



Fawaz Abdulaziz AlHokair & Co.

Saudi Joint Stock Company

Governance System

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Table of Contents

| | |
|---|----|
| Message from the Chairman of the Board | 7 |
| 1. Introduction and Purpose..... | 8 |
| 2. Corporate Governance System | 9 |
| 3. Fashion Retail Governance Structure..... | 10 |
| 3.1. Fashion Retail Corporate Governance Organizational Structure | 10 |
| 3.2. Roles and Responsibilities | 10 |
| 3.2.1. Shareholders..... | 10 |
| 3.2.2. Board of Directors | 11 |
| 3.2.3. Audit Committee | 11 |
| 3.2.4. Nomination and Remuneration Committee | 11 |
| 3.2.5. Corporate Governance Committee | 11 |
| 3.2.6. Managing Director (“MD”) | 11 |
| 3.2.7. Chief Executive Officer (“CEO”) | 12 |
| 3.2.8. Chief Financial Officer (“CFO”)..... | 13 |
| 3.2.9. Secretary of the Board of Directors | 14 |
| 3.2.10. Governance Officer | 14 |
| 3.2.11. Shareholders' Relationship Department | 14 |
| 3.2.12. Internal Audit | 14 |
| 3.2.13. Executive Management | 15 |
| 4. Corporate Governance Principles | 16 |
| 4.1. Leadership | 16 |
| 4.2. Effectiveness | 16 |
| 4.3. Accountability | 17 |
| 4.4. Remuneration | 17 |
| 4.5. Relations with Shareholders | 17 |
| 5. Disclosure and Transparency Policy | 18 |
| 5.1. Purpose | 18 |
| 5.2. General Framework..... | 18 |
| 5.3. Clear fair and not misleading disclosure | 18 |
| 5.4. Commitment to disclose material developments | 19 |
| 5.5. Disclosure of financial information..... | 20 |
| 5.6. Disclosure in the Board of Directors' report | 20 |
| 5.7. Disclosure regarding Corporate Governance..... | 23 |
| 5.8. Disclosure regarding Corporate Social Responsibility Policies..... | 23 |

| | | |
|---------|---|----|
| 5.9. | Disclosure to the statutory bodies | 23 |
| 5.10. | Notice relating to the ownership of big lots of shares or the transferable debt instruments | 23 |
| 5.11. | Securities-related reporting..... | 24 |
| 5.12. | Language of announcement, notifications and publications | 25 |
| 5.13. | Submission of documents to the Capital Market Authority (“CMA”)..... | 25 |
| 5.14. | Miscellaneous Provisions | 25 |
| 6. | Board of Directors (“the Board”) Manual | 26 |
| 6.1. | Introduction | 26 |
| 6.2. | The Business Judgment Rule | 27 |
| 6.3. | Roles and Responsibilities of the Board of Directors..... | 27 |
| 6.3.1. | General roles and responsibilities | 27 |
| 6.3.2. | Identify and manage key risks | 27 |
| 6.3.3. | Approval of strategic planning..... | 28 |
| 6.3.4. | Evaluation and approval of financial decisions | 28 |
| 6.3.5. | Establishment of Corporate Governance System..... | 28 |
| 6.3.6. | Assessment of line management and succession planning | 28 |
| 6.4. | Role of the Chairman..... | 28 |
| 6.5. | Role of the Managing Director..... | 29 |
| 6.6. | Role of Management | 30 |
| 6.7. | Relationship between Management and the Board | 31 |
| 6.8. | Delegation of Authority | 31 |
| 6.9. | Chart of Authority | 32 |
| 6.10. | Composition of the Board | 32 |
| 6.10.1. | Number of members of the Board..... | 33 |
| 6.10.2. | Selection of members of the Board | 33 |
| 6.10.3. | Qualifications of the members of the Board | 33 |
| 6.11. | Director Remuneration | 37 |
| 6.12. | Meetings of the Board..... | 37 |
| 6.12.1. | Number of Board meetings and schedule | 37 |
| 6.12.2. | Duration of the meeting..... | 38 |
| 6.12.3. | Meeting agenda | 38 |
| 6.12.4. | Managing the Board's room discussions | 38 |
| 6.12.5. | Distribution of Articles to the Board..... | 39 |
| 6.12.6. | Readiness of members of the Board to meeting..... | 39 |
| 6.12.7. | Management attendance at meetings..... | 39 |
| 6.12.8. | Minutes and agenda of meetings | 39 |

| | |
|--|----|
| 6.13. Board committees | 40 |
| 6.13.1. The effectiveness of committees | 40 |
| 6.14. Administrative matters | 41 |
| 6.14.1. The Board's performance and evaluation | 41 |
| 6.14.2. Confidentiality of the Board business | 41 |
| 6.14.3. The Board's dealing with other parties | 41 |
| 6.15. Termination of and vacancy in the Board membership | 41 |
| 6.16. Orientation of the new members of the Board | 42 |
| 6.17. External consultants | 42 |
| 6.18. Hold and manage the Annual General Meetings | 42 |
| 6.19. Secretary of the Board of Directors | 42 |
| 6.19.1. The role and responsibility of the secretary | 43 |
| 6.19.2. Qualifications of the Board secretary | 44 |
| 6.19.3. The independence of the secretary of the Board | 45 |
| 7. Membership of the Board of Directors ("the Board") - Policy and Procedures | 46 |
| 7.1. Introduction | 46 |
| 7.2. Conditions of the independent member of the Board | 46 |
| 7.3. General Policy | 47 |
| 7.4. Criteria (conditions) of membership of the Board | 47 |
| 7.5. Procedures of membership of the Board | 48 |
| 8. Board Committees | 51 |
| 8.1. Audit Committee | 51 |
| 8.1.1. Audit Committee's functions and responsibilities | 51 |
| 8.1.2. The formation of the Audit Committee and the requirements to be met by a Committee member | 52 |
| 8.1.3. Appointment or discharge of the members of the Audit Committee and their tenure | 52 |
| 8.1.4. Modus operandi of the Audit Committee | 53 |
| 8.1.5. The responsibilities of Committee Chairman, his deputy and Committee Secretary | 53 |
| 8.1.6. The fees of Audit Committee | 54 |
| 8.2. Nomination and Remuneration Committee | 54 |
| 8.2.1. The functions and responsibilities of the Nomination and Remuneration Committee | 54 |
| 8.2.2. The formation of a Nomination and Remuneration Committee and required conditions to be met by Committee member | 55 |
| 8.2.3. Appointment or discharge of members of the Nomination and Remuneration Committee and the duration of their membership | 55 |
| 8.2.4. Modus operandi of the Nomination and Remuneration Committee | 56 |
| 8.2.5. The responsibilities of Committee Chairman, his deputy and Committee Secretary | 56 |
| 8.2.6. The fees of Nomination and Remuneration Committee | 57 |

| | |
|---|----|
| 8.3. Governance Committee | 57 |
| 8.3.1 The functions and responsibilities of Governance Committee | 57 |
| 8.3.2 The formation of a Governance Committee and required conditions to be met by Committee member | 57 |
| 8.3.3 Appoint or exempt members of the Governance Committee and the duration of their membership | 58 |
| 8.3.4 Modus operandi of the Governance Committee | 58 |
| 8.3.5 The responsibilities of Committee Chairman, his deputy and Committee Secretary | 59 |
| 8.3.6 The fees of Governance Committee | 59 |
| 9. Code of Ethics and Business Conduct (“Code”) | 60 |
| 9.1. Introduction | 60 |
| 9.2. Purpose | 61 |
| 9.3. Purpose | 61 |
| 9.4. Scope | 62 |
| 9.4.1 Compliance with laws, rules and regulations | 62 |
| 9.4.2 Conflict of interest | 62 |
| 9.4.3 Combat Money Laundering | 65 |
| 9.4.4 Personal money | 65 |
| 9.4.5 Handling/participation of information | 65 |
| 9.4.6 Equal opportunities | 66 |
| 9.4.7 Employees discounts | 66 |
| 9.4.8 Competition and fairness in the treatment | 66 |
| 9.4.9 Discrimination and harassment | 66 |
| 9.4.10 Health and Safety | 67 |
| 9.4.11 Drugs and Alcohol | 67 |
| 9.4.12 Environmental Protection | 67 |
| 9.4.13 Social Responsibility | 67 |
| 9.4.14 Record-keeping | 67 |
| 9.4.15 Confidentiality | 68 |
| 9.4.16 Protection and proper use of Company’s assets | 69 |
| 9.4.17 Payments for government employees | 70 |
| 9.4.18 Mandatory professional code of conduct and ethics | 70 |
| 9.4.19 Reporting of any unethical or illegal behavior | 70 |
| 9.4.20 Compliance with the standards and procedures | 70 |
| 9.5. Recognition and disclosure | 72 |
| 10. Regulation of Conflicts of Interests Policy | 73 |
| 10.1. General policy | 73 |
| 10.2. Executive procedures | 73 |

