported by the internal auditor or any other employee.

3. Conducting, supervising, and directing any special investigations, as needed, into matters relating to the Company's financial statements, internal controls, or compliance with laws or business ethics.

4. Reviewing all material matters falling within the scope of the Committee's charter, including any changes to accounting principles, prior to making any decision regarding the reporting practices to be followed by the Company, and submitting a report on the same to the Board of Directors.

5. Reviewing and assessing the adequacy of the Committee's charter annually, requesting the Board of Directors' approval for proposed changes, and ensuring appropriate disclosures are made in accordance with the provisions of applicable laws and regulations.

6. Reviewing the status of Zakat and tax returns as well as tax matters with Management.

7. Confirming annually that all responsibilities set forth in the Committee's charter have been duly discharged.

8. Periodically evaluating the performance of the Audit Committee and the individual performance of each member therein.

9. Establishing procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, including procedures for the confidential and anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

10. Remaining available at all times to receive suggestions, inquiries, and recommendations from external auditors, the internal auditor, and Executive Management.

Powers of the Audit Committee

1. To discharge its duties, the Audit Committee shall have the right to:

a. Investigate any matter within its duties, or any topic requested by the Board of Directors or the General Assembly.

b. Access and inspect the Company's records and documents.

c. Request any clarification or statement from the members of the Board of Directors, Executive Management, Company employees, or auditors for the purpose of investigation and inquiry into any information.

d. Seek external legal and technical advice from any third party or other independent advisory entity whenever necessary to assist the Committee in performing its duties, and investigate any deficiency relating to risk management and internal audit management.

e. Require Executive Management to inform the Chairman of the Audit Committee of any failure, fraud, or violation in accordance with its level of severity.

f. Request the Board of Directors to convene the Company's General Assembly if the Board obstructs the Committee's work or if the Company suffers material damages or losses.

Audit Committee Reports

1. Prepare a report expressing its opinion on the adequacy of the Company's internal control system and on other work it has carried out within the scope of its responsibilities. The Board of Directors shall deposit sufficient copies of this report at the Company's head office upon announcement of the date of the General Assembly meeting; to provide a copy to any shareholder wishing to receive one, and a summary of the report shall be read out during the General Assembly meeting.
2. The Committee shall transparently inform the Board of Directors of the findings it reaches or the decisions it makes, refer to the Board matters it considers necessary to take action on, and submit its recommendations regarding the measures to be taken.
3. Review the reports of the Internal Audit Department and follow up on the implementation of corrective actions regarding the observations contained therein.
4. The Audit Committee shall examine matters within its competency or those referred to it by the Board of Directors, and shall submit its recommendations to the Board for decision-making, or make decisions if delegated to do so by the Board; provided, however, that the Board of Directors shall remain ultimate responsible for such decisions.
5. The Audit Committee may seek the assistance of any internal or external experts and specialists within the limits of its powers, provided that this is documented in the Committee's meeting minutes, stating the expert's name and their relationship with the Company or Executive Management.
6. The Chairman of the Audit Committee, or a designated member thereof, shall attend the Company's General Assembly meetings to answer shareholders' questions.

Conflict between the Audit Committee and the Board of Directors

If a conflict arises between the Audit Committee's recommendations and the Board of Directors' decisions, or if the Board of Directors refuses to adopt the Committee's recommendation regarding the appointment, dismissal, remuneration, and performance evaluation of the Company's auditor, or the appointment of the internal auditor, the Board of Directors' report shall include the Committee's recommendation, its justifications, and the reasons for the Board's non-compliance therewith.

Remuneration of Audit Committee Members

1. The annual remuneration for the Audit Committee members shall be determined upon the recommendation of the Nomination and Remuneration Committee to the Board of Directors.
2. Committee members residing in a city outside the city where the Company's registered head office is located shall be entitled to reimbursement for all expenses incurred to attend meetings.

Such out-of-pocket expenses shall include reasonable costs such as travel, meals, accommodation, and other expenses incurred specifically for the purpose of attending meetings.

3. The Board of Directors' report presented to the General Assembly shall detail the remuneration and other payments made to Committee members.

Final Provisions

This Charter shall enter into force as of the date of its approval by the Ordinary General Assembly of Shareholders. The provisions of this Charter shall be reviewed as necessary upon the recommendation of the Board of Directors, provided that any proposed amendments are submitted to the General Assembly of Shareholders for approval at its next meeting.

APPENDIX (2)

Executive Committee Charter

Executive Committee Charter

Purpose

The primary duties of the Executive Committee shall include assisting the Board of Directors by performing such activities and tasks as the Board may delegate thereto, with a view to facilitating the conduct of the Company's business.

Responsibilities of the Executive Committee

The following set forth the functions and activities that the Committee routinely performs in discharging its responsibilities, which are established for guidance purposes, provided that the Committee may deviate therefrom as circumstances may require.

1. Assisting the Board of Directors by performing such activities and tasks as the Board may delegate thereto, with a view to facilitating the conduct of the Company's business.
2. Assisting the Board of Directors by setting the Company's primary strategic objectives and investment strategies.
3. Assisting the Board in identifying and formulating the Company's vision and mission.
4. Developing a business plan based on the Company's vision and mission, and assisting the Board of Directors by developing short-term and long-term business plans.
5. Facilitating the Board of Directors' task in relation to defining the primary strategic objectives, as well as the strategic targets and outcomes to be achieved for the Company.
6. Assisting the Board of Directors in periodically reviewing the Company's performance to determine whether the Company is achieving its short-term and long-term objectives.
7. Reviewing and approving all major investment decisions in alignment with the Company's approved strategies.
8. Forming or restructuring any joint venture or partnership, along with any associated expenditure.
9. Establishing a portfolio for the Company to increase its market share and maximize dividends for owners and shareholders.
10. Enhancing and developing the Company's technologies and technical support infrastructure.
11. Managing relationships with key vendors and specific key suppliers.

12. Formulating business operations, policies, and operating procedures to be followed in the Company's day-to-day operations, monitoring compliance therewith, identifying any challenges facing the Company in adhering to such policies and procedures, and proposing action plans to overcome such challenges.

13. Monitoring the overall development of employees by ensuring the provision of regular training and the enhancement of their general skills.

14. Exploring ways to conduct business in a cost-effective and efficient manner that meets customers' expectations and achieves their satisfaction.

15. Ensuring that appropriate coordination and suitable means of communication are in place between Senior Management and the Board of Directors.

16. Developing succession plans on a periodic basis to assess the employees' needs based on business requirements, and monitoring the Executive Management's performance with respect to the implementation of the business plan established by the Board of Directors.

17. Conducting inquiries or studies into internal matters of the Company that fall within the scope of its duties and responsibilities, and engaging, at the Company's expense, an independent legal counsel or other independent advisors as it deems necessary to enhance the performance of committees.

18. The Executive Committee Chairman, following consultation with the Committee members, may retain or terminate any advisor engaged by the Committee to assist the Company in fulfilling its responsibilities, and shall have the authority to approve the fees, compensate, or agree upon other retention terms for such advisor, which shall be reimbursed by the Company.

19. The Committee shall exercise the powers of the Board of Directors in performing and approving activities delegated to it by the Board, with the exception of the following:

a. Approval of the annual budget.

b. Approval of periodic and annual financial reports.

c. Approval of the Company's business strategies.

20. Performing such other activities as may be assigned to it by the Board of Directors from time to time.

Structure of the Executive Committee

1. The Executive Committee shall consist of at least three (3) members and no more than five (5) members, from among the members of the Board of Directors or external candidates.
2. One of the Committee members shall serve as the Chairman.

The Board of Directors shall appoint the Committee members for a renewable term of four (4) years, commencing and expiring concurrently with the term of the Board of Directors. They may be reappointed as required for the formation of the Committee.

Executive Committee Procedures

1. The Executive Committee shall meet at least four (4) times per financial year, with the authority to hold additional meetings from time to time as needed or upon the request of the Board of Directors. The Committee shall hold its meetings in person or via modern technology means, and shall convene once on a quarterly basis.
2. No person other than the Executive Committee members shall be entitled to attend Committee meetings. However, non-members may attend upon invitation by the Committee.
3. The Chairman of the Committee shall prepare the agenda for each meeting, and a copy thereof shall be provided to each member prior to the meeting date whenever practicable.
4. The Chairman of the Committee shall preside over all Committee meetings attended by them.
5. A majority of the Committee members shall constitute a quorum. Each member shall have one vote. The majority of members present at any meeting at which a quorum is present may act for and on behalf of the Committee. In the event of a tie, the Chairman of the Committee shall have a casting vote.
6. The Committee shall maintain records of its meetings and submit its annual reports to the Board of Directors.
7. The Committee shall evaluate its performance annually and submit a report on the results of such evaluation to the Board of Directors, provided that the evaluation includes an assessment of each member's performance and commitment to the Committee's activities.

Remuneration of Executive Committee Members

1. Remuneration of the Executive Committee members shall be in such form and amount as determined annually by the Board, upon the recommendation of the Nomination and Remuneration Committee to the Board of Directors.

2. Committee members residing in a city outside the city where the Company's registered head office is located shall be entitled to reimbursement for all expenses incurred to attend meetings. Such out-of-pocket expenses shall include reasonable and acceptable costs under customary business practice for items such as travel, meals, accommodation, and other expenses incurred specifically for business purposes.

3. The Board of Directors' report presented to the General Assembly shall detail the remuneration and other payments made to Committee members.

Final Provisions

This Charter shall enter into force as of the date of its approval by the Board. The provisions of this Charter may be amended as needed, subject to approval by the Board of Directors.

APPENDIX (3)

Nomination and Remuneration Committee Charter

Nomination and Remuneration Committee Charter

The purpose of this Charter is to regulate the work of the Nomination and Remuneration Committee by defining its duties, powers, working procedures, and the rules and method of selecting and nominating its members, in accordance with the Corporate Governance Regulations issued by the Authority.

Purpose

The Nomination and Remuneration Committee (the "Nomination and Remuneration Committee" or the "Committee") assists the Board of Directors in fulfilling its oversight responsibilities in relation to the following:

1. Identifying individuals qualified to become members of the Board of Directors, and recommending to the Board of Directors the nominees for Board membership for the General Assembly meeting of shareholders.
2. Recommending to the Board of Directors candidates for membership on each of the Board committees.
3. Overseeing the evaluation of the Board of Directors and Executive Management.
4. Overseeing all matters related to the remuneration of the Board of Directors and Executive Management.
5. Reviewing Board succession plans.
6. Evaluating the performance of the Board of Directors.
7. Remuneration and incentive policies for members of Executive Management.
8. Recruitment, retention, and termination policies for members of Executive Management.
9. Incentive schemes.
10. Retirement arrangements.
11. Remuneration framework for the Board members.

In performing its duties, the Nomination and Remuneration Committee shall have the right to access the Company's resources directly as it may reasonably require, and shall seek to maintain effective working relationships with Management.

Competencies and Duties of the Committee

The following is a description of the routine activities undertaken by the Committee in the performance of its duties.

With respect to nominations, the Committee shall be responsible for the following:

1. Assisting the Board of Directors in identifying individuals qualified to become members of the Board of Directors, and making recommendations to the Board regarding nominees for election as Board members at the General Assembly meeting. The Committee may, at its discretion, consider individuals proposed by shareholders and Management.
2. Ensuring, when recommending appointments to the Board of Directors, that no candidate previously convicted of an offense involving dishonesty is nominated.
3. Conducting an annual review of the required suitable skills for Board membership and preparing a description of the capabilities and qualifications necessary for such membership, including the time to be dedicated to Board activities by Board members.
4. Reviewing the formation of each Board committee and recommending to the Board of Directors the approval of candidates to serve as members of each committee.
5. Assisting the Board of Directors in selecting, developing, and evaluating potential candidates for executive management positions, including the Chief Executive Officer (CEO), and overseeing the development of executive management succession plans.
6. Maintaining an orientation program for new directors.
7. Developing and recommending to the Board of Directors an annual Board self-evaluation process for approval, and overseeing the annual Board self-evaluation.
8. Determining on an annual basis the compliance of each Board member and Executive Management member with the Company's Code of Conduct and Ethics, and reporting any violations of these rules to the Board of Directors.
9. Regularly reviewing the structure, size, and composition of the Board of Directors, including the required skills, knowledge, and experience, and recommending any proposed changes.
10. Conducting an annual review of the suitable skill and expertise requirements for Board membership and executive management positions, identifying weaknesses and strengths in the Board and executive management, and proposing remedial measures consistent with the interests of the Company.

11. Verifying on an annual basis the independence of independent members and ensuring the absence of any conflict of interest if a member holds a directorship in another company.
12. Identifying strengths and weaknesses in the Board and proposing solutions to address them in a manner consistent with the interests of the Company. The Committee shall establish job descriptions for executive members, non-executive members, independent members, and Senior Executives, as well as set procedures to be followed in the event of a vacancy on the Board of Directors or among Senior Executives.

With respect to remuneration, the Committee shall be responsible for the following:
1. Preparing a clear policy regarding compensation and remuneration for members of the Board of Directors, Senior Executives, and Board committees, and submitting the same to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that such policy incorporates performance-related criteria, is disclosed, and its implementation is verified.
2. Bearing direct responsibility for recommending Board remuneration. In carrying out this responsibility, the Committee shall seek to attract, motivate, reward, and retain Board members of high integrity and exceptional capability who focus on enhancing shareholder value in the long run.
3. Recommending to the Board of Directors the remuneration of Board committees and the Company's Senior Executives in accordance with the approved policy, and submitting an annual report to the Board on the recommended remuneration.
4. Reviewing and recommending to the Board of Directors the level of Executive Management remuneration, including the Chief Executive Officer (CEO), as well as reviewing and recommending the employee remuneration plan.
5. Clarifying the relationship between the remuneration awarded and the applicable remuneration policy, and highlighting any material deviation from such policy.
6. Performing such other activities as may be assigned to the Committee by the Board of Directors from time to time.
7. Reviewing and evaluating annually the adequacy of this Charter and recommending any proposed changes to the Board of Directors for approval.
8. Ensuring that the Board of Directors' report submitted to the Ordinary General Assembly includes a comprehensive statement of all amounts received by Board members during the fiscal year in the form of remuneration, dividend shares, attendance fees, expenses, and other benefits, as well as

all amounts received by directors in their capacity as officers or executive directors of the Company, or in consideration for technical, administrative, or advisory services.

Committee Composition:

1. The Chairman of the Committee shall be appointed by the Board of Directors and shall be an Independent Member. In the absence of such appointment, the Chairman shall be selected by the Committee members.
2. The Nomination and Remuneration Committee shall consist of three (3) to five (5) non-executive Board members, provided that the Company ensures that its members include independent Board members. Committee members shall be appointed by the Board of Directors and may be removed at its discretion.
3. The Board of Directors shall appoint Committee members for a renewable term of four (4) years, commencing and expiring concurrently with the term of the Board. Members may be reappointed as needed for the Committee's formation.
4. The Nomination and Remuneration Committee shall report directly to the Board of Directors.
5. The positions of Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee shall not be combined.
6. The Board of Directors may remove any member of the Nomination and Remuneration Committee. A Committee member may also resign from membership, provided that such resignation is submitted at an appropriate time.
7. The Committee shall appoint a Secretary from among its members or from non-members and shall determine their duties and remuneration (if any). The Secretary shall be responsible for documenting the proceedings and decisions of Committee meetings, circulating minutes to all members and attendees, as applicable, and recording any existing conflicts of interest at that time.
8. The term of any Committee member may be extended for an additional contractual period. In the event of a vacancy on the Committee during its term, the Board of Directors shall appoint another member to fill the vacancy.

Procedures of the Remuneration and Nomination Committee

1. The Committee shall meet periodically, at least once every six (6) months, at such times as determined by its Chairman or upon the request of two (2) of its members, to regularly review the structure, size, and compensation, as well as the required skills, knowledge, and experience.
2. The Committee may invite non-members as it deems fit to attend any meeting, without voting rights.
3. The Chairman shall prepare the agenda for each meeting, which shall be circulated to all Committee members before the meeting, and it shall be sent to the members a sufficient period before the meeting date.
4. The Chairman shall preside over all Committee meetings. In the absence of the Chairman, the Committee shall elect a member to chair that specific meeting.
5. A meeting shall be validly constituted only if attended by a majority of its members. Committee decisions shall be passed by a majority vote of the members present.
6. The Committee shall appoint a Secretary, whether from among the Company's employees or otherwise.
7. If a Committee member expresses any reservation or dissenting opinion regarding a Committee decision, such reservation or opinion shall be explicitly recorded in the meeting minutes. The Committee shall maintain a record of its meetings and report thereon to the Board of Directors.
8. Committee meetings shall be documented as follows:
    a. The minutes shall include the date and venue of the meeting, the names of attendees and absentees, a summary of discussions held, and the decisions and recommendations adopted.
    b. The Secretary of the Committee shall prepare the draft minutes of the meeting and circulate them to all Committee members for review and comments within seven (7) business days from the date of circulation. The minutes shall then be sent to all Committee members for signature after addressing the members' comments, if any.
    c. The signed copy of the minutes, along with all related documents and correspondence, shall be retained in a designated file.
9. In performing its oversight role, the Committee shall have the authority to investigate any matter brought to its attention, with full access to all books, records, facilities, and employees of the Company. The Committee shall also have the power to retain external advisors, auditors, or consultants, and incur other necessary expenses for such purpose, which shall be paid by the

Company. The Committee may request any executive officer or employee of the Company or any of its subsidiaries, as well as the Company's external legal counsel and external auditors, to meet with the Committee or any of its members.

10. The Committee shall annually evaluate its performance and report its findings to the Board of Directors. Such evaluation shall include an assessment of the performance and commitment of each member to the Committee's activities.

Remuneration of Nomination and Remuneration Committee Members

1. Annual remuneration for Committee members and the Secretary shall be set in the form and amount determined by the Board of Directors on an annual basis, in accordance with the laws, regulations, and instructions applicable to the Company.

2. Committee members residing in a city outside the city where the Company's registered head office is located shall be entitled to reimbursement for all expenses incurred to attend meetings. Such out-of-pocket expenses shall include reasonable costs such as travel, meals, accommodation, and other expenses incurred specifically for the purpose of attending meetings.

3. The Board of Directors' report presented to the General Assembly shall detail the remuneration and other payments made to Committee members.

Final Provisions

This Charter shall enter into force as of the date of its approval by the Ordinary General Assembly of Shareholders. The provisions of this Charter shall be reviewed as necessary upon the recommendation of the Board, provided that any proposed amendments are submitted to the General Assembly of Shareholders for approval at its next meeting.

المطاحن العربية
Arabian Mills

APPENDIX (4)

Code of Conduct and Ethics

Code of Conduct and Ethics

Purpose

This Code of Conduct and Ethics (the "**Code**") contains policies related to the legal and ethical standards of conduct with which Board Members, Executive Management, and Company Employees are expected to comply when performing their duties and responsibilities on behalf of the Company.

This Code is intended to focus the Board and Executive Management on areas of ethical risk, provide guidance to Employees to support them in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability.

No code or policy can anticipate every situation that may arise. Every Board Member, Executive Management member, and Employee is expected to act with honesty and integrity, exercise independent professional judgment, and avoid any improper conduct when performing their duties and responsibilities on behalf of the Company.

Conflicts of Interest

1. A conflict of interest arises when the personal interests of any of the Company's Board Members, Executive Management, or any Employee, affect their ability to make a sound business decision that serves the best interests of the Company and its shareholders.
2. Board Members, Executive Management, and Employees shall avoid any situation that may affect the proper performance of their duties.

Corporate Opportunities

Board Members, Executive Management, and Employees shall not engage in the following:

1. Exploiting business opportunities, for their own benefit, that arise through the use of the Company's property, information, or position; or
2. Using Company property, information, or position for personal gain, or to compete with the Company.

Confidential Information

Board Members, Executive Management, and Employees shall maintain the confidentiality of information entrusted to them by the Company or its customers, except in cases where disclosure of such information is authorized or required by the law. The term "Confidential Information" includes all non-public information that may be of use to competitors, or that may harm the Company or its customers, if disclosed.

Fair Dealing

Board Members, Executive Management, and Employees shall endeavor to deal fairly with the Company's customers, suppliers, competitors, and Employees. No Person may gain advantage at the expense of another through collusion, concealment, misuse of proprietary confidential information, misrepresentation of material facts, or any other unfair-dealing practice.

Protection and Proper Use of Company Assets

1. Board Members, Executive Management, and Employees shall protect the Company's assets and ensure their utilization to achieve the intended benefit, as theft, negligence, and waste have a direct adverse impact on the Company's profitability.
2. All Company assets shall be used for legitimate business purposes.

Recordkeeping and Reporting

1. Board Members, Executive Management, and Employees shall accurately record the Company's transactions in its books, records, accounts, and reports, and shall maintain an effective system of internal controls and disclosure controls to enhance compliance with the laws, rules and regulations applicable to the Company.
2. Falsification of any of the Company's books is prohibited. All reports, documents, or correspondence authorized or required by law to be disclosed to the public shall be complete, fair, accurate, timely, clear, and understandable.

Correspondence

The Company implements a clear policy regarding correspondence with its shareholders, Employees, and other Stakeholders. The Company shall disclose information in a transparent and neutral manner, and to make such information available on a timely basis.

Compliance with Laws, Rules and Regulations

Board Members, Executive Management, and Employees shall comply with the laws, rules, and regulations applicable to the Company.

Reporting Illegal or Unethical Conduct

1. Board Members, Executive Management, and Employees shall foster ethical conduct and shall encourage Employees to speak with their supervisors, managers, or any other responsible officer when in doubt regarding the appropriate action in any given situation.
2. Executive Management and Employees shall report any violations of laws, rules, regulations, or this Code to the Executive Management or the Audit Committee, as appropriate. Such violations shall be investigated, and action shall be taken by the competent personnel, the relevant Committee, or the Board, as necessary.
3. The Company shall not permit any form of retaliation for reports made in good faith.

Insider Trading

Board Members, Executive Management of the Company, and Persons related thereto may not deal in any securities of the Company during the following periods:

1. Fifteen (15) days prior to the end of the financial quarter until the date of the announcement and publication of the Company's interim results.
2. Thirty (30) days prior to the end of the financial year until the date of the preliminary announcement of the Company's annual results or the final announcement of such results, whichever is earlier.

Sustainable Environmental Protection

Board Members, Executive Management, and Employees shall make every effort to preserve the environment for future generations by striking a balance between economic growth, ongoing efforts to improve the environment, and social responsibility.

Corporate Social Responsibility

Board Members, Executive Management, and Employees shall adhere to a clear policy addressing labor practices, occupational health and safety, community engagement, as well as relationships with customers and suppliers.

Gifts and Donations

1. Board Members, Executive Management, and Employees shall not offer, solicit, or accept gifts or donations in connection with the Company's business. The Company applies strict limits in this regard and only permits its Employees to accept symbolic gifts of low value, not exceeding a maximum of SAR 500.
2. Donations for political or social purposes shall not be permitted, except within the limits prescribed by local laws and in full transparency.

Accountability

1. Every Board Member, Executive Officer, and Employee shall be responsible for knowing the relevant laws and regulations, including the Code of Conduct and Ethics.
2. In all business-related situations where the requirements of the law or this Code appear incomplete or unclear, the Board Member, Executive Officer, or Employee shall exercise sound judgment, discretion and common sense, and, if necessary, seek advice from the Company's management, legal counsel, or the Governance and Compliance Officer.
3. All Board Members, Executive Officers, and Employees are expected to comply with this Code, in form and substance.
4. Failure to comply with this Code may subject the concerned Person to disciplinary measures, including termination of employment.

Amendments and Waivers

The content of this Code shall be reviewed as and when necessary. Any amendments hereto shall be made and approved by the Board. In the event of any amendment or waiver hereof, such amendment or waiver shall be duly disclosed as required by applicable laws, rules, and regulations.

APPENDIX (5)

Disclosure Policy

Disclosure Policy

Purpose

1. The Company shall comply with the laws, rules, and regulations applicable to disclosure procedures. All reports, documents, and correspondence authorized or required to be disclosed to the public by the law shall be complete, clear, accurate, not misleading, and disclosed in a timely manner.