| | |
|---|-----|
| 11. Insider Trading Policy..... | 75 |
| 11.1. Introduction..... | 75 |
| 11.2. Definitions..... | 75 |
| 11.3. Prohibition of disclosure of inside information..... | 77 |
| 11.4. Prohibition of trading based on inside information | 77 |
| 11.5. Trading ban for members of the Board of Directors and Senior Executives. | 77 |
| 11.6. Reporting and Disclosure..... | 77 |
| 11.6.1 Disclosure by the Chairman of the Board of Directors | 77 |
| 11.6.2 Disclosure by members of the Board of Directors and senior executives | 77 |
| 11.6.3 Disclosure to Stock Exchange / Capital Market Authority..... | 78 |
| 11.6.4 Record-keeping by the secretary of the Board of Directors | 78 |
| 11.7. Breach penalty..... | 78 |
| 11.8. Reporting a policy violation..... | 78 |
| 12. Shareholders' Manual | 79 |
| 12.1. General rights of shareholders..... | 79 |
| 12.2. Facilitate the practicing of shareholders' rights and access of information..... | 79 |
| 12.3. Shareholders' rights related to the General Assembly | 80 |
| 12.4. Voting Rights | 82 |
| 12.5. The right of shareholders regarding dividends available for distribution | 82 |
| 12.5.1 Dividend Policy | 82 |
| 13. Corporate Social Responsibility Policy..... | 83 |
| 13.1. The coverage of social responsibility policy for the company..... | 83 |
| 13.1.1 Employment and Training | 83 |
| 13.1.2 Educational events and conferences..... | 83 |
| 13.1.3 Suitable environment for employees..... | 83 |
| 13.1.4 Health campaigns and events..... | 83 |
| 13.1.5 Preservation of environment | 83 |
| 13.1.6 Cooperation with governmental and non-governmental authorities | 83 |
| 13.1.7 Assist cooperative and charitable societies..... | 83 |
| 14. Appendix (1) - Board Effectiveness Assessment Tool | 84 |
| 15. Appendix (2) - Curriculum vitae form for a candidate for membership of the Board | 88 |
| 16. Appendix (3) – Director's Personal Effectiveness Assessment..... | 90 |
| 17. Appendix (4) – Audit Committee Effectiveness Assessment Tool..... | 93 |
| 18. Appendix (5) – Nomination and Remuneration Committee Effectiveness Assessment Tool..... | 97 |
| 19. Appendix (6) - Corporate Governance Committee Effectiveness Assessments Tool..... | 101 |

Message from the Chairman of the Board

We, in Fawaz Abdulaziz Hokair & Co. (the "Company"), are convinced that we can achieve the effective governance by following the rules and principles of leadership and by adopting an integrated and collaborative approach in our work. It is believe that the work of the Board of Directors ("the Board") complements, enhances and supports the work of the Managing Director (the "MD"). Therefore, the Board pays special attention on the importance of the role of MD and Senior Executives, not only from the perspective of their responsibility to be the leader in compliance with the legal rules and statutory requirements, but also for their role in encouraging others to act in accordance with the Corporate Governance System ("Governance System", or "Document") in day to day affairs of business. To achieve such objectives, the Governance System ensures the transparency and responsibility, which we firmly believe are the most important part in enhancing shareholders' value and leading towards effective decisions, and to enable our Company to determine the risks associated with various aspects of business and thus our priorities to be dealt with them should be based on clear criteria and standards.

By working together, we can establish a firm base for reviewing the plans and actions that our Company has in place, and we can ensure that our decisions will be made in all areas of strategy, performance and responsibility on a reasonable basis. In my role as the Chairman of the Board, it is my responsibility to ensure that we are acting according to these procedures, to preserve its integrity and to lead towards continuous improvement in efficiency and effectiveness in performance of our work..

The level of confidence built by the Company, since constituted, is a significant advantage and component. It is known that trust is built only through ideal work and sound performance. The good governance is what we seek in the Company.

This reference Document describes the provisions of the governance of the Board, its committees and various corporate governance requirements. We also have paid special attention to the Governance System to evaluate the individual and group performance to the extent that ensures that the Company obtains benefits to fullest extent from hours we spend.

The Board of Directors has approved this Governance System and will be available on the Company's website so that our shareholders and stakeholders can understand the standards we developed and adopted for ourselves.

Allah grants success,

Chairman of the Board

Fawaz bin Abdul Aziz ALHokair

1. Introduction and Purpose

The effective governance begins with an independent Board of Directors committed with responsibilities and effective.

This Document provides the Board with the principles of developing the standards and policies and principles for the exercise of work and monitoring the compliance of the Board and the employees of the Company; meanwhile identifying the mechanisms of keeping it in effect in the manner that ensures or support Company's interests. As the responsibility for meeting the provisions of Corporate Governance Regulations ("the Regulations") rests with the Board members, which in its turn recognizes and adheres to the laws, rules and regulations of the Capital Market Authority ("CMA" or "the Authority") and adopts the best practices contained in the Regulations for developing the Governance System.

The Company recognizes that the successful implementation of good practices, which the governance illustrates, is based on the approach that extends to levels beyond compliance with legal requirements; rather, it extends beyond them to provide a framework that establishes a culture of integrity, responsibility and performance.

This Document clearly describes the framework of the responsibilities and necessary procedures that the Company seeks as a base for practicing its business in proper way.

The Board of Directors has approved the Company's Document and will be reviewed annually to ensure it remains as a reference for best practices in corporate governance.

2. Corporate Governance System

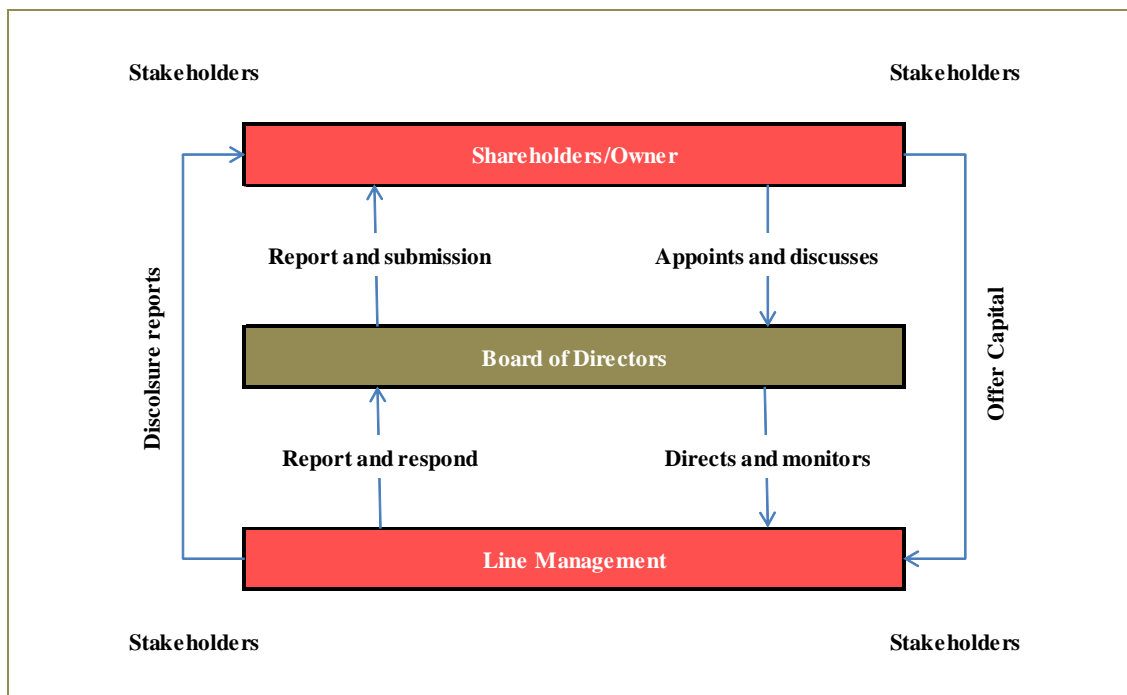


Figure (1): Corporate Governance System

The Corporate Governance System is usually a system of relationships identified and defined by the structures and procedures.