2. All material information and developments referred to in this Policy shall be deemed confidential until disclosed. Prior to such disclosure, the Company shall refrain from providing such information to parties not bound by confidentiality obligations and are not required to protect such information. The Company shall take all necessary steps to prevent the leakage of material information and developments prior to their disclosure time, as set forth in the Registration and Listing Rules, and the Rules on the Offer of Securities and Continuing Obligations.

3. The Company shall apply the disclosure and notification requirements set forth below.

Disclosure of Material Developments

1. The Company shall disclose to the Authority and the public without delay any material developments within the scope of its activities that are not available to the general public, which may affect its assets and liabilities, its financial position, or the general course of its business, and that may reasonably be expected to result in a change in the price of the Company's listed securities or significantly affect the Company's ability to fulfill its obligations relating to debt instruments.

2. In determining what constitutes a "material" development, the Company shall assess whether it is probable that a prudent investor would take into consideration the information relating to such development when making an investment decision.

Disclosure of Certain Events

The Company shall disclose to the Authority and the public immediately and without delay any of the following developments (whether material or not):

1. Any transaction for the purchase, sale, mortgage, or lease of an asset at a price equal to or exceeding (10%) of the Company's net assets, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.

2. Any indebtedness outside the ordinary course of the Company's business in an amount equal to or exceeding (10%) of the Company's net assets, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.

3. Any losses equal to or exceeding (10%) of the Company's net assets, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.

4. Any significant change in the Company's production environment or business activities, including but not limited to, the availability and accessibility of resources.

5. A change in the composition of the Company's Board or the Audit Committee, or a change of the Company's Chief Executive Officer.

6. Any significant lawsuit if the amount subject thereto is equal to or exceeding (5%) of the Company's existing net assets.

7. Any dispute, including any lawsuit, arbitration, or mediation, if the amount of the dispute or claim is equal to or exceeds (5%) of the Company's net assets, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.

8. An increase or decrease in the Company's net assets in an amount equal to or exceeding (10%), according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.

9. Any court judgment issued against the Board or any of its members, if the subject matter of the judgment relates to the business of the Board or any of its members.

10. An increase or decrease in the Company's total sales in an amount equal to or exceeding (10%), according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.

11. Any transaction between the Company and a Related Party, or any arrangement under which both the Company and a Related Party invest in any project or asset or provide financing therefor, if such transaction or arrangement is equal to or exceeds (1%) of the Company's total revenues, according to the latest audited annual financial statements.

12. Entering into a contract with revenues equal to or exceeding (5%) of the Company's total revenues, according to the latest audited annual financial statements, or the unexpected termination of such contract.

13. Any interruption in any of the main activities of the Company or its subsidiaries equal to or exceeding (5%) of the Company's total revenues, according to the latest audited annual financial statements.

14. Any change to the Company's Articles of Association or headquarters.

15. Any change of the statutory auditor.

16. The filing of a liquidation petition, the issuance of a liquidation order, or the appointment of a liquidator for the Company or any of its subsidiaries under the Companies Law, or the commencement of any proceedings under the Bankruptcy Law.

17. The issuance of a resolution by the Company or any of its subsidiaries to dissolve or liquidate the Company, or the occurrence of an event or the expiry of a period of time that requires the Company to be placed into liquidation or dissolved.

18. The issuance of any recommendation or resolution by a person authorized to act on behalf of the Company to apply to the court to open any bankruptcy proceedings for the Company under the Bankruptcy Law, along with a statement of the impact thereof on the Company's financial position or the general course of its business.

19. The Company's receipt of a notification from the court that a third party has filed an application for a financial restructuring proceeding, or the opening of a liquidation proceeding or an administrative liquidation proceeding under the Bankruptcy Law, along with a statement of the impact of such proceedings on the Company's financial position or the general course of its business.

20. The registration of an application with the court to open any bankruptcy proceedings for the Company under the Bankruptcy Law, along with an explanation of the future steps and their timeframes, and a statement of the impact thereof on the Company's financial position or the general course of its business.

21. The issuance of a first instance or final court judgment opening any bankruptcy proceedings for the Company under the Bankruptcy Law, along with an explanation of the future steps and their timeframes, and a statement of the impact thereof on the Company's financial position or the general course of its business.

22. The issuance of a first instance or final court judgment terminating the financial restructuring procedure or the protective settlement procedure of the Company under the Bankruptcy Law, or rejecting either of them and commencing the appropriate bankruptcy procedure, along with an

explanation of the reasons for rejection, and a statement of the impact thereof on the Company's financial position or the general course of its business.

23. The issuance of a first instance or final court judgment terminating the financial restructuring procedure or the protective settlement procedure of the Company under the Bankruptcy Law, or terminating either of them and commencing the appropriate bankruptcy procedure under the Bankruptcy Law, along with a statement of the impact thereof on the Company's financial position or the general course of its business.

24. Filing an objection before the competent court regarding the commencement or refusal to commence any of the bankruptcy procedures under the Bankruptcy Law, or the termination or non-termination of the protective settlement procedure or the financial restructuring procedure under the Bankruptcy Law, along with a statement of the impact thereof on the Company's financial position or the general course of its business.

25. The issuance of a judgment on the objection referred to in Paragraph 24 hereof, whether by upholding or overturning the court's judgment and adjudicating the case under the Bankruptcy Law, along with a statement of the impact thereof on the Company's financial position or the general course of its business.

26. Any material developments included in the reports submitted by the Company in the bankruptcy procedure commenced under the Bankruptcy Law, along with a statement of the impact thereof on the Company's financial position or the general course of its business, unless the bankruptcy trustee, the Bankruptcy Commission, or the competent authority decides that such developments shall remain confidential pursuant to the Bankruptcy Law and its Implementing Regulations.

27. The issuance of a judgment, decision, declaration, or order by a court or judicial authority, whether at the first instance or on appeal, which may adversely affect the Company's utilization of any part of its assets the total value of which exceeds 5% of the Company's net assets according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.

28. The invitation to convene the General or Special Assembly and the agenda thereof.

29. The results of the General or Special Assembly meeting.

30. Any proposed change in the Company's capital, along with a statement of the impact thereof on the holders of convertible debt instruments (as applicable).

31. Any decision to declare or recommend the declaration of dividends, pay interim dividends, or to make any other distributions to holders of listed securities.
32. Any decision or recommendation not to distribute dividends in circumstances where the Company would be expected to distribute dividends.
33. Any decision to call, repurchase, withdraw, redeem, or make a tender offer for its securities, specifying the total amount, number, and value of the securities concerned.
34. Any decision to default on payments in respect of debt instruments or convertible debt instruments.
35. Any change in the rights pertaining to any class of listed shares or debt instruments convertible into such shares.

Disclosure of Financial Information

1. The Company shall disclose its annual financial statements and its interim financial statements for the first, second, and third quarters of its financial year to the Authority and the public immediately upon approval thereof and before publishing them to shareholders or any third party. For the purposes of this Article, approval of the financial statements shall be as follows:
   a. In respect of the interim financial statements, approval thereof shall be granted following approval by the Board and signature thereof by a duly authorized member of the Board, the Chief Executive Officer, and the Chief Financial Officer.
   b. In respect of the annual financial statements, the approval thereof shall be granted in accordance with the provisions of the Companies Law and the Corporate Governance Regulations.
2. The Company shall disclose its interim and annual financial statements through the electronic systems designated for this purpose by the Exchange.
3. The Company shall prepare and review its interim financial statements in accordance with the accounting and auditing standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and shall disclose such statements to the public within a period not exceeding thirty (30) days from the end of the financial period covered by such statements.
4. The Company shall prepare and audit its annual financial statements in accordance with the accounting and auditing standards approved by SOCPA, and shall disclose such statements to the public within a period not exceeding three (3) months from the end of the annual financial period

covered by such statements. The Company shall disclose such financial statements at least twenty-one (21) calendar days before the date of the Company's Annual General Assembly meeting.

Disclosures Relating to Transactions by Major Shareholders in Shares and Convertible Debt Instruments

1. Any Person who becomes the owner of, or acquires an interest in, 5% or more of any class of the Company's voting shares or convertible debt instruments shall notify the Exchange no later than the end of the third trading day following the execution of the transaction or the occurrence of the event giving rise to such ownership or interest. The notification shall include a list of the Persons having an interest in the shares or convertible debt instruments owned by or controlled by such Persons.

2. The Person referred to in paragraph (1) of this Article shall notify the Exchange of any change to the list of persons specified therein, whether as a result of an event requiring the addition of a Person to that list or the removal of any Person previously included therein, within a period not exceeding the third trading day following the occurrence of the event that resulted in the relevant change.

3. For the purposes of this Article, when calculating the total number of shares or convertible debt instruments in which any Person has an interest, such Person shall be deemed to have an interest in any shares or convertible debt instruments owned or controlled by any of the following:

a. Such Person's Relatives.

b. Any company controlled by such Person.

c. Any other Persons acting in concert with such Person to acquire an interest in, or exercise voting rights in respect of the Company's shares or convertible debt instruments.

4. The notifications referred to herein shall be made in accordance with the forms prescribed for this purpose, provided that the notification referred to in paragraph (1) hereof shall include, at a minimum, the following information:

a. The names of the Persons who own the shares or convertible debt instruments or who are entitled to dispose thereof.

b. Details of the acquisition transaction.

c. Details of any financial assistance provided by another Person for the acquisition, or any financing loans.

Board's Report

The Company shall provide the Authority and its shareholders, within three months from the end of the financial year, with a report issued by the Board. Such report shall include a review of the Company's operations during the last financial year and all factors affecting the Company's business that an investor needs to be aware of in order to assess its assets, liabilities, and financial position. The Board's report shall include the following:

1. The provisions of the Corporate Governance Regulations that have been implemented and those that have not been implemented, together with the reasons therefor.
2. The names, qualifications, and experience of the Board Members, the members of the Committees, and the Executive Management.
3. The names of companies inside or outside the Kingdom on whose boards of directors any Board Member currently serves or has previously served, or in which any such Board Member currently holds or has previously held a managerial position.
4. The composition of the Board and the classification of its members as follows: Executive Board Member, Non-Executive Board Member, and Independent Board Member.
5. The measures taken by the Board to inform its members, particularly the Non-Executive Members, of shareholders' proposals and comments concerning the Company and its performance.
6. A brief description of the functions and responsibilities of the Committees, including the names of the committees, their chairpersons and members, the number and dates of their meetings, and the attendance records of the members at each meeting.
7. Where applicable, the methods adopted by the Board to evaluate its performance and the performance of its Committees and Board Members, the external entity that conducted the evaluation, and its relationship with the Company, if any.
8. Disclosure of the Remuneration of the Board Members and the Executive Management in accordance with the Corporate Governance Regulations.
9. Any penalty, sanction, precautionary measure, or precautionary restriction imposed on the Company by the Authority or any supervisory, regulatory, or judicial authority, including the reasons for the violation, the authority imposing the penalty or measure, and the means of remedying the violation and preventing its recurrence in the future.

10. The results of the annual review of the effectiveness of the Company's internal control procedures, together with the Audit Committee's opinion on the adequacy of the Company's internal control system.

11. The Audit Committee's recommendation to appoint an internal auditor for the Company, if such a recommendation was made during the last financial year.

12. The recommendations of the Audit Committee that conflict with the decisions of the Board, or that the Board declined to adopt, regarding the appointment or dismissal of the external auditor, the determination of the external auditor's fees, and the evaluation of the external auditor's performance, together with the justifications for such recommendations and the reasons for not adopting them.

13. Details of the Company's social contributions, if any.

14. A statement of the dates of the General Assembly meetings held during the last financial year and the names of Board Members who attended each meeting.

15. A description of the main activities of the Company and its subsidiaries. If two or more activities are described, a statement shall be provided for each activity, indicating its impact on the Company's business volume and its contribution to the Company's results.

16. A description of the Company's significant plans and decisions (including structural changes to the Company, expansion of its business, or cessation of its operations), and the future outlook for the Company's business.

17. Information relating to any risks faced by the Company (whether operational, financing, or market risks) and the policies for managing and monitoring such risks.

18. A summary, in the form of a table or chart, of the Company's assets, liabilities, and business results for the last five financial years or since its incorporation, whichever is shorter.

19. A geographical analysis of the total revenues of the Company and its subsidiaries.

20. An explanation of any material differences between the operating results and those of the previous year or any forecasts announced by the Company.

21. An explanation of any departure from the accounting standards approved by SOCPA.

22. The name of each subsidiary, its share capital, the Company's ownership percentage therein, its main activity, the country in which its main operations are located, and the country of its incorporation.

23. Details of the shares and debt instruments issued by each subsidiary.

24. A description of the Company's dividend distribution policy.

25. A description of any interest in a class of voting shares held by Persons (except the Company's Board Members, Senior Executives, and their Relatives) who have notified the Company of such interests pursuant to Article 67 of the Rules on the Offer of Securities and Continuing Obligations, and any changes to such interests during the last financial year.

26. A description of any interest, contractual securities, and subscription rights held by the Company's Board Members, Senior Executives, and the Relatives of the foregoing in the Company's shares or debt instruments or those of any of its subsidiaries, and any changes in such interests or rights during the last financial year.

27. Information relating to any loans owed by the Company (whether repayable on demand or otherwise), and a statement of the total indebtedness of the Company and its subsidiaries, including any amounts repaid by the Company in respect of loans during the year, the principal amount of each loan, the name of the lending entity, the loan term, and the outstanding balance. If the Company has no loans, it shall provide a declaration to that effect.

28. A description of the classes and numbers of any convertible debt instruments, contractual securities, pre-emption rights, or similar rights issued or granted by the Company during the financial year, specifying any consideration received by the Company in respect thereof.

29. A description of any conversion or subscription rights under convertible debt instruments, contractual securities, subscription rights warrants, or similar rights issued or granted by the Company.

30. A description of any redemption, repurchase, or cancellation by the Company of any redeemable debt instruments, and the value of the remaining securities, distinguishing between listed securities purchased by the Company and those purchased by its subsidiaries.

31. The number of meetings of the Board held during the last financial year, the dates on which such meetings were held, and the attendance record for each meeting, specifying the names of those in attendance.

32. The number of requests made by the Company for the shareholders' register, the dates of such requests, and the reasons therefor.

33. A description of any transaction between the Company and a Related Party.

34. Information relating to any business transactions or contracts to which the Company is a party and in which any Board Member, any of its Senior Executives, or any Person related to any of the foregoing has or had an interest. Such information shall include the names of the Persons concerned

with the transactions or contracts, the nature, terms, duration, and value of the transactions or contracts. If no such transactions or contracts exist, the Company shall provide a declaration to that effect.

35. A statement of any arrangement or agreement pursuant to which any Board Member or any Senior Executive has waived any salary or Remuneration.

36. A statement of any arrangement or agreement pursuant to which any shareholder of the Company has waived any right to dividends.

37. A statement of the amounts of statutory payments made and payable in respect of any Zakat, taxes, fees, or other dues that remain unpaid as at the end of the annual financial period, together with a brief description of such amounts and the reasons for non-payment.

38. A statement of the value of any investments or reserves established for the benefit of the Company's Employees.

39. Declarations confirming the following:

a. That the accounting records have been properly prepared.

b. That the internal control system has been established on sound foundations and effectively implemented.

c. That there is no significant doubt as to the Company's ability to continue as a going concern.

40. If the external auditor's report on the annual financial statements contains any reservations, the Board's report shall explain such reservations, the reasons therefor, and any related information.

41. If the Board recommends changing the external auditors before the expiry of the term for which such external auditors were appointed, the report shall include details of such recommendation and the reasons therefor.

42. Information relating to any business that competes with the Company or any of its business activities and that is carried on or was carried on by any Board Member. Such information shall include the names of the Persons concerned with the competing businesses and the nature and terms of such businesses. If no such competing businesses exist, the Company shall provide a declaration to that effect.

Disclosure of Corporate Governance

a. The Company shall disclose on its website material information regarding the policies and procedures it follows in relation to Corporate Governance.

Audit Committee's Report

a. The Audit Committee's report shall include details of the Committee's performance of its functions and responsibilities as prescribed under the Companies Law and its Implementing Regulations, and shall include its recommendations and opinion on the adequacy of the Company's internal control, financial control, and risk management systems.

b. The Board shall deposit sufficient copies of the Audit Committee's report at the Company's head office and publish the report on the Company's website and the Exchange's website when the notice convening the General Assembly is published, to enable any shareholder who so wishes to obtain a copy thereof. Further, a summary of the report shall be read out during the General Assembly meeting.

Disclosure by Board Members

The Board shall regulate the disclosure processes applicable to each of its Board Member and member of the Executive Management, taking into account the following:

1. A dedicated register of disclosures made by Board Members and Executive Management shall be maintained and updated periodically in accordance with the disclosure requirements under the Companies Law, the Capital Market Law, and their respective Implementing Regulations.
2. The Company's shareholders shall be permitted to access the register free of charge.

Disclosure of Remunerations

The Board shall:

1. Disclose the Remuneration Policy and the manner in which the Remuneration of Board Members and the Company's Executive Management is determined.
2. Disclose accurately, transparently, and in detail, in the Board's report, the Remuneration granted, directly or indirectly, to Board Members and the Executive Management, without concealment or misleading disclosure, whether such Remuneration consists of amounts, benefits, or advantages, regardless of their nature. If such benefits consist of shares in the Company, the value attributed to the shares shall be their market value as at the due date.
3. Explain the relationship between the Remuneration granted and the applicable Remuneration Policy, and identify any material deviation from such Policy.

4. A statement setting out the necessary details of the Remuneration and compensation paid to each of the following separately:

a. Board Members.

b. The five Senior Executives who received the highest Remuneration from the Company, including the Chief Executive Officer and the Chief Financial Officer, on an aggregate basis.

c. Members of the Committees.

5. The disclosure required under this Article shall be included in the Board's report and made in accordance with the forms set out in the Corporate Governance Regulations, as amended from time to time.

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Arabian Mills

APPENDIX (6)

Remuneration Policy for Board Members, Board Committee Members and Executive Management

Remuneration Policy for Board Members, Board Committee Members and Executive Management

Purpose

1. A clear Policy has been prepared regarding the compensation and Remuneration of Board Members, Senior Executives, and Committees emanating from the Board. This Policy takes into account the adoption of performance-related criteria, disclosure thereof, and verification of its implementation. Further, such Policy applies to the Board Members, members from the Committees emanating from the Board, and the Company's Executive Management.

2. This Policy has been formulated in accordance with the Companies Law, the Capital Market Law, and their respective Implementing Regulations, with the aim of remunerating Board Members, members of the Committees emanating from the Board, and Executive Management fairly and equitably, in a manner consistent with the Company's objectives.

3. The Nominations and Remuneration Committee shall be responsible for periodically reviewing this Policy and assessing its effectiveness.

First: Remuneration Philosophy

1. The Company aims to attract competent and talented individuals to serve on the Board and perform the roles assigned to the Committees and Executive Management, taking into account their individual backgrounds and aspirations. The Company seeks to remunerate such individuals in accordance with their individual differences and expectations, in a manner that ensures internal equity and external competitiveness. Additionally, the Company focuses on retaining individuals who adhere to the Company's values and demonstrate the conduct expected by the Company.

2. The Company aims to align its internal Remuneration framework so that individuals serving on the Board and its Committees, as well as those holding executive positions, receive the most competitive Remunerations in the market. Moreover, the Company aims to establish exclusive benefits programs for such individuals to attract and retain the best available talent.

Second: Remuneration Policy

1. The Nominations and Remuneration Committee shall be responsible for making recommendations to the Board regarding the Remuneration of the Company's Board Members, members of the Committees, and Senior Executives.

2. The Company shall take into account the following in its Remuneration Policy:

a. Consistency with the Company's strategy and objectives.

b. Remuneration shall be granted to encourage the Board Members and Executive Management to ensure the Company's success and growth over the long term, for example, by linking the variable component of Remuneration to long-term performance.

c. Remuneration shall be determined based on the job level, the duties and responsibilities assigned to the position holder, academic qualifications, practical experience, skills, and performance level. When determining the remuneration of Board members, the performance of the individual member and the Company shall be taken into consideration in accordance with the criteria set out in this Policy.

d. Consistency with the Company's size, nature, and level of risk.

e. Taking into account the Remuneration practices of other companies when determining Remuneration, while avoiding any unjustified increases in Remuneration and compensation that may arise from such practices.

f. The Remuneration**s** Policy shall aim to attract, retain, and motivate professional talent without being excessive.

g. The Remuneration**s** Policy shall be prepared in coordination with the Nominations and Remuneration Committee in the case of new appointments.

h. The circumstances in which Remuneration may be withheld or recovered if it is found to have been determined on the basis of inaccurate information provided by a Board Member or Executive Management, in order to prevent the exploitation of one's position to obtain undue Remuneration.

i. The regulation of the granting of shares in the Company to the Board Members and Executive Management, whether through a new issuance or shares purchased by the Company.

Third: Members of the Board of Directors

In accordance with Article (76) of the Companies Law, the remuneration of Board members may consist of a fixed amount, in-kind benefits, or a specified percentage of net profits. Two or more of these benefits may be combined, in compliance with the provisions of the Companies Law, the Corporate Governance Regulations, and the rules and standards established by the Capital Market Authority in this regard, When determining the remuneration of Board members, such remuneration shall be fair, motivating, and proportionate to the performance of the individual member and the

Company. In evaluating a Board member's performance, consideration shall be given to the extent of the member's compliance with their duties and responsibilities, active participation in meetings of the Board of Directors and the committees of which they are a member, and contribution to the Board's activities and the achievement of its objectives.

In evaluating the Company's performance, consideration shall be given to the extent to which the Company has achieved its objectives and approved plans, as well as its financial and operational results. The Nomination and Remuneration Committee shall ensure that the above-mentioned criteria are taken into account when preparing its recommendations regarding the remuneration of Board members, The Board of Directors' report to the Ordinary General Assembly shall include the Remuneration Policy and the mechanisms for determining such remuneration, as well as a comprehensive statement of all remuneration, expense allowances, and other benefits received by Board members during the financial year, The report shall also include a statement of the amounts received by Board members in their capacity as employees or executives, or in consideration of technical, administrative, or consultancy services approved by the General Assembly.

Fourth: Committee Members

1. The Board of Directors shall determine and approve the remuneration for members of its committees and attendance allowances and other entitlements in light of this Policy which was prepared based on a recommendation from the Nomination and Remuneration Committee.

2. The remuneration of members of the committees formed by the Board of Directors shall consist of an annual remuneration (fixed amount), meeting attendance allowances, and other entitlements, as specified in this Policy and in accordance with the table included in this Policy.

Fifth: Executive Management

The Remuneration of Executive Management shall comprise the following:

1. A basic salary (payable monthly at the end of each month);
2. Allowances, including but not limited to, housing allowance, car allowance, telephone allowance, and children's education allowance;
3. Insurance benefits, including but not limited to, medical insurance, health insurance, life insurance, and accident insurance;
4. Short-term incentive plans linked to individual and Company performance, and long-term incentive plans, such as stock options;

5. Other benefits, including but not limited to, annual leave, annual return airfare tickets, and end-of-service benefits.

Sixth: Payment of Remuneration

First: The remuneration of Board members shall be paid in Saudi Riyals (SAR), and the amounts specified below shall represent the minimum remuneration. Such remuneration shall be determined based on the recommendation of the Nomination and Remuneration Committee, within the scope of its responsibilities

Second: Remuneration of Board Members and Members of Other Committees Formed by the Board of Directors:.

Remuneration of Board Members:

1. Attendance allowance per meeting for each Member.	SAR(3,000)
2. Additional allowance (travel and transportation) for those based outside the city where the meeting is held (Riyadh)-per meeting-.	SAR (3,000)
3. Fixed Annual Amount per Member	SAR(250,000)
4. Fixed Annual Amount for the Chairman of the Board of Directors.	SAR(300,000)

Amendment and Payment Mechanisms:

- The fixed annual remuneration of a Board member and the Chairman of the Board, as referred to in paragraphs (3) and (4) of Clause (Second) above, may be reviewed from time to time based on the recommendation of the Nomination and Remuneration Committee, taking into account changes in performance.
- Meeting attendance allowances and additional attendance allowances shall be paid on a quarterly basis.