The relationship between shareholders and management is on the basis that the former is the one who paid capital to the latter in order to achieve a return on shareholders' investment. This relationship requires that managers should provide the shareholders, on a regularly and transparently, with financial and operational reports that show the position of the Company.

Shareholders also select a supervisory body (Board of Directors) to represent their interests. The main task of this body is to provide strategic guidance for those who manage and control the Company. Executive officers of the Company's management shall subject to accountability by the Board in its capacity as the supervisory body, which in turn is accountable to shareholders during the Annual General Meeting of the General Assembly.

The outer appearance of Corporate Governance, on the other hand, focuses on the relationships between the Company and its stakeholders. The stakeholders are those individuals or organizations that have an interest in the Company; the interest which may arise by the system or contract, or through social or geographical ties.

3. Fashion Retail Governance Structure

3.1. Fashion Retail Corporate Governance Organizational Structure

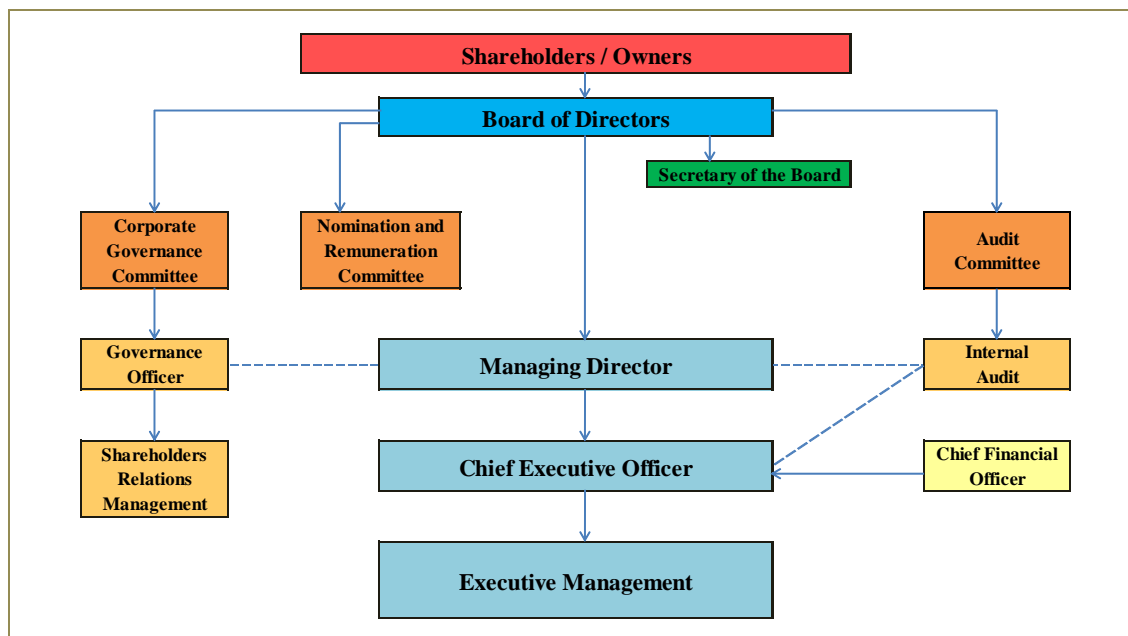


Figure 2: Organizational Structure of Corporate Governance

The Company's Corporate Governance structure is as the framework of the Company's system of Governance, the organizational structure described above adopts the leading world practices in the field of Corporate Governance, according to the nature of activity and the size of the Company.

The following is a brief introduction of the roles and responsibilities of the components of the Organizational Structure, while the full details and description will be mentioned in the following sections of this guide.

3.2. Roles and Responsibilities

3.2.1. Shareholders

Company shall provide all the information that enables shareholders to exercise their rights fully. Therefore, such information should be sufficient and accurate and being updated regularly and orderly presented to shareholders. In addition, Company shall adopt and implement an effective method to contact with the Company's shareholder that ensures indiscrimination of a shareholder to other in giving such information.

The shareholder in question here is any individual, group, or institution who owns a share or more of the Company, in whose name the stock certificate is issued. The statute shall guarantee the right of each shareholder who holds 20 shares and more, to attend, participate and vote in the General Assembly meetings, to avoid any action that would prevent shareholders from exercising any of their rights, including the right to vote. On the contrary, the mechanisms of shareholders' rights to vote should be facilitated.

3.2.2. Board of Directors

Board of Directors (“the Board”) shall be elected by the shareholders to supervise the management of the Company's business and affairs. The key responsibility of the Board is to ensure the continuity of the Company and ensure that the Company is managed in the interest of the shareholders as a whole, taking the interests of other stakeholders into account.

3.2.3. Audit Committee

The main purpose of the Audit Committee is to assist the Board in fulfilling the responsibilities of supervision in all what is related to: financial accounting, auditing and internal control systems, financial reports and compliance with the laws and regulations applicable to the Company's business, and adherence to the Business Code of conduct and ethics approved by the Company and the relevant policies in addition to assisting the Board to extrapolate the risk the company may face, henceforth, identifying and monitoring the key risks, assessing their management, and how to be avoided.

3.2.4. Nomination and Remuneration Committee

The main purpose of the Nomination and Remuneration Committee is to assist the Board in fulfilling the responsibilities of supervision in all what is related to: selecting the nominees qualified to become members of the Board, recommending appointments of members of the Board to be elected by shareholders, recommending appointments of Board members for each committee of the Board, supervising all the matters related to the indemnifications of the Board members and executives, and periodic review of the independence of the members of the Board.

3.2.5. Corporate Governance Committee

The main purpose of Corporate Governance Committee is to assist the Board in fulfilling the responsibilities of supervising all what is related to abiding by Corporate Governance Regulations and ensure to work in accordance with the best practices and the periodic review of how much the Company complies with the definite rules of governance. Governance Committee is as an adviser of the Board in the implementation of governance responsibilities entrusted to.

3.2.6. Managing Director (“MD”)

Managing Director is the Executive member of the Board who is responsible for ensuring the effective and efficient operation of the Company and its compliance with the laws and

the policies approved by the Board. The main purpose of the role of MD is to provide the desired link connecting between the Board and the executive management team.

3.2.7. Chief Executive Officer (“CEO”)

Chief Executive Officer is responsible for ensuring effective and efficient operations of the Company and its compliance with applicable laws and strategy approved by the Board and MD. The main purpose of the role of CEO is to provide a desired link connecting the Board and MD with Executive Management.

More specifically, the duties and responsibilities of the CEO include the following:

- to assess the principal risks of the Company and to ensure that these risks are being monitored and managed;
- to ensure effective internal controls and management information systems are in place;
- to ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
- to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
- to ensure the Company is appropriately organized and staffed and to have the authority to hire and terminate staff as necessary to enable it to achieve the approved strategy;
- to ensure that expenditures of the Company are within the authorized annual budget of the Company;
- to act as a liaison between the Board and MD with Executive Management;
- to keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company and to ensure that processes and systems are in place to ensure that the MD and Executive Management of the Company are adequately informed;
- to ensure that the Directors are properly informed and that sufficient information is provided to the Board to enable the Directors to form appropriate judgments;
- to provide periodic operational reports to the Board and MD indicating Company's current performance and plans to achieve targets sets earlier.
- to implement Company's Corporate Governance System and confirming annually Company's compliance with Corporate Governance Regulations promulgated by CMA.
- to ensure the integrity of all public disclosure by the Company;
- in concert with the Chairman and the MD, to develop Board agendas;
- to request that special meetings of the Board be called when appropriate;
- in concert with the Chairman and the MD, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting;
- to sit on committees of the Board where appropriate as determined by the Board; and

- to lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and the Company's standards and policies, including its environmental, safety and health policies.

3.2.8. Chief Financial Officer ("CFO")

Chief Financial Officer reports directly to CEO and is primarily responsible for developing strategic financial planning to aid in determining strategic business direction by CEO and MD and aligning financial strategies accordingly. CFO assists CEO on all strategic and tactical matters as they relate to budget management, cost benefit analysis, forecasting needs and securing new financing. CFO is also responsible for overseeing the capital structure and determining the best mix of debt and equity in order to reduce the risk to an acceptable level.