Remuneration of Members and Chairmen of Committees Formed by the Board of Directors:

The remuneration specified in this Clause shall apply to the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and any other committees that may be formed in the future:

1. Attendance allowance per meeting for each Member.	SAR (3,000)
2. Fixed Annual Amount per Member	SAR (150,000)
3. Fixed Annual Amount for the Chairman of the Committee.	SAR (175,000)
The fixed annual remuneration and meeting attendance allowances shall be paid on a quarterly basis.	

Medical insurance and airport services may be provided to members of the Board of Directors and members of its committees and their covered family members, in accordance with the policy recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, for those who do not receive these benefits from another entity obliged to provide them.

Seventh: Remuneration Confidentiality

The confidentiality of remuneration information shall be maintained to the extent that it does not conflict with statutory disclosure requirements. Any disclosure made by the Company in compliance with the Companies Law, the Capital Market Law, their Implementing Regulations, or the requirements of regulatory authorities shall not constitute a breach of confidentiality.

Any breach of confidentiality in relation to any aspect of remuneration shall be considered a serious matter, and any individual who disregards this responsibility may be subject to disciplinary action in accordance with the Company's policies and the disciplinary policy adopted by the local regulatory authority.

Eighth: Final Provisions

The provisions of this Policy shall become effective as of 1 January 2026, following the approval of its amendments by the General Assembly of Shareholders.

The Nomination and Remuneration Committee shall review this Policy as needed and submit any proposed amendments to the Board of Directors for subsequent submission to the General Assembly of Shareholders for approval.

APPENDIX (7)

Policies, Criteria and Procedures for Membership on the Company's Board of Directors

Policies, Criteria and Procedures for Membership on the Company's Board of Directors

First: Policies and Criteria for Membership on the Company's Board of Directors:

1. The candidate for Board membership shall not have been previously convicted of an offense involving moral turpitude and dishonesty, nor be insolvent, bankrupt, or unfit for Board membership pursuant to any laws or regulations in force in the Kingdom.
2. A Board member shall not hold membership in the boards of directors of more than five listed joint-stock companies in the financial market simultaneously.
3. The candidate shall not be a government employee, unless the candidate is nominated as a representative of a government entity, or has obtained prior written approval from the candidate's employer permitting the candidate to combine their government employment with membership on the boards of directors of companies.
4. The candidate shall possess professional competence, including the necessary experience, knowledge, skill, and independence enabling them to perform their duties efficiently and capably.
5. The candidate shall possess **leadership ability** by having leadership skills that qualify them to delegate powers in a manner that stimulates performance, implements best practices in effective management, and adheres to professional values and ethics.
6. The candidate shall possess **competence**, through having the scientific qualifications, professional and suitable personal skills, level of training, and practical experience relevant to the Company's current and future activities, or in management, economics, accounting, law, or governance, as well as the willingness to learn and train.
7. The candidate shall possess the **ability to provide guidance**, through having technical, leadership, and administrative capabilities, swift decision-making skills, understanding of technical requirements related to workflow, and the ability to provide strategic direction, planning, and a clear future vision.
8. The candidate shall possess **financial knowledge**, by being able to read and understand financial statements and reports.

9. The candidate shall enjoy **physical fitness**, by having no health impediment that hinders them from performing their duties and powers, and possessing the personal and professional elements necessary to perform their duties effectively.
10. The candidate shall possess effective communication and strategic thinking skills.
11. The candidate for Board membership shall adhere to the principles of honesty, integrity, loyalty, care, and attention to the interests of the Company and shareholders and prioritizing them over their personal interest, through the Board member's relationship with the Company being a sincere professional relationship, disclosing any material information to the Company prior to executing any transaction or contract with the Company or one of its subsidiaries, avoiding transactions involving a conflict of interest while verifying the fairness of the transaction and observing the provisions regarding conflict of interest set forth in the Corporate Governance Regulations, and performing the duties and responsibilities set forth in the Companies Law, Capital Market Law, the Company's Articles of Association, and other relevant laws.
12. Diversity in scientific qualification and practical experience shall be observed, and nomination priority shall be given to the needs required from individuals with suitable skills for Board membership.
13. The majority of Board members shall be non-executive members, and one-third of the Board members or no less than two members (whichever is greater) shall be independent members.
14. The Independent member shall enjoy complete independence in position and decisions, and none of the independence impediments set forth in Article Nineteen of the Corporate Governance Regulations shall apply to them.
15. The Board member shall represent all shareholders and shall act in the best interests of the Company in general, rather than the interests of the group they represent or that voted for their appointment to the Board.
16. Board membership shall terminate upon resignation, death, removal by a resolution of the General Assembly, conviction of any offense involving moral turpitude and dishonesty, bankruptcy, insolvency, or unfitness for Board membership pursuant to any laws, regulations, or regulations in force in the Kingdom.
17. A Board member shall resign before the end of their term in the Board if they lose their eligibility to act as a Board member, become incapacitated from performing their work, or are

unable to allocate the necessary time or effort to perform their responsibilities on the Board. In the case of a conflict of interest, the member shall have the option to obtain authorization from the General Assembly renewed annually or submit their resignation.

Second: Procedures for Membership of the Company's Board of Directors

1. The Nomination and Remuneration Committee shall coordinate with the Executive Management of the Company to announce the opening of nominations for Board membership, in accordance with the Companies Law, the Corporate Governance Regulations, and the regulations of the Capital Market Authority.
2. Every shareholder shall have the right to nominate themselves or one or more other persons for Board membership, within the limit of their ownership percentage in the capital.
3. Any person wishing to nominate themselves for Board membership shall announce their intent by serving a notice to the Company's management within the timeframes and deadlines specified under the applicable laws, regulations, circulars, and resolutions. Such notice shall include a profile of the candidate detailing their curriculum vitae, qualifications, and work experience, as well as the completion of any form issued by the Capital Market Authority.
4. Any person wishing to nominate themselves for Board membership shall disclose to the Board and the General Assembly any conflicts of interest, including:
    a. Having a direct or indirect interest in the business and contracts concluded for the account of the Company whose Board they wish to join.
    b. Engaging in any business that competes with the Company, or competes in one of the sectors in which it operates.
5. A candidate who has previously served as a Board member in any joint-stock company shall disclose the number and dates of the boards of directors on which they served.
6. A candidate who has previously served as a member of the Company's Board shall attach to the nomination notice a statement from the Company's management regarding the last term in which they served on the Board, including the following information:
    a. The number of Board meetings held during each year of the term.

b. The number of meetings attended by the member in person, and their attendance ratio relative to the total number of meetings.

c. The standing committees in which the member participated, the number of meetings held by each committee during each year of the term, the number of meetings attended, and the attendance ratio relative to the total number of meetings.

7. The membership capacity shall be specified, namely whether the member is an executive, non-executive, or independent member.
8. The nature of membership shall be specified, namely whether the member is nominated in their personal capacity or as a representative of a legal entity.
9. The Nomination and Remuneration Committee, in coordination with the Executive Management of the Company, shall provide the Capital Market Authority with the CVs of candidates for Board membership using the prescribed CV form for Board membership candidates in joint-stock companies listed on the Saudi Exchange (Tadawul), alongside copies of the nomination notice and its enclosures.
10. The Nomination and Remuneration Committee shall implement any comments received from competent authorities regarding any candidate.
11. Voting at the General Assembly shall be restricted to candidates who have nominated themselves in accordance with the aforementioned policies, standards, and procedures.

Final Provisions

This policy shall enter into force and be strictly adhered to by the Company as of the date of its approval by the General Assembly of shareholders. The content of this policy shall be reviewed as necessary upon the recommendation of the Board of Directors and the Nomination and Remuneration Committee, provided that any proposed amendments are submitted to the General Assembly of shareholders for approval at its next meeting.

APPENDIX (8)

Whistleblowing Policy

Whistleblowing Policy

This policy applies to all stakeholders (including the Company's employees). The Company shall maintain the highest standards of transparency, considering the mechanism that enables employees to report wrongdoings in a responsible and effective manner a vital aspect of reliability and transparency. While a fundamental clause in every employment contract requires the employee to serve the Company faithfully and refrain from disclosing its confidential information, should an employee discover information indicating serious wrongdoings or violations within the Company, the employee shall report such information to the competent internal management without fear of retaliation, provided that independent arrangements are made away from the employee's direct management.

This policy has been developed to ensure that no employee feels embarrassed or reluctant to raise any wrongdoings. It is intended to assist employees reporting wrongdoings within the Company, and is not designed to question the Company's financial and commercial decisions, nor to address matters normally falling under behavioral or disciplinary infractions, grievances, or other procedures. Minor incidents shall be handled through the Company's administrative structure, and where possible, the employee shall reach out to their direct manager at the earliest opportunity to discuss concerns regarding any wrongdoings.

First: Scope of the Policy

This policy aims to achieve the following:

1. Assisting stakeholders (including the Company's employees) to report to the Board of Directors any acts or practices committed by the Executive Management that violate applicable laws, regulations, and rules, or raise suspicion regarding the financial statements, internal control systems, or other matters, whether or not such acts or practices are directed against them, and conducting the necessary investigation regarding them.
2. Maintaining the confidentiality of reporting procedures by facilitating direct communication with an independent member of the Audit Committee or other specialized committees.
3. Assigning a designated person to receive and handle stakeholder complaints or reports.
4. Allocating a telephone number or email address to receive complaints.
5. Providing the necessary protection for stakeholders.
6. Enabling the Company's employees to raise their serious concerns with the Company's management up to the highest level within the Company. These concerns include:

a. Financial wrongdoings or fraud.

b. Non-compliance with obligations prescribed under applicable laws, rules, and regulations.

c. Health, safety, or environmental risks.

d. Criminal offenses.

e. Misconduct or unethical behavior.

f. Attempting to commit any of the aforementioned acts.

Second: Precautionary Procedures

This policy is intended to provide protection to Company employees who disclose the aforementioned concerns (the "whistleblower"), thereby enabling them to disclose serious concerns without fear of any retaliation.

Disclosures shall in all cases be made in accordance with the following:

1. In good faith.
2. Based on the whistleblower's reasonable belief that it will lead to the occurrence of a wrong or improper practice.
3. To an appropriate person or through the Company's direct communication channels.
4. The Company will not tolerate any harassment toward the whistleblower, and such act shall be deemed a punishable violation.

Third: Confidentiality

The Company shall undertake to process all reported cases in a confidential and sensitive manner, while maintaining the confidentiality of the whistleblower's identity, provided that this does not impede any investigation.

In any event, the whistleblower may be required to provide a statement as part of the required evidence.

Fourth: False Allegations

If a whistleblower submits a report in good faith, and the investigation reveals no findings to support the allegation, no action shall be taken against the whistleblower; however, the whistleblower shall

ensure accuracy when submitting a report. Disciplinary measures shall be taken against any individual who submits a report maliciously, particularly in cases of insistence thereon.

Fifth: Disclosure Procedures

The Company shall establish a mechanism for receiving reports to ensure independence in the investigation and to handle them in a sensitive and serious manner. Reports shall be handled according to the risks they pose.

If the whistleblower is an employee of the Company, they may report to their direct supervisor to take the necessary action. Alternatively, if they do not wish to inform their supervisor, they may submit the report to the Chairman of the Audit Committee or the Chief Legal and Compliance Officer of the Company, or they may use the designated telephone number or email address for receiving reports.

Sixth: Inquiry and Investigation

If there is evidence of criminal activity or activity violating applicable regulations at the Company's workplaces, the investigator, whether the Chairman of the Audit Committee or the Chief Legal and Compliance Officer, shall take the necessary measures to notify the competent authorities.

The Company undertakes not to obstruct any internal investigation or any formal external investigation. Due to the varying nature of such complaints, the timeline for these investigations may also vary depending on the type and nature of the case. The investigator shall undertake to ensure that investigations are conducted as expeditiously as possible, without compromising the quality and depth of such investigations.