More specifically, the duties and responsibilities of the CFO include the following:

- Develop tools and system to provide critical financial and operation information to CEO and make actionable recommendations on both strategy and operations;
- Participate in corporate policy development and as member of Executive Management;
- Coordinate the development and monitoring of budgets;
- Develop financial business plans and forecasts;
- Assess organizational performance against both annual budget and Company's long-term strategy;
- stimulates behaviors across the organization to achieve strategic and financial objectives and well and protects and preservers assets of the organization;
- Oversee financial strategies and activities as well as banking relationships;
- Oversee cash flow planning and ensure availability of funds as needed;
- Oversee cash, investment and asset management;
- Oversee the Finance Department to ensure proper maintenance of all accounting systems, function and records;
- Ensure maintenance of appropriate internal controls and financial procedures;
- Ensure legal and regulatory compliance regarding all financial functions;
- Provide periodic financial reporting to the Board, MD, CEO and Executive Management;
- Oversee preparation of month-end, quarter-end and year-end financial statements;
- Ensures accuracy, integrity and reliability of information contained in Financial Statements and Board's Annual Report as well as disclosures, statements and announcements required by Listing Rules issued by the CMA;
- Interim and Annual Financial Statements of Company is jointly signed by CFO, CEO and a Board member prior to their issuance and circulation to shareholders and third parties; and

- Coordinate statutory audits and proper filing of Tax/Zakat returns.

3.2.9. Secretary of the Board of Directors

The center of the key responsibilities of the secretary of the Board is represented in ensuring that the Board is provided with the basic elements of the appropriate counseling and in ensuring that the records of the Board's proceedings demonstrate that the Board has performed its obligations towards the Company. In addition, the secretary of the Board helps to ensure that the Company adheres to all the significant regulatory requirements. Accordingly, secretary of the Board often acts as a consultant for Board members and senior executives about regulatory requirements, and laws and regulations related to the business of the Company. Secretary of the Board precedes the functional responsibilities under the direct supervision of the Board and under the administrative ones under the supervision of Managing Director.

3.2.10. Governance Officer

The main task of governance officer is represented in making sure that the company respects all the articles of the Corporate Governance regulation promulgated by the Capital Market Authority, as well as to ensure the effective implementation of the company's governance system, and its periodic revision and update - annually or whenever needed - and to prepare an annual report for the Board of Directors on the governance practices and the to what extent it observes the rules, instructions and regulations prescribed.

3.2.11. Shareholders' Relationship Department

Shareholders' Relationship Department is responsible for establishing special relationships with the Company's shareholders, in addition to meeting their needs and requirements, including the preparation and the development of means of communication with all shareholders and the Capital Market Authority ("CMA" or "Authority"), besides, coordinating the meetings of the General Assembly.

3.2.12. Internal Audit

The role of the internal audit function is to assist the Board and management to achieve effective Corporate Governance, risk management and internal control by providing assurance and objective, independent and professional advisory services in line with the Company's regulations and the professional audit ethics and standards. It also provides a separate assessment to examine and evaluate operations and to pinpoint the risks the Company may face. Internal audit submit reports to the Audit Committee on the assessment of the Company's internal control system, its weaknesses, and recommendations of possible improvement opportunities.

3.2.13. Executive Management

Executive management is responsible for directing the daily business of the Company. This includes the recommendation of the strategic attitude of the Company for approval by the Board of Directors and then to be translated into actions and activities through the Company's management and various departments: human resources, finance, operations etc., to achieve its objectives.

4. Corporate Governance Principles

4.1. Leadership

In terms of the basics of leadership, the Company shall be headed by an efficient Board wholly responsible for its continuity, i.e. to ensure the Company's success and growth in the long term.

There is a clear division of the members' responsibilities amongst the leadership of the Company and the executive responsibility for the management of its business, as neither person shall have unrestricted powers to separately make the decision, but everything is governed within frameworks.

The Chairman of the Board shall be responsible for the leading the Board and ensuring its efficiency in all the matter relative to its role.

Emphasizing the integrative role of the members, the non-executive Board members should face their challenges in a constructive spirit and assist in making and developing the proposals that support the strategy.

4.2. Effectiveness

Take into account that the members of the Board and its committees should have appropriate balance of skills and experience, independence and knowledge of the Company, each to the extent that enables him to effectively perform his duties and responsibilities.

Developing formal rules and procedures in an atmosphere of transparency to be followed when new members are appointed.

Emphasizing all members of the Board to allocate sufficient time for the Company to fulfill their responsibilities effectively.

Providing the Board on regular basis, quality and proper information, to enable it to discharge its responsibilities appropriately.

The Board shall be committed to undertaking an annual assessment of the effectiveness of its performance and that of its committees and its members individually.

4.3. Accountability

The Board shall provide a balanced and realistic assessment of the Company's position and prospects, and shall be held accountable for so.

It is the responsibility of the Board to implement proper systems for risk management and internal control, and shall be held accountable for so.

The Board shall establish the formal arrangements required for: reporting, risk management, internal control, internal audit, and maintaining an appropriate relation with the Company's auditor, and shall be held accountable for so.

4.4. Remuneration

Remuneration levels shall be designed to attract the competent and to retain and motivate them to achieve the quality required to successfully manage the Company, avoiding paying more than the amount required for this purpose. The rewards of MD and line management must be attached with levels of group and individual performance at the Company. Either manager is prohibited to determine his own reward.

4.5. Relations with Shareholders

The Board shall be responsible for making a dialogue with shareholders based on a common understanding of the objectives. In this regard the Board as a whole shall be responsible for ensuring the acceptable dialogue with shareholders.

The Chairman of the Board must ensure that all members are aware of all the topics of communicate with the major shareholders.

The Board must communicate with the opinion of all shareholders by all the practical and effective ways.

5. Disclosure and Transparency Policy

5.1.Purpose

The purpose of the disclosure and transparency policy is to ensure that the Board shall check the implementation of the proper and accurate disclosure of all material matters related to the Company, including the financial position and the Company's performance and Corporate Governance.

5.2.General Framework

The Company shall, under this policy, abide by the maximum legal disclosure. This means that the executives of the Company will deal with the matters of the establishment of information, management and disclosure, unless the circulation of information does harm to the major interests described below, taking into account that any public interest will not be abolished for the disclosure.

The Company shall ensure not to circulate the information that could cause harm for the Company more than its benefit, if disclosed. For this purpose, according to this policy, MD shall cease disclosing information in the following situations:

- In cases where disclosure may cause serious harm to the effective development or to providing new services.
- In cases where disclosure constitutes a violation of a legal requirement or any other financial relation specified by the Company's Articles of Association.
- In cases where disclosure may pose a threat to the health or safety of any natural person.
- In cases where disclosure causes serious harm to the commercial and legal or competitive position of the Company or any third party or causes unfair gain or loss to any person or information obtained from a third party with confidence and contains business secrets protected by law.
- In cases where disclosure may constitute an unjustified infringement to someone's privacy, or in cases where the information about the Company shall be operational, but in any event has no relation to the Company's formal position or official duties.

5.3.Clear fair and not misleading disclosure

The Company is committed that all of its disclosures should be clear and fair and not misleading.

Disclosures of any information or required substantial developments must be made to the public at least two hours before the start of the trading period.

5.4.Commitment to disclose material developments

The Company shall notify the Authority and the public, without delay, of any significant developments in its scope of activity which are not commonly known and which may have an impact on the assets and liabilities, financial position or on the general framework of the Company or its subsidiaries and which may:

- Lead to an influence on the prices of listed securities, or
- Affect the ability of the Company to meet its obligations to debt instruments.

The Company should assess the probability of investor access to information for future development or acquisitions into account when making investment decisions.

The abovementioned material developments of which the Company must disclose includes, for example, but not limited to, the following:

- Any sale or purchase of any asset at a price equal to or greater than 10% of the Company's net assets. The Company's disclosure must contain the following information (where appropriate):
 - Details of the operation, conditions, the parties involved, and the method of financing.
 - Description of the transaction.
 - Financial information for the three years of the asset subject to transaction.
 - Reasons for the operation and the expected effects on the Company and its operations.
 - Statement of the use of profits.
 - Any debt out of the normal course of the Company whose value is equal to or greater than 10% of the net assets of the Company.
 - Any losses equal to or greater than 10% of the net assets of the Company.
 - Any significant change in the production environment or activity of the Company, including, but not limited to: the availability of resources and responsibility to be obtained.
 - Any changes in the structure of the Board of Directors or the MD of the Company.
 - Any significant legal proceedings where the covered value shall be equal to or greater than 5% of the net assets of the Company.
 - The increase or decrease in the Company's net assets is equal to or greater than 10%.
 - The increase or decrease in the Company's gross profit is equal to or greater than 10%.
 - Entering into any contract or unexpected termination of any contract with the proceeds is equal to or greater than 5% of the total revenues of the Company.

- Any operation between the Company and any concerned party (related) or any arrangement through which the Company and the concerned party do investment in any project or asset or funding should be provided for doing so.
- Any interruption in the major activities of the Company and its subsidiaries.

5.5.Disclosure of financial information

- The Company's initial and annual financial statements must be approved by members of the Board and signed by the MD authorized by the Board and Chief Financial Officer (“CFO”) before being issued and circulated to shareholders and other parties.
- The interim and annual financial statements and the report of the Board must be submitted to the CMA immediately after approval by the Board members.
- The Company shall, through its electronic applications, announce that the CMA receive its interim and annual financial statements immediately after approval by members of the Board and it is committed not to publish such financial statements to shareholders or other parties before being announced in circulation.
- The Authority must be furnished and declare its initial financial statements to shareholders (to be prepared and audited in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants (“SOCPA”)) upon approval, within a period not exceeding 15 days after the end of the financial period covered by such financial statements.
- The Company must provide the CMA and announces to shareholders for its annual financial statements (to be prepared and audited in accordance with the accounting standards issued by SOCPA) upon approval, within a period not exceeding (40) days after the end of the financial year covered by such financial statements.
- The Company should provide the CMA and announce to shareholders for its annual financial statements no later than 25 calendar days before the date of calling for the Annual General Meeting of the Company to be convened.
- Making sure that the audit firm who audits the financial statements and any partner thereto respect the rules and regulations of SOCPA in relation to ownership of any shares or securities of the issuer or any of its subsidiaries, so as to ensure the independence of the audit firm and any partner or employee of the firm.

5.6.Disclosure in the Board of Directors' report

The Company shall commit that its annual financial statements includes a report by the Board of Directors, describing operations of the Company during the last fiscal year and on all the major factors that affect the Company's business needed by the investor to evaluate the assets, responsibilities and financial position of the Company. In this regard, the Report must at least contain the following:

- Description of the main activities of the Company and its subsidiaries. In the event two or more activities described, it must be included a statement giving for each activity of its contributions and profits in the business results attributable to it.
- Description of the significant plans and decisions of the Company (including any reorganization, expansion at work, or interruption in the Company's Operations), and future outlook of the Company's business and any risks facing the Company.
- A summary, in the form of a table or graph, of the assets and liabilities of the company and the outcome of its business over the past five years or when established, whichever is shorter.
- Geographical analysis of the total revenues of the Company and its subsidiaries.
- Clarification of substantive variance in operating results from previous year or any expectation announced by the Company previously.
- Explanation of any differences from the accounting standards issued by SOCPA and the subsidiary's name, capital and the percentage it holds in the Company, its main business, and countries of its major operations and the country of incorporation.
- Details of the issued shares and debt instruments of each subsidiary.
- Description of the distribution-of-profit policy of the Company.
- Description of any interest in the voting shares owned by persons (other than the Company's directors, the executives and their relatives) who notified the Company of its ownership, with any change in such interests during the last financial year.
- Description of any interest and securities based on the contract, and description of the rights of underwriting of the company and its directors, and senior line managers and their relatives in the shares or debt instruments of the Company or any of its subsidiaries, with any change in such benefits or rights during the last fiscal year.
- Information relevant to Company loans (whether repaid upon request or otherwise), a statement of the total debt of the Company and its subsidiaries with any amounts paid by the company as repayment of loans during the year. In case of no repaid loans of the Company, the Company shall provide the appropriate statement.
- Description of the rates and numbers of any transferable debt instruments, and any securities based on contract, guarantees or similar rights issued or granted by the Company during the fiscal year, making a compensation by the Company to the recipient.
- Description of any rights of transfer or subscription under the transferable debt instruments, contract-based securities, or guarantees or similar rights issued or granted by the Company.
- Description of any recovery, purchase or cancellation by the Company of any debt instruments recovered and the value of such outstanding funds and the distinction between the listed funds purchased by the Company and those purchased by its subsidiaries.
- Number of Board meetings held during the last fiscal year and the record of attendance with the names of the attendees.

- Description of any operation between the Company and any interested party.
- Information relevant to any contract where the Company is a party and where the Company Director, MD and any person associated with any of them was or is substantially concerned.
- Description of any arrangement or agreement under which any Director or MD of the Company shall waive any salary or compensation.
- Description of any arrangement or agreement under which any contributor of the Company shall assign any rights in the distribution of profits.
- Statement of the value of any unpaid regular payment to calculate Zakat and income tax, fees, or any other costs with a brief description and the reasons for.
- Statement for the value of any consequential investments or any reservations may arise for the benefit of the Company's employees.
- Announcing that the company shall be committed to:
 - Maintaining proper accounting records.
 - The safety of the system of internal control and audit in terms of design and effectiveness of implementation.
 - Ensuring the absence of significant debts which limit the continuity of the Company's business and activities.
- Brief summary deals with the duties and the laws of the Board's main committees, including the names of its members and the Chairmen with its total meetings.
- The results of the annual audit and internal control procedures of the Company.
- Indication by the Board of names of joint-stock and non-contributing companies where Board members practice their work as members of the Board and being classified as whether executive, non-executive, or independent Board members.
- The Board report should include the details of the indemnification and the remuneration paid to:
 - Each of the Board members and the Chairman.
 - The names of five senior executives received the biggest reward and compensation from the Company. It must be included and mentioned whether or not the MD and CFO are within the five senior members.
- Any fines imposed on the company by the CMA or any other supervisory or regulatory or judiciary body. This includes, for example, but not limited to, penalties, fines, or any prohibition restrictions.
- If the external auditor's report contains qualifications on the relevant annual financial statements, the report of the Board members should include such qualifications and reasons and any information in connection.
- If the Board members recommended that the external auditors must be changed before the end of the period for which they are appointed, the report must contain a statement in that regard and the reasons for that recommendation.
- Number of Board meetings held during the last financial year and attendance record of each meeting.

- In the case of failure to prepare any of the above data, the report must include a statement indicating the reasons that have prevented doing so.

5.7. Disclosure regarding Corporate Governance

The Company shall disclose the material information about the Company's governance policies and procedures. In particular, the company shall disclose the following:

- Division of power amongst shareholders, the executives and Board members.
- Policies of appointing the Board.
- Conflict of interest.
- Number of Board meetings held annually.
- Any change in the company's objectives.
- Shareholders voting system.

5.8. Disclosure regarding Corporate Social Responsibility Policies

The Company shall disclose, once a year, its social responsibility policies and the related procedures to employees and the society in which and for which they are active and to the environment protection.

5.9. Disclosure to the statutory bodies

The Board shall disclose the following to the specified statutory bodies:

- Termination of the tenure of the Board member, with the necessity to promptly disclose the reasons for such termination to the CMA and Stock Exchange.

5.10. Notice relating to the ownership of big lots of shares or the transferable debt instruments

When one or more of the following cases shall apply to any person, and in accordance with the Listing Rules issued by the CMA, he must inform the Company and the Authority at the end of the trading day of the occurrence of the relevant case:

- He became the holder of or desires to hold 5% or more of any category of the shares that have voting rights or transferable debt instruments with the Company.
- Increase or decrease of his the ownership by 1% or more of the shares or the transferable debt instruments with the Company.
- He is a member of the Board or occupies a significant position of MD of the Company and became holder or stakeholder of any rights in the shares or the transferable debt instruments with the Company.
- Increase or decrease in the ownership or interest of any of the Board members or senior executives by 50% or more of the shares or the transferable debt instruments he

holds in the Company, or by 1% or more of the shares or the transferable debt instruments with the Company, whichever is less.