The investigator shall send a written acknowledgment of the case to the whistleblower as soon as possible, and subsequently informing them of the outcome of the investigation and the proposed action to be taken. If the investigation is lengthy, the investigator shall remain in contact with the whistleblower to inform them of any progress in the inquiry and the expected time for its completion. All responses to the whistleblower shall be in writing and sent to their address or the address specified by them. Alternatively, the response may be provided electronically upon the whistleblower's request. Under no circumstances may the whistleblower share the investigator's responses with any third party, as doing so constitutes a punishable violation by the employee.

Seventh: Final Provisions

This policy shall enter into force and be strictly adhered to by the Company as of the date of its approval by the Board of Directors. The content of this policy shall be reviewed as necessary upon the recommendation of the Board of Directors, and any amendments shall be approved by the Board based on a proposal from the Audit Committee.

APPENDIX (9)

Conflicts of Interest Policy

Conflicts of Interest Policy

The purpose of this Policy is to set forth the policies and procedures governing conflicts of interest for the Company's shareholders, the Board of Directors, its committees, the Executive Management, employees, and other stakeholders, as necessary. This Policy also aims to assist stakeholders in handling conflict-of-interest situations in accordance with statutory requirements and in line with the objectives of accountability and transparency implemented by the Company in its operations. This Policy applies to the following stakeholders:

1. Substantial shareholders of the Company.
2. Members of the Board of Directors and its committees.
3. Senior executives and employees of the Company.
4. Auditors and consultants of the Company.
5. Other stakeholders, as applicable.

First: Dealing with Conflicts of Interest

1. A Board member shall not have any direct or indirect interest in the business and contracts executed for the account of the Company, except with authorization from the Ordinary General Assembly. A Board member shall notify the Board of any direct or indirect interest they hold in the business and contracts executed for the account of the Company, and such notice shall be recorded in the minutes of the General Assembly meeting. The concerned member shall not participate in voting on the resolution issued in this regard by the Board of Directors or the General Assembly. The Chairman of the Board of Directors shall inform the Ordinary General Assembly, upon its convening, of the business and contracts in which a Board member has a direct or indirect interest, accompanied by a special report from the Company's external auditor. If a Board member fails to disclose their interest, the Company or any interested party may petition the competent judicial authority to invalidate the contract or compel the member to disgorge any profit or benefit realized therefrom.
2. A Board member shall not engage in any business that competes with the Company, or compete with the Company in any of its lines of business; otherwise, the Company may petition the competent judicial authority for appropriate compensation, unless the member has obtained authorization from the Ordinary General Assembly permitting them to do so.

3. The Company shall not grant any type of loan to any of its Board members or shareholders, nor guarantee any loan contracted by any of them with third parties. Excluded from this prohibition are loans and guarantees granted by the Company under its employee incentive schemes approved in accordance with the Company's Articles of Association or by a resolution of the Ordinary General Assembly. Any contract executed in violation of the provisions of this clause shall be null and void, and the Company reserves the right to claim compensation before the competent judicial authority for any damage it may sustain.
4. All Board members, substantial shareholders, Executive Management, and employees of the Company shall avoid situations that lead to a conflict between their interests and those of the Company, and shall manage such situations in accordance with the provisions of the Companies Law and its Executive Regulations.
5. Any Board member or employee shall not engage in any activity that results in a personal interest causing any form of conflict with the interests of the Company, except after obtaining prior written approval to that effect.
6. Every Board member, member of Executive Management, and employee of the Company undertakes not to exploit or benefit from, directly or indirectly, any of the Company's assets or properties for any personal interest, and further undertakes not to use such assets or properties outside the scope of the Company's business and activities.
7. Every Board member shall continuously disclose situations that may lead to a conflict of interest or upon the occurrence of such a conflict.
8. Every Board member shall abstain from voting or participating in decision-making regarding any matter involving a conflict between their interest and the interest of the Company.
9. Upon entering into a transaction or contract with a related party, the Company shall notify the Capital Market Authority and the public without delay of such transaction or contract, provided that it equals or exceeds one percent (1%) of the Company's total revenue according to the latest audited annual financial statements.
10. If it is established that this Policy has been breached, the Board may petition the competent judicial authorities to claim appropriate compensation from the violator for all damages or losses sustained by the Company, unless the violator has obtained authorization permitting such action from the Ordinary General Assembly.

Second: Avoiding Conflicts of Interest

a. **A Board member shall:**
   1. Perform their duties with honesty and integrity, prioritize the Company's interests over their personal interests, and refrain from exploiting their position for personal gain.
   2. Avoid situations of conflict of interest and notify the Board of any conflict that may impair their objectivity when deliberating matters presented to the Board. The Board shall exclude such member from deliberations and abstain from counting their vote on such matters in Board and Shareholders' General Assembly meetings.
   3. Maintain the confidentiality of information pertaining to the Company and its activities, and refrain from disclosing the same to any person.

b. A Board member shall not, directly or indirectly, exploit or benefit from any of the Company's assets, information, or investment opportunities presented to them in their capacity as a Board member or presented to the Company. This includes investment opportunities falling within the scope of the Company's activities or those which the Company intends to engage in. This prohibition shall likewise apply to any Board member who shall resign for the purpose of directly or indirectly exploiting investment opportunities which the Company intends to engage in and of which they became aware during their tenure on the Board.

Third: Nominee Disclosure of Conflict of Interest

Any nominee seeking nomination for Board membership shall disclose to the General Assembly and the Board any conflict of interest, including:

1. Entering into a contract or transaction with the Company for whose Board membership they are nominated.
2. Engaging in any business that competes with the Company or competes with any of its business activities.

Fourth: Competition with the Company

Subject to the provisions of the Companies Law and relevant terms of this Policy, if a Board member intends to engage in any business that competes with the Company or competes with any line of its business activities, the following requirements shall be satisfied:

1. The Board member shall notify the Board of the competing business activities they intend to engage in, and such notice shall be recorded in the minutes of the relevant Board meeting.
2. The interested member shall abstain from voting on the resolution issued in this regard at both Board and Shareholders' General Assembly meetings.
3. The Chairman of the Board shall inform the Ordinary General Assembly, upon its convening, of any competing business activities engaged in by a member of the Board or any of its committees.
4. Prior authorization shall be obtained from the Company's Ordinary General Assembly, or from the Board pursuant to authorization delegated by the Ordinary General Assembly, permitting the member to engage in such competing activities.

Fifth: Concept of Competing Businesses

Participation in any business that competes with the Company or competes with any line of its business activities shall include, without limitation:

1. Establishing a company or sole proprietorship, or holding a material percentage of shares or stakes in another company or entity that engages in an activity similar to that of the Company or its group.
2. Accepting membership on the board of directors of a company or entity competing with the Company or its group, or assuming the management of a competing sole proprietorship or a competing company, regardless of its legal form.
3. Obtaining a commercial agency or its equivalent, whether disclosed or undisclosed, for another company or entity that competes with the Company or its group.

Sixth: Indirect Interest

An interest shall be deemed indirect if the business and contracts executed for the account of the Company may generate financial or non-financial benefits for any of the following categories, including without limitation:

1. Relatives of a Board member.
2. A Joint-liability company, limited partnership, or limited liability company in which a Board member or any of their relatives is a partner or manager.

3. A joint-stock company, simple joint-stock company, or limited liability company in which a Board member or any of their relatives, individually or collectively, holds 5% or more of its total ordinary shares.
4. An entity, other than companies, owned or managed by a Board member or any of their relatives.
5. An entity or company where the Board member or any of their relatives serves as a board member or senior executive, excluding the Company's subsidiaries.

Seventh: Business and contracts Not Requiring Authorization

Business and contracts executed to meet personal needs shall not be deemed a direct or indirect interest requiring authorization from the Ordinary General Assembly (or from the Board of Directors through authorization delegated by the Ordinary General Assembly), provided that they are conducted under the same terms and conditions applied by the Company to the general public and contractors, and such business and contracts fall within the ordinary course of the Company's business.

Eighth: Obligations of the Board and Board Committee Members

Members of the Board and its committees shall comply with the following:

1. All members of the Board and its committees shall perform their duties with honesty and integrity, prioritize the Company's interests over their personal interests, and refrain from exploiting their positions for personal gain or private benefit.
2. All members of the Board and its committees shall maintain the confidentiality of the Company's information and activities, and refrain from disclosing the same to any person.
3. All members of the Board and its committees shall Immediately notify the Board and provide written disclosure of any personal interest they hold in business and contracts executed for the Company's account, and ensure such notice is recorded in the meeting minutes.
4. All members of the Board and its committees shall refrain from accepting gifts from any person having business dealings with the Company if such gifts would give rise to a conflict of interest.
5. A Board member shall not hold any interest (direct or indirect) in business and contracts executed for the Company's account without authorization from the General Assembly.

6. A Board member shall avoid situations of conflict of interest and notify the Board of any situation that may impair their objectivity when deliberating matters presented to the Board. The Board shall exclude such member from deliberations and abstain from counting their vote on such matters.
7. A Board member shall not vote on Board or General Assembly resolutions pertaining to business and contracts executed for the Company's account in which they have a direct or indirect interest.
8. A Board member shall not, directly or indirectly, exploit or benefit from any of the Company's assets, information, or investment opportunities presented to them in their capacity as a Board member or presented to the Company, including opportunities within the scope of the Company's activities or those the Company intends to engage in. This prohibition shall likewise apply to any Board member who resigns for the purpose of directly or indirectly exploiting investment opportunities which the Company intends to pursue and of which they became aware during their tenure.
9. A Board member shall obtain prior authorization from the General Assembly and subsequently disclose any contract or transaction entered into between them and the Company, or their participation in any business that competes with the Company or any line of its business activities.
10. If the General Assembly refuses to grant authorization in accordance with the Companies Law and Corporate Governance Regulations, the Board member shall submit their resignation within a timeframe prescribed by the General Assembly; otherwise, their Board membership shall be deemed terminated, unless the member elects to abandon the competing activity or rectify their status in accordance with the Companies Law and the Implementing Regulations for Listed Joint-Stock Companies prior to the expiry of the prescribed timeframe.

Ninth: Board Authorization Pursuant to Delegation from the General Assembly

The Ordinary General Assembly is entitled to delegate the authorization power provided in Paragraph (9) of Article Eight of this Policy to the Board, subject to the following conditions:

1. The total value of the transaction or contract, or the aggregate value of transactions and contracts during the fiscal year, shall be less than 1% of the Company's revenues according

to the latest audited financial statements, provided that it does not exceed SAR 10,000,000.

2. That the business or contract falls within the ordinary course of the Company's business.
3. The business or contract shall be free of any preferential terms for the Board member and shall be conducted under the same terms and conditions applied by the Company to the general public and contractors.
4. The business or contract shall not involve advisory or consultancy services performed by the Board member for the Company under a professional license.
5. The Board member shall be responsible for accounting for the transactions referred to in Subparagraph (1) of Paragraph (A) of this Article in which they hold a direct or indirect interest during a single fiscal year.
6. The Ordinary General Assembly is entitled to delegate the authorization power provided in Paragraph (9) of Article Twelve of this Policy to the Board of Directors, provided that the General Assembly's resolution specifies the competing businesses and activities which the Board may authorize during the delegation period.
7. The delegation term shall be for a maximum period of one year from the date of the Ordinary General Assembly's approval, or until the end of the term of the delegated Board, whichever is earlier.
8. Board members shall not vote on resolutions concerning the delegation or its revocation at the Ordinary General Assembly.
9. The Ordinary General Assembly is entitled to impose additional conditions to those set forth herein, provided such conditions shall be incorporated into this Policy.

Tenth: Obligations of Executive Management and Senior Executives

Executive Management shall comply with the following:

1. Refraining from disclosing confidential information or utilizing such information for personal gain.
2. Refraining from disclosing material details of any contract or arrangement that affects or may affect the Company's business.
3. Refraining from accepting gifts from any person having business dealings with the Company if such gifts would give rise to a conflict of interest.

4. Avoiding situations leading to conflicts between their interests and those of the Company, and managing such situations in accordance with this Policy and approved corporate procedures.
5. Continuously disclosing any potential or actual situations of conflict of interest upon occurrence.
6. Abstaining from participating in decision-making whenever a conflict of interest exists.

Eleventh: Obligations of Employees

Employees shall comply with the following:

1. Refraining from disclosing confidential information or utilizing such information for personal gain.
2. Avoiding situations leading to conflicts between their interests and those of the Company, and managing such situations in accordance with this Policy and approved corporate procedures.
3. Avoiding situations leading to conflicts between their interests and those of the Company or third parties dealing with the Company when authorized to execute agreements or contracts on behalf of the Company.
4. Continuously disclosing any potential or actual situations of conflict of interest upon occurrence.

Twelfth: Accepting Gifts

Board members and Senior Executives shall not accept gifts from any person having business dealings with the Company if such gifts would give rise to a conflict of interest.

Thirteenth: Illustrative Examples of Conflicts of Interest

1. A conflict of interest arises in case any Board member has any interest or connection in contracts concluded by the Company with others.
2. A Board member participates in any business that competes with the Company, or competes with any line of its business activities.

Fourteenth: Final Provisions

This policy shall enter into force and be adhered to by the Company as of the date of its approval by the Board of Directors, and shall be published on the Company's official website to enable shareholders, stakeholders, and the public to review it.

The content of this Policy shall be reviewed as necessary based on the Board's recommendation, and any amendments thereto shall be approved by the Board.

APPENDIX (10)

Distribution of Dividends Policy

Distribution of Dividends Policy

Distribution of Dividends

- This Distribution of Dividends Policy has been prepared in accordance with the requirements of the Companies Law, its Implementing Regulations, and the Corporate Governance Regulations. This Policy sets forth the Company's procedures regarding the calculation and determination of the dividend amount, the announcement of its distribution, and the specification of the form and timing of payment.
- The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
- The Board of Directors shall include in its annual report submitted to the Company's General Assembly the percentages of dividends distributed to shareholders during different periods of the fiscal year, in addition to the proposed dividend distribution percentage at the end of the fiscal year and the total amount of such dividends.
- Dividend distributions shall be charged against accumulated retained earnings from previous years, contractual reserves, or both. The Company shall observe consistency and regularity in the method and percentages of dividend distributions according to its available capabilities and liquidity. The Board of Directors shall disclose and announce the regular periodic dividend percentages decided for distribution to shareholders on their scheduled dates.
- Upon deciding to distribute interim dividends, the Company undertakes to disclose and announce such decision immediately and provide the Authority with a copy thereof upon issuance.

Distribution of Interim Dividend

- The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, in accordance with the regulatory controls and procedures issued pursuant to the Companies Law, and subject to satisfying the following requirements:

1. The Ordinary General Assembly delegates to the Board the power to distribute interim dividends pursuant to an annually renewable resolution.
2. The Company shall have sound and regular profitability.
3. The Company shall possess reasonable liquidity and be able to reasonably forecast its profit levels.

4. The Company has distributable profits, based on the latest audited financial statements, sufficient to cover the proposed dividend distribution, after deducting any amounts distributed or capitalized from such profits subsequent to the date of these financial statements.

Dividend Entitlement

Regarding dividend entitlement, Article (125) of the Companies Law stipulates that " A shareholder shall be entitled to dividends pursuant to a decision issued by the general assembly. The decision shall indicate eligibility and distribution dates. Shareholders registered in the shareholders' register by the end of the eligibility date shall be eligible to receive dividends."

Sources and Amount of Dividend Distribution

The company's net profits, after deducting all general expenses, other costs, and provisions, including Sharia Zakat, other provisions, and reserves, shall be distributed among shareholders as follows:

- The Ordinary General Assembly, upon determining the share of net profits, may decide to establish reserves to the extent that serves the company's interest or ensures the distribution of stable dividends to shareholders, to the extent possible. The said Assembly may also deduct amounts from net profits to achieve social objectives for the company's employees.
- The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any, upon the recommendation of the Board (unless decided otherwise).
- The remaining balance of profits shall be carried forward as retained earnings to support the company's financial position.

General Provisions

- No interest shall be calculated on unclaimed dividends.
- For the purpose of organizing and executing the dividend distribution process, the company may engage a third party, represented by one of the banks dealing with the company. Engaging a third party shall not exempt the company from its legal liability toward shareholders regarding dividend distribution.
- The company shall withhold 5% of the cash dividends of non-Saudi shareholders as withholding tax in accordance with the requirements of the applicable regulations.

Competent Authority

- The Capital Market Authority shall be deemed the competent authority supervising the company if listed on the Financial Market, and all provisions of the Capital Market Law shall apply thereto, when necessary, in addition to all other applicable laws. Similarly, the company shall be subject to the supervision of the Ministry of Commerce and shall apply the provisions of the Companies Law and its Implementing Regulations.

Final Provisions

- The provisions of this Policy shall enter into force and be adhered to by the Company as of the date of its approval by the Board. The content of this Policy shall be reviewed as needed upon the recommendation of the Board, and amendments shall be approved by the Board.
- No amendment, addition, or deletion shall be made to the provisions of this Policy without the approval of the Board of Directors, based on a proposal by the Audit Committee.

المطاحن العربية
Arabian Mills

APPENDIX (11)

Stakeholder Relations Policy

Stakeholder Relations Policy

Article 1: Objectives of the Policy

This Policy aims to establish clear policies and procedures for regulating relations with stakeholders to protect them and preserve their rights in accordance with the requirements of the Corporate Governance Regulations. It defines the general principles governing stakeholder relations, corporate responsibility toward stakeholders, the mechanism for compensation in the event of rights infringement, and the mechanism for resolving complaints or disputes.

Article 2: Scope of Policy

This Policy applies to all stakeholders.

Article 3: General Principles

This Policy sets forth the procedures to be taken upon the occurrence of any dispute or complaint between the Company and any stakeholder, enabling them to file grievances and complaints in a manner that guarantees the rights of both parties and enhances mutual trust.

To build successful relations with stakeholders, the Company adheres to the following principles:

1. The Company undertakes to provide stakeholders with information relevant to their activities to enable them to perform their tasks as required, provided that such information is accurate, sufficient, timely, and provided on a regular basis.
2. The Company seeks to obtain stakeholder feedback regarding its decisions related to its business and activities, without prejudice to relevant laws and regulations.
3. The Company undertakes to treat all stakeholders in accordance with the principles of equity, equality, and non-discrimination.

Article 4: Responsibility Toward Stakeholders

The Company strives to foster positive relations with stakeholders, preserve their rights, and ensure they are compensated pursuant to rulings and decisions issued by judicial authorities. The Company shall maintain the confidentiality of information pertaining to stakeholders and undertakes the following toward them:

First: Board Members and Employees

1. The Company shall affirm that it shall deal with Board members and related parties under the same terms and conditions applied to stakeholders, without any discrimination or preference.
2. The Company undertakes to treat all employees in accordance with the principles of justice, equality, and non-discrimination. Furthermore, the Company strives to protect employee rights and encourage the following:
    a. Working in a transparent environment.
    b. Contributing to employee management and development plans.
    c. Establishing a transparent remuneration and compensation structure.
    d. Implementing the Whistleblowing Policy (APPENDIX No. 8).

Second: Creditors

The Company pays due regard to its obligations toward the banks and financial institutions with which it deals, as many creditors and financiers impose financial covenants, conditions, and prior obligations requiring full compliance by the Company. Furthermore, the Company undertakes to ensure non-breach of such covenants and conditions to avoid any penalties, sanctions, or other consequences arising from non-compliance that could prejudice the Company's interests or relationships.

Board members shall possess a clear understanding of these requirements and ensure that executive management adequately monitors the Company's position to prevent any breach of these covenants and conditions, thereby avoiding any penalties, sanctions, or other consequences arising from non-compliance that could prejudice the Company's interests or relationships. In addition, continuous communication with the Company's financiers shall be maintained through periodic dialogues and responsive engagement regarding their information requests, in accordance with applicable laws.

The Company shall also respect its creditors, and it is important to understand and appropriately respond to the needs and aspirations of shareholders. The Company shall be keen and shall always strive to strike a balance between the expectations and demands of investors to ensure fair and equitable treatment for all shareholders without discrimination among them.

Third: Shareholders

The Company shall create sustainable added value for shareholders to maximize their investments, achieve reasonable financial returns, act consistently in their best interests, and protect their statutory and regulatory rights.

Fourth: Customers and Suppliers

The Board of Directors shall actively oversee the manner in which the Company handles and resolves customer complaints, and shall not rely solely on management. Pertinent statistics and material issues arising from customer complaints shall also be reported to the Board of Directors periodically.

The Company assumes responsibility for protecting and upholding customer rights, through measures including, but not limited to, the following:

a. Fair and equal treatment.
b. Participating in assessing customer satisfaction levels and addressing individual customer complaints.
c. Maintaining the confidentiality of data and information relating to customers and suppliers.
d. Ensuring that all contracts executed with stakeholders incorporate all requirements prescribed by the applicable laws in the Kingdom of Saudi Arabia and those issued by relevant competent authorities.
e. Complying with all contractual terms under the executed contracts with stakeholders, including the timely settlement of third-party entitlements without delay or default.

Fifth: Community

The Company attaches great importance to corporate social responsibility and strives, through active participation, to enhance and expand its societal role toward achieving social development as a key objective. The broader community is deemed a stakeholder of the Company and is treated in accordance with prevailing values and principles, taking into account keeping the public informed of all events and material impacts through available channels, in compliance with the Company's disclosure and transparency policy, including through the following:

a. Ensuring the provision of high-quality products that adhere to the highest safety standards to its customers.

b. Opposing illicit work practices.
c. Committing to providing a safe and motivating work environment, while ensuring fair and equal opportunities for all employees.

Article 5: Procedures for Compensating Stakeholders for the Infringement of Their Rights

Without prejudice to relevant laws and regulations, stakeholders shall be compensated in the event of an infringement of their rights in accordance with the following:

1. The breach arises from the Company's failure to perform its contractual obligations and its lack of due diligence.
2. A causal link exists between the Company's conduct and the damage sustained by the stakeholder.
3. The breach is duly proven either by the Company's admission or pursuant to a final, binding judgment issued by competent authorities.
4. Negotiating with affected stakeholders to explore reaching a settlement mechanism for compensation, provided it safeguards the Company's rights and interests.

Article 6: Procedures for Settling Complaints or Disputes with Stakeholders

Without prejudice to relevant laws and regulations, the Company shall settle disputes or complaints arising between the Company and stakeholders in accordance with the following:

1. The Company shall endeavor to settle its disputes with stakeholders through amicable means whenever possible.
2. Contracts and agreements executed with stakeholders shall comprehensively cover all statutory and legal aspects.
3. Contracts executed with stakeholders shall specify the dispute resolution mechanism for any disputes that may arise from contract performance.
4. The Company's internal policies and regulations shall incorporate procedures for handling and resolving employee complaints.
5. The Company shall ensure the protection of stakeholder rights and provide compensation in accordance with the laws and regulations applicable in the Kingdom of Saudi Arabia.

6. Streamlining reporting processes and ensuring the prompt resolution of complaints or disputes.

Article 7: Whistleblowing

The Board of Directors shall, upon a proposal by the Audit Committee, establish the necessary policies or procedures to be followed by stakeholders, including employees, for submitting complaints or reporting violating practices.

Article 8: Company-Related Policies and Procedures

The Company shall execute the procedures, laws, and circulars issued by government authorities in accordance with the following:

1. Requiring suppliers and contractors to provide a Zakat and income certificate, a tax certificate, a social insurance certificate, and all necessary licenses in all contracts executed therewith, as well as any other certificates requested by the company as deemed necessary.
2. Monitoring and tracking all circulars, laws, and regulations issued by relevant competent authorities concerning the Company and its stakeholders, including the Ministry of Commerce, Ministry of Investment, Ministry of Finance, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Human Resources and Social Development, Ministry of Environment, Water and Agriculture, General Authority for Food Security, among others.
3. Issuing internal circulars in writing or via the intranet detailing all corporate regulations, operating procedures, work organization regulations, and all general administrative circulars and resolutions; keeping employees informed of all key work-related information; and familiarizing new hires with essential operational matters in writing or via the intranet.
4. Responding via email to all inquiries from shareholders and non-shareholders (FAQs) with full transparency, disclosing all relevant matters without compromising or prejudicing the Company's interests.
5. Fostering a culture of disclosure regarding information and achievements, and responding to inquiries raised by stakeholders.
6. Complying with all contractual terms pursuant to executed agreements with relevant creditors and debtors, including the timely settlement of third-party dues and employee entitlements without delay or default.