- For purposes of calculating the total number of shares or transferable debt instruments in which the person is interested, such person shall be deemed interested in any shares or transferable debt instruments owned or controlled by any of the below individuals:
 - A relative of such person.
 - The company managed by such person.
 - Any others with whom such person agreed to act with them to obtain a benefit or to exercise the rights of voting in the Company's shares
- The above notice must be compatible with the version prepared by the CMA and must contain at least the following information:
 - The names of the people who hold or have the right to dispose of the relative shares or the transferable debt instruments;
 - Details of the ownership;
 - Details of any loans or financial support relating to ownership of shares received by that person from any others; and
 - The ownership objective.
- In the event of any change in ownership or objective that has been earlier disclosed of, the interested Individual shall promptly notify the Company and the CMA of such change and he should dispose of any shares or transferable debt documents with Company only after ten (10) days from the date of such notice
- Without prejudice to the requirements of this Article, the individual who became the holder or has an interest in 10% or more of any class of voting shares or the transferable debt instruments, he you should not dispose of without the approval of the CMA. The Capital Market Authority may impose a list of certain restrictions on such conduct and determine its procedures.

5.11. Securities-related reporting

The Company notify CMA and the public, without any delay, of the following information:

- Any proposed change in the Company's capital.
- Any decision or recommendation made or profits distributed or other contributions paid to the holders of the listed securities.
- Any decision not to issue or not to recommend the issuance or payment of dividends expected or recommended to be issued or paid in the normal course of events.
- Any decision to call, repurchase, withdraw, recover, or propose the purchase of any of the securities, the total amount, and their value.
- Any decision not to pay in respect to debt instruments or transferable debt instruments.

- Any change in the rights associated with any category of listed shares or transferable debt instruments associated with such shares.

5.12. Language of announcement, notifications and publications

- All advertisements, notices and reports issued by the Company shall be in Arabic, and should be translated into English when the need arise.
- Arabic is the language adopted in the explanation and interpretation of advertisements, notices and reports. In the event of any conflict between the Arabic and the English texts, the Arabic text shall prevail.

5.13. Submission of documents to the Capital Market Authority (“CMA”).

The Company shall send to the CMA copies of the circulars sent to shareholders and all documents related to acquisitions, incorporations, offers, notices of meetings, reports, and advertisements or other similar documents, immediately after being issued.

5.14. Miscellaneous Provisions

According to the Corporate Governance Regulations of CMA, the Saudi Corporate Law, in addition to the laws of the listing, the Company shall promptly inform the public of the following:

- Any change in the Company's Articles of Association or its main Headquarters.
- Any change in the external auditors.
- Submission of any request seeking to dissolve the Company and the implementation of any dissolution to the Company or appointment of a liquidator of the Company, and its parent or any of its subsidiaries under the Corporate Law or proceed any claims under the rules and regulations of bankruptcy.
- Issuance of a resolution by the Company or its associate companies that it should be dissolved or liquidated or the occurrence of any event or termination of the period of time that requires putting the Company under liquidation or dissolution.
- Issuance of any judgment, resolution, order, or notice by any court of jurisdiction, whether the Primary Court or the Appellate Court, may adversely influence the Company taking advantage of any portion of its assets, which collectively constitute a value of more than 5% of the net assets of the company.
- Convention for the General Assembly and its agenda.

6. Board of Directors (“the Board”) Manual

6.1. Introduction

The role played by the Board can be summarized in being a source of independent and objective opinion in the Company's decision making process and in supervising the performance and activities of the management.

The purpose of this guide is to assist the members of the Board to efficiently assume their responsibilities and provide their visions and expectations to the Company's Board and working towards improving their effectiveness in dealing with these expectations. Thus, such guide displays the aspects and areas on which the Board members should focus when performing their duties:

| Responsibilities | Compliance with the law | Performance |
|---|--|--|
| -To establish the Company's vision, mission and ethical standards. | -To understand and protect the financial position of the Company. | - To ensure the sustainability of the Company in the long term and enhancing its financial position |
| - To vest the appropriate level of powers to the management. | -To request and monitor the legal and regulatory compliance including compliance with accounting standards, commercial law, health and safety, and environmental standards | - To drive the management towards establishing the foundation of the Company's strategy |
| -To demonstrate capability of leadership. | | - To approve the action plans, budget and Company's policies. |
| -To take responsibility in the relation with the MD, including appointing him and his successor, performance appraisal, reward and removal. | | -To approve key performance indicators |
| | | -To monitor/appraise the performance of the Company and the Board itself, the management and the major projects. |
| | -To approve the financial reports, the annual reports, and other public documents / critical reports. | -To supervise the risk management framework and to monitor business risks. |
| -To recommend auditors for the General Assembly. | -To ensure the existence of an effective system for the internal controls which operates as expected. | -To monitor the development of the industry and operating environment |
| -To ensure effective communication with partners and other shareholders. | | -To determine the aspects omitted by Company, including its operation and accountability system |
| | | -To approve and monitor the accomplishment of capital expenditure, capital management, acquisitions, and the disposition of the Company's shares |

Table (1): Responsibilities of the Board

6.2. The Business Judgment Rule

Business rules stipulates that if you take a decision, as a member of the Board, to vote with regard to the Company business and have fulfilled a number of the specified requirements, you are deemed performed your duty to act carefully and diligently. The following are specific requirements to be met:

- Your decision making should be based on good faith for a proper purpose.
- There shall be no material self interest in the matter of the decision.
- You should have followed the steps to convince yourself with the rightness of decision to the extent you deem entirely appropriate.
- You firmly believe that the decision is in the interest of the Company.

6.3. Roles and Responsibilities of the Board of Directors

The following are the duties and responsibilities of the Board:

6.3.1. General roles and responsibilities

Without prejudice to the powers of the General Assembly, the Board shall have all the powers necessary to manage the Company. The maximum responsibility of the Company lies in the Board even if it shall form the committees vested some of his powers to a third party but it is advisable that the Board should seek as much as possible to avoid issuing general or unlimited powers of attorney.

- The Board Member shall represent all the partners, and undertakes to do everything which is in the general interest for the Company. The Member does not represent the interests of a particular group or those who voted in favor of his appointment in the Board.
- The Board shall determine the powers to be authorized to the line management and procedures to take any action and the validity of this authorization. As well, it must determine the matters due to which the decision making powers shall return to the Board only. Line management should provide the Board with periodic reports on the exercise of the authorized powers.
- Board is authorized under the Company's Articles of Association to conclude loan deals that have maturities of more than three years, to sell or mortgage the premises of the Company or drop the debts of the Company.

6.3.2. Identify and manage key risks

- The Board shall determine and review with management the key business risks which the Company may experience.
- The Board shall ensure the implementation of appropriate regulations and take the actions necessary to manage such risks.

- The Board may authorize one or more Committees to receive the management assessment and responses about such risks and referring the recommendations and reports to the Board.

6.3.3. Approval of strategic planning

- The Board shall meet with management to discuss aspects of the Company's strategic planning related to identifying jointly the future trends, the opportunities available and risks.
- The Board shall review and approve the entire strategy developed by the management for the Company's business.

6.3.4. Evaluation and approval of financial decisions

- The Board shall review the financial and operating results of the Company.
- The Board shall review, evaluate and approve of major resource provisions and capital investments.
- The Board shall review, evaluate and approve the Company's budget and expectations.

6.3.5. Establishment of Corporate Governance System

- The Board shall determine the method to be followed to achieve the purposes of Corporate Governance.
- The Board shall periodically review the Company's objectives and policies related to social responsibility.

6.3.6. Assessment of line management and succession planning

- The Board shall conduct annual review of the performance of the MD in leading the Company for the betterment in the short and long terms.
- The Board should prepare an annual report on planning the succession of master positions at the Company, keeping a continuous review of any developmental plans to be recommended for such individuals.

6.4. Role of the Chairman

The responsibility of Chairman of the Board focuses on leading of the Board and facilitating contributions and constructive initiatives by all the members of the Board to ensure the effectiveness of the Board in the performance of its functions as a whole through the exercise of its duties and responsibilities.

A substantial qualification of the Chairman of the Board to be able to make the Board meetings effective and influential on the state of the Company. This will be achieved through:

- Setting an agenda suitable for meeting which dedicates enough time for each item of the agenda.
- Effective management for the information to be sufficiently flowed to the Board, in order to support the agenda.
- Managing the Board discussions and ensuring the outcomes / decisions to be reached and clearly understood by all members and to be recorded properly.

The other responsibilities of the Chairman, being a spokesman for the Board, requires: demonstrating the ability of leadership under difficult circumstances most of the time. In some cases, such situations require that the Chairman should take up to speak publicly on behalf of the Company, even if the task falls within the core responsibilities of the MD.

In addition, the Chairman is the main connecting link between the management and the Board. This requires that the relation between the MD and the Chairman should be dynamic all the time. In order to be an effective relation, it must be based on joint cooperation and mutual trust and respect.

MD should be encouraged to take advantage of the Chairman and cause him to directly discuss the sensitive issues or important matters. If business relation is good, the MD shall ensure making use of the Chairman's experience seeking his independent and objective opinion. In the light of the result of discussing the issues with the MD, the Chairman may see that it is necessary to be submitted for study and evaluation at the level of the Board.

In addition, a function of the Chairman is to manage the Annual General Meetings and to play a key role in the Company's relation with any of the stakeholders in the Company or authorizing whomsoever he deems appropriate to direct such meetings.

Take into account that the system prevents to combine the position of Chairman of the Board and any other executive position in the Company, such as the position of MD.

6.5. Role of the Managing Director

The Managing Director is responsible to the Chairman of the Board for the effective operation of the Company and for the compliance and conformity of the performance with all the provisions of the Company's Statute and Articles of Association, in addition to the policies agreed upon with the Board. The following are the main components of the Managing Director's position:

- Setting the rules and strengthening the strategic approach of the Company. The Board will be constructively responsible for this process and for review and approval of the plan.

- Informing the Board of the situation of the market, techniques, organizational issues and the prevailing trends which may influence the Company's objectives.
- Causing the Company to adopt the high and sustainable performance standards.
- Providing an attractive work environment that ensures maintaining the efficient and talented people.
- Ensuring that the Company deals fairly, transparently and impartially.
- Signing any documents may be required by law “such as the adoption of financial statements”.
- Ensuring the Company's right attitude towards the matters important for society, government and other formal agencies as directed by the Board.
- Forming a positive image of the Company.
- Regular and effective communication with all shareholders.
- Developing the annual operating plan and financial budget to be submitted for review and approval by the Board and taking responsibility for achieving it.
- Establishing firm working relations with the Board.
- Recruiting, training and developing the employees of the Company in order to achieve the Company's targets in the short and long terms.
- Ensuring that the objectives are obvious for all employees and focusing on achieving them.
- Ensuring that there are clear and proper performance criteria and there are mechanisms to measure these criteria.
- Developing and implementing the procedures that ensure achieving the Company's operational tasks timely and within the limits projected for in the budget.
- Providing advice to the Board on operational issues and developing appropriate operating plans.

6.6. Role of Management

The following are the management responsibilities:

- Recommending strategic direction and translating the strategic plan into work programs.
- Managing the Company's human, material and financial resource to achieve the Company's goals.
- Assuming the daily responsibility for the Company's adherence and acting under the laws and relevant regulations and compliance framework.
- Developing frameworks and implementing and managing the Company's risks and internal control.
- Developing, implementing, and updating policies and procedures.
- Taking notice of the important trends in the industry and operating environment of the Company.

- Providing information to the Board.
- Acting as a bridge between the Board and the Company.

6.7. Relationship between Management and the Board

The relationship between the management and the Board is very important and must be supported by a clear segregation of responsibilities. The management shall:

- Take responsibility.
- Act within the powers entrusted.
- Have an adequate level of skill and resources.
- Implement the major performance indications in order to achieve the Company's objectives.
- But at all times the Board remains the controller.

6.8. Delegation of Authority

Whereas the Board shall have the ultimate responsibility for all actions and decisions issued by the Company, it must develop the appropriate specific policies to guide organizational behavior, for example, the rules of code of conduct, risk management policies and salary policies. In achieving the purposes of these policies, the Board needs to establish procedures and controls to implement the policies and to be responsible for evaluating the efficiency and effectiveness of policies and procedures. To ensure that the line of responsibility between the Board and management, the Board must develop policies those govern the process of delegation of authority.

The authority to enter into commitments or taking actions for and on behalf of the Company shall be explicitly and clearly the responsibility of the Board. But such situation does not seem compatible with the notion of the official managing team who has the mandate needed to conduct business smoothly, since it is not possible or appropriate for the Board to sign on all checks or respond to every transaction affecting business. It is clear that the delegation of powers is the appropriate mechanism to enable the MD and other senior officials with the Company to run the business. However, the Board acknowledges that delegation of powers does not mean being disclaimed from the associated liability. To be effective and to make the mandate in effect, the document should:

- Be written in simple language.
- Cover the activities in which the Company operates or expected to be involved.
- Be appropriate to facilitate the effective and smooth operation of the Company.
- Aim at adequately enable the management to take its expected operational decisions.
- Explicitly define the ceiling of the powers granted to each level of management, especially with regard to the budgeted expenses and the unbudgeted expenditures.

- Contain the text of the reporting the content of the mandate to all staff to ensure that each is aware of his responsibilities.
- Obtain support by appropriate supervision, observation, and review to ensure that the authorizations are proper and up-to-date and have been adhered to.
- Be subject to review on a regular basis to ensure the continuity of authorizations and their compatibility with the developments in the Company.

The Board may define its responsibilities and management responsibilities through identifying the issues in which the Board solely shall act in similar document, as the role of the Board is to implement the tasks for which it is responsible and to supervise the performance of task delegated to the management. As well, a statement can be released within the Company to declare the matters left to the disposal of the Board and those vested in the Management.

6.9. Chart of Authority

The Board shall have the authority of delegation of powers, which must be commensurate with the risks agreed upon in the Company. Devolutions must be expressed in the financial and other matters. Power may be vested for:

- Entering into strategic commitments.
- Bearing the costs associated with major business procedures and normal operations of the Company.
- The Company's commitment to capital expenses.
- Entering into contractual obligations, for example, leases and guarantees.
- Commitment to pay the incentives.
- Making decisions on matters including appointments, end of services, salaries, promotions, rewards, training, contracting with contractors and temporary employment.
- Suing or suing cessation.
- Implementing the specified operations related to the treasury.
- Payment authorization.

6.10. Composition of the Board

In order to ensure the effective functioning of the Board's of its duties and serving the interests of shareholders, it shall: lack control by one or a small group of members, its members are not required to be all experts in all fields, concentration on everything that serves the Company, exerting the effort to identify and select the right staff to help the Company encounter its challenges and take advantages of the opportunities, the sustainability of the Company and securing its future, working closely with the line

management, providing true supervision and achieving the real value addition to the Company.

6.10.1. Number of members of the Board

The Company shall be managed by Board of Directors consisting of nine (9) members appointed by the Annual General Meeting for a period not exceeding three (3) years, however, the term of the first Board of Directors may be for five (5) years at most commencing from the date of the ministerial decree issued to declare the establishment of the Company. **(Article 17 of the Company's Articles of Association).**

Taking into account:

- Majority of the members of the Board should be of the Non-Executive Directors.
- The number of independent members of the Board should be 3.
- A Board member of the Company should not be a Board member of more than five joint-stock companies at once.

6.10.2. Selection of members of the Board

Nomination and Remuneration Committee shall review the names of all nominees for membership of the Board and shall bring the recommendations before the Board for the purpose of selecting the members who will join the Board and then bringing the recommendations to the General Meeting to vote on the selection and appointment of the members of the Board.

6.10.3. Qualifications of the members of the Board

The Board shall be responsible for reviewing the required skills and personal features required to be in the Board member in addition to the structure of the Board as a whole. This evaluation shall include the qualifications of members as independent members, in addition to considerations of variety and diversity of knowledge, age, skills and expertise within the scope of the Board needs.

A Board member must hold stakes in the Company's shares not less than 10,000 Saudi Riyals. **(Article 18 of the Company's Articles of Association).**

The independence of the members of the Board

The purpose of selecting and appointing the independent members of the Board is to ensure that the Board includes members able to exercise their best decisions effectively for the exclusive interest of the Company and that the decision is not affected by the conflict of interest.

According to CMA, the "independent member" is the Board member, who is fully independent. For example, the following matters shall constitute a violation of such independence:

- His/her possession of a dominant interest in the Company or in any other company of the Group.
- He/she served during the past two years as an Executive Director of the Company or any other company of the Group.
- He/she is a very close relative of a Board member of the Company or any other company of the Group.
- He/she is a first-degree relative of Senior Executives of the Company or any other Company of the Group.
- He/she is a Board member of any company within the Group of the Company where he/she is appointed as a Board member.
- If he/she, during the last two years, has been an employee of an associate company or an associate of any company of its group, such as external auditors or main suppliers, or if he/she had, during the last two years, had a controlling interest in any such party.