7. Systematically pursuing its receivables dedicated departments for claims in accordance with a defined timeline, while adhering to approved credit policies binding on all corporate officers and contracting entities.
8. Preparing annual operating budgets, comparing them against actual performance, and strictly observing approved authority matrices.

Article 9: Effectiveness

1. This Policy shall become effective as of the date of its approval by the Board of Directors.
2. No amendment, addition, or deletion shall be made to the provisions of this Policy without the approval of the Board of Directors.

APPENDIX (12)

Risk Management Policy

Risk Management Policy

Article 1: Purpose and Scope

1. The purpose of this Risk Management Policy is to assist the Company's management and employees in fostering a risk-aware culture across all organizational levels, and to guide them in identifying and managing risks that may impact the achievement of the Company's objectives.
2. This Policy aims to facilitate consistent and standardized compliance with various risk management requirements, while ensuring that appropriate risk management practices are established, properly documented, maintained, and adhered to across all corporate departments.

Article 2: Policy Statement

1. A comprehensive Risk Management Framework shall be developed within the Company to ensure that risks are appropriately identified and managed, thereby enabling the Company to achieve its objectives.
2. Adequate resources shall be allocated to risk management within the Company.

Article 3: Responsibilities

1. **Board of Directors:**

   a. The Board of Directors shall be ultimately responsible for the oversight of risk management.

   b. The Board of Directors shall require assurances that corporate risks are duly identified and that appropriate risk controls are implemented to manage them.
2. **Chief Executive Officer (CEO) and Executive Management:**

   a. Being on the front lines, the CEO, management, and employees at various levels shall bear ultimate operational responsibility for identifying and managing risks.

   b. The CEO, management, and employees across all levels shall be responsible for the day-to-day implementation and enhancement of required controls to ensure that risks are managed within acceptable levels and that company objectives are met.

3. **Internal Audit:**

a. Providing independent and objective assurance to the Board of Directors regarding the following:

- Proper identification and management of risks.
- Effectiveness and efficiency of risk management practices.
- Adequacy of internal controls.
- Compliance with rules and controls.

b. The Company's Internal Audit Department shall observe appropriate safeguards when providing advice and support to corporate management regarding risk management.

c. The nature of the Internal Auditor's responsibilities pertaining to risk management shall be documented and approved by the Audit Committee.

d. The Internal Audit Department shall not undertake any executive management responsibilities regarding identified risks on behalf of management.

Article 4: Risk Management Principles

1. The Company's risk management principles ensure consistent, impactful, and effective risk management practices across all corporate levels.
2. The following principles shall be observed throughout the duration and implementation of the risk management process and framework, enabling the Company to properly identify and manage risks to achieve its objectives.
3. The Company's risk management principles shall be as follows:

a. **Embeddedness:** Risk management shall not be regarded as an independent or separate activity; rather, it shall be integrated into all activities and decision-making processes across the Company.

b. **Structured and Comprehensive Approach:** Risk management shall be structured and comprehensive, covering all operational aspects to ensure consistent execution across the Company.

c. **Alignment with Risk Level:** Risk management shall be proportionate to and aligned with the level of risks faced by the Company.

d. **Inclusivity:** Employees at all organizational levels shall actively engage in risk management activities.

e. **Regular Updating:** Risk management shall be regularly monitored, reviewed, and updated, taking into account changes in the Company's internal and external context.

f. **Reliance on Best Available Information:** Accurate, clear, and up-to-date information shall be collected in a timely manner, utilized, and communicated to all business units, employees, and relevant stakeholders.

g. **Consideration of Human and Cultural Factors:** A risk-aware culture shall be maintained at all corporate levels. Human behavior and cultural factors shall be considered when identifying and assessing corporate risks.

h. **Continuous Improvement:** Continuous improvement shall be pursued to ensure that the Company's risk management activities remain impactful and effective.

Article 5: Communication and Consultation

1. A common risk taxonomy and language shall be developed to ensure that all company stakeholders share a unified understanding and standardized terminology when addressing risks.
2. Continuous communication shall be maintained with all relevant corporate stakeholders.
3. A risk-aware culture shall be maintained across all organizational levels to ensure that all Company employees possess an adequate level of risk management awareness.
4. Consultation with external and internal experts and stakeholders shall be conducted whenever necessary.
5. Training needs and a structured training plan shall be developed to enhance awareness regarding inherent and residual risks across all corporate levels.
6. The Company's Risk Management Policy and Risk Framework shall be accessible to all employees.
7. A common risk taxonomy and language shall be developed to ensure that all corporate stakeholders share a unified understanding and standardized terminology when addressing risks.

Article 6: Scope of Risk Management within the Company

1. The scope of risk management covers all inherent and residual risks across all organizational levels of the Company.
2. The Company's risk management shall take into consideration the potential opportunities that may arise from identified risks.
3. All risk categories shall be taken into consideration, including operational, strategic, financial, legal and compliance, and reputational risks.
4. All Company employees, across various administrative levels and throughout branches in the Kingdom, bear responsibility for risk management.

Article 7: Company Context (Internal and External)

1. The Company's external and internal contexts shall be properly defined to ensure accurate identification of company risks.
2. The external and internal contexts refer to the corporate environment within which risks may arise.

Article 8: Risk Types and Categories

1. Risks within the Company shall be classified into specific types and categories.
2. Proper risk classification enables the Company to achieve the following:
   a. Accurate identification of similar risks.
   b. Clear assignment of responsibilities for managing relevant or similar risks.
   c. Precise determination of risk tolerance and risk appetite for each category.
   d. Company risk registers shall support the segmentation and categorization of risks.

Article 9: Risk Assessment Criteria and Risk Map

1. Risk assessment criteria shall be developed and approved, taking into account the following:
   a. **Likelihood Criteria:** The probability of occurrence of a specific risk at the corporate level.
   b. **Impact Criteria:** The negative or positive impact of a specific risk on the Company.
2. These criteria shall be applied when analyzing the severity of each identified risk (likelihood and impact severity).
3. Risk assessment criteria shall serve as guiding principles, and the Company shall form a definitive judgment regarding acceptable standards for risk analysis.

4. A risk map shall be developed and utilized to visually illustrate risk severity based on impact levels and likelihood of occurrence.
5. The baseline representation of the risk map shall plot Impact on the y-axis and Likelihood on the x-axis.
6. Risk assessment criteria shall remain aligned with the Company's internal and external contexts; to achieve this, the Company shall review and update these criteria at least annually, or as appropriate.

Article 10: Risk Appetite

1. The Board of Directors of the Company shall be responsible for defining and approving the Company's risk appetite.
2. The Board of Directors shall determine the level and nature of risks the Company is willing to accept to achieve its strategic objectives.
3. The Company shall take into account various factors, including its internal and external contexts, tolerance limits, and other operational considerations, when formulating its risk capacity.
4. Company decision-making shall align with the Company's approved risk appetite.
5. Company risk appetite statements shall be structured to align with the approved risk types and categories utilized across all company levels.

Article 11: Risk Identification

1. Risks shall be identified on a quarterly basis.
2. At a minimum, the following shall be considered during risk identification:
   a. Root causes of risks, by identifying the risk source.
   b. Projected risk impact, should the risk materialize.
3. Various tools and methodologies suitable for the Company's environment and culture shall be utilized when conducting risk assessment workshops.
4. All risks shall be considered within risk identification processes, regardless of whether they fall under the direct control of the Company.

Article 12: Risk Analysis

1. Based on identified risks, company teams shall analyze each risk according to its level of impact and likelihood of occurrence.
2. Risk analysis may be qualitative, quantitative, or a hybrid approach combining both.
3. Predefined risk criteria shall be taken into account during risk analysis.
4. Residual risks within the Company shall be evaluated under the reasonable assumption that existing controls are effective and functioning properly.
5. Where an identified risk exhibits multi-faceted impacts, the classification shall reflect the highest risk severity rating.

Article 13: Risk Assessment

1. Risks shall be assessed and benchmarked against the Company's risk appetite.
2. Risks shall be prioritized by severity to identify those posing the most significant exposure to the Company.
3. Risk responses for identified risks shall be selected from the following options, based on the Company's risk appetite:
   a. Tolerating the risk without implementing additional mitigation plans.
   b. Terminating the risk by eliminating the underlying activity giving rise to the exposure.
   c. Managing the risk by introducing new internal controls and action plans.
   d. Reallocating the risk exposure to a third party (e.g., an insurance provider).
   e. Retaining, increasing, or expanding the risk exposure, or treating it as an opportunity by investing further in the underlying activity.
4. Where the residual risk exceeds the Company's risk appetite, additional controls and treatment plans shall be implemented.
5. The Company shall abstain from implementing additional treatment plans where the residual risk level falls below or equals the Company's risk appetite, or where the cost of treatment outweighs the resulting benefit.
6. Outcomes of the risk assessment and evaluation process shall be documented in the Risk Register.

Article 14: Risk Treatment

1. When treating risks, the benefit of risk treatment shall be weighed against associated costs.
2. The Company shall consider the following when establishing risk treatment plans:
   a. Rationale and target objective of the selected risk treatment plan.
   b. Timelines for implementing the risk treatment plan.
   c. Resources, commitments, and responsibilities required to execute treatment plans and measures.
   d. Potential implementation challenges and constraints facing treatment plans.

Article 15: Monitoring and Review

1. Monitoring and review shall be conducted at all stages of risk management activities.
2. The Company's Risk Management Policy shall be reviewed periodically (at least annually) to ensure that company risk management practices, design, and outcomes remain updated and aligned with the Company's operational context.
3. Identified and assessed risks shall be reviewed regularly to ensure that any changes in risk levels reflect the results of such reviews.
4. Monitoring and review shall be maintained across all stages of risk management activities.
5. The Company's internal and external contexts, along with identified risks, shall be subject to continuous monitoring to identify and respond to the following:
   a. Any contextual changes.
   b. Emergence of new or emerging risks.
   c. Any increase or decrease in existing risk severity.
   d. Continued effectiveness and efficiency of risk treatment measures and action plans.
   e. The quality of incoming information shall be properly monitored to ensure its adequacy and usability in decision-making processes.
   f. Key Risk Indicators (hereinafter referred to as "KRIs") and corresponding tolerance thresholds shall be developed and reviewed periodically to monitor risk levels.

Article 16: Recording and Reporting

1. The Board of Directors, supported by the Audit Committee, shall determine the nature and frequency of information to be reported periodically.
2. A separate Risk Register shall be maintained for each department.
3. At the end of each period, a Consolidated Risk Register shall be prepared, encompassing all identified risks across all corporate levels.
4. Risk Registers containing all relevant risk data shall be reported to and validated with relevant corporate stakeholders.
5. Periodic risk reports shall be prepared and submitted to the Audit Committee and the Board of Directors.
6. Reports shall provide an assessment of risk identification, risk management, and the overall effectiveness of corporate risk management practices.
7. Reports shall cover, at a minimum, the following:
   a. Risk management initiatives undertaken by the Company.
   b. Outcomes of risk management initiatives.
   c. Updates made to the Risk Management Framework.
   d. Changes in the company context and emerging risks.
   e. Information shall be clear, reliable, and sufficient to enable and support the Board of Directors in decision-making.

Article 17: Establishing the Risk Management Concept

1. Risk management principles shall be deeply embedded in all corporate decision-making processes.
2. When making major business decisions, the Company shall identify potential risk scenarios. Such risk scenarios shall be properly reviewed, analyzed, and understood to evaluate the associated impact (whether positive or negative).
3. Risk management shall form an integral part of strategy formulation, goal setting, and operational planning.

Article 18: General Provisions

1. This Policy shall enter into force as of the date of its approval by the Board of Directors.
2. The Board of Directors may approve amendments to this Policy at any time they deem appropriate, upon the recommendation of the Audit Committee.
3. This Policy shall be published on the Company's website or through any other publication media deemed appropriate by the Board of Directors, to enable relevant parties to review it.
4. The Capital Market Authority shall be the competent supervisory authority overseeing the Company upon its listing on Tadawul, and all provisions of the Capital Market Law and other applicable regulatory rules shall apply as the context dictates.