Characteristics of the members of the Board

It is important that Board members of the Audit Committee should have a good deal of knowledge and ability to understand the contents of the financial statements and other financial reports implications. Furthermore, members holding certain positions must take into account the skills of the current Board and identification of any additional skills or experience required. Qualitatively, its membership is advisable to be a combination of qualifications relevant to the following specializations:

- Law.
- Finance, including accounting background.
- Marketing.
- Operations of corporate activities.
- Key areas in which the Company operates.
- Corporate Governance.
- Human Resources
- Risk management.
- Banking business.

The following is a description of the characteristics that must be assessed by the Board when the names of the nominees to be appointed as members thereof are considered.

Personal characteristics:

Integrity and responsibility: high ethical standards and integrity, personal strength in dealings of the member and professional and personal desire to take decisions and willingness to bear the consequences of accountability.

Resolution based on knowledge: show the hallmarks of intelligence and wisdom and thinking about the decisions taken, demonstrating readiness to discuss issues deeply and accurately, asking insightful questions and expressing reservations and not to vote in favor of what they oppose.

Knowledge of financial matters: the ability to read and understand budgets, statements of income and cash flows and to extrapolate the indications of the financial ratios and other indicators to assess the performance of the Company.

Firm confidence: to be consistent, responsible and supportive in dealing with others, respecting others and honesty and open-mindedness to the opinions of others and the desire to listen to.

High standards: the history of accomplishments that reflect the high standards of the same member and others.

Major Competencies

Accounting and Finance: experience in financial accounting and corporate finance, especially with regard to trends in the debt and share markets, along with the knowledge of the internal financial controls.

Risk Management: experience in risk assessment and monitoring in the areas and environment that encompasses the Company's business.

Experience: a proven track record in taking good business decisions and providing the proof that as a manager, he will perform duties in good faith and in the manner that is for the interest of the Company.

Management: experience in corporate management. Understanding the Company's trends in general and in areas where the Company is active.

Crisis management: the ability to respond and work in a timely manner during the period of short and long crises.

Industry/Technology: unique expertise and skills in the areas in which the Company manages its business, including science, manufacturing and technology related to the business of the Company.

World markets: experience in world markets and global issues and foreign business customs practices.

Leadership: understanding leadership techniques and having the necessary skills supporting that with a high motivating performance record which the talented normally have. The spirit of the strategy and vision: skills and ability to provide strategic insightful outcome, directing through promoting the creative processes, understanding the major trends, evaluating strategic decisions and arising challenges to the Company for begging for its vision.

Obligation towards the Company

Time and effort: the desire to be punctual and to exert the effort necessary to meet the requirements of the membership with the Board committees. He is expected to attend and participate in all meetings of the Board and the meetings of the committees of which he is a member. Such features also includes the constant readiness to assist in preparing every meeting and actively participating in, on the one hand, and demonstrating willingness to attend to the management upon request to provide advice and consultation.

Awareness and constant awareness: having or willing to develop a broad knowledge of important issues that may affect the Company (including industry, technology and market information) and the roles and responsibilities of Board members (including the general legal principles that guide the Board members).

Other obligations: under other existing obligations, the ability to act efficiently as a member, including the preparation for the meetings of the Board and attending meetings and the desire to do so.

Promoting the team

The Board budget: contributing to the talent, skills and experience needed by the Board as a team to support the existing resources and provide talent for future needs.

Diversity: contributing to the Board in a manner to enhance the perspective and experience through the diversity of gender, race, background and geographical origin and professional experience (public and private sector and non-profit organizations sector). But, the appointment of the nominees should not depend on such factors only.

Independence: presents an objective point of view free from political complexities. He should not be and should not have been an employee of the Company during the last two years before being a member of the Board, none of his family was an employee of the Company, has not received from or offered the Company substantial compensations in the recent past and none of his family shall have received from or offered the Company substantial compensations in the recent past.

6.11. Director Remuneration

The level and structure of Directors' remuneration must be of sufficient and reasonable allocations to attract talented individuals and keep them in order to fulfill such roles.

The clear relation between the Company's performance and members' reward should be manifested, the matter that requires drawing the policy of rewarding to include what constitutes a clear and sufficient incentive to motivate members for dedicating themselves in order to observe the long-term growth and success of the Company, within the appropriate framework. It is also important for the Company to be a clear distinction between the reward structure of Non-Executive members of the Board and the reward structure and salary of an Executive member of the Board.

The annual remuneration of the members of the Board has been designated to be 200,000 Saudi Riyals, as per Article 42 of the Company's Articles of Association, which states that "a percentage not exceeding five (5%) of the remainder shall be allocated as a remuneration to the members of the Board within the provisions of the Companies Law and the governmental instructions or regulations issued in this regard, after setting aside (10%) of the net profits to form a statutory reserve and distribution of dividends to shareholders equal to (5%)".

6.12. Meetings of the Board

6.12.1. Number of Board meetings and schedule

The Board shall meet whenever it sees proper to meet the requirements of their duties and responsibilities as members, as well as what is imposed by the business need. Usually, the Board meets at the request of the Chairman in the manner prescribed in the statute of the Company. Without prejudice to any requirement contained in the statute of the Company, the Chairman must convene a meeting if asked to do so by two or more members of the Board.

The meeting of the Board will be legal if attended by at least half of the number of members, however, the attendees should be at least Four members. **(Article 24 of the Company's Articles of Association).**

The Board resolutions shall be made by a vote of the majority of present or represented members. In case of equal votes, the vote of the Chairman shall be the casting vote.

Members should be previously provided with schedules and lists of locations for holding regular meetings. They should attend the Board meetings and meetings of Committees, if any, they are informed of. Obligation towards the Company shall require the members to

utilize the time required for the service of the Company and the meeting whenever necessary to fulfill their responsibilities appropriately.

6.12.2. Duration of the meeting

Duration of the meeting must be sufficient enough to give proper attention to the issues to be discussed. In all cases, the meeting must be long enough to cover all the issues focus of paying attention to adequate details.

6.12.3. Meeting agenda

Chairman of the Board shall set the agenda for each meeting of the Board. At the start of the year, the Chairman sets a schedule for business topics to be discussed during the year (to the extent that respond to the expectations).

Each member shall have the freedom to propose the agenda he sees to be included in the agenda. Each member shall have freedom at each meeting to bring before the Board the subjects not on the agenda of the meeting. Therefore, when setting the meeting's agendas, the Chairman should coordinate with the secretary of the Board and MD to identify which matters require the Board attention to. In the case of request to add items to the agenda, the management may need to provide written reports or papers. Agenda may need to be allowed to provide important documents to the Board and where appropriate, the attendance by the management to discuss a particular item of agenda.

6.12.4. Managing the Board's room discussions

It is the responsibility of the Chairman to ensure:

- The discussion should be organized and open for questions.
- Facilitating all members' participations.
- Giving all the questions the due proportion of study.
- Not to lead the discussions to unnecessary matter and irrelative to the agenda.

The Chairman should ensure balance and, for this purpose, should keep control of the meeting, but not dominating the discussions. The Chairman should allow, qualitatively, the discussions of questions till the Board reach consensus or be able to summarize the result agreed upon.

In case of the divergence and disparity of views and no result produced, the Chairman should determine the following:

- Whether members need additional information.
- Whether there are specific benefits in delaying a decision on a particular topic.
- Whether additional or external consultation is required.
- If situations show serious disagreement, the Chairman should intervene and manage this situation to reach a solution.

6.12.5. Distribution of Articles to the Board

Members shall be provided with a detailed agenda, supporting documents and proposed resolutions approximately enough time prior to every meeting of the Board.

Members should review the articles prior to the meeting. The members who have items proposing to be included in the agenda of any future meetings of the Board, should notify the Chairman of such items before the meetings.

If any member shall have inquiries about any item of the agenda, he should make this inquiry a week before the scheduled Board meeting. Management should respond to the inquiries of the Board members prior to the scheduled meeting of the Board and distribute management responses to all the members.

6.12.6. Readiness of members of the Board to meeting

Readiness shall include reading and analyzing the papers submitted prior to the meeting and taking the proper steps to seek clarification of any questions or papers not clear. Members should receive the Board papers enough time before the Board meeting to be able to review and study the documents and examine any of the related items. The received package should include the following:

- The agenda and supporting papers which include the following:
 - Operational report of the Executive Director and which provides for the assessment of the major events that affect the work since the last meeting.
 - The financial performance report, which focuses on key indications and strategic performance.
 - Papers on specific issues needed to take a decision, conduct discussion or obtain more information.

6.12.7. Management attendance at meetings

Participation of Company's management is expected in the Board meetings and review the various aspects of its function and responsibility to enable members to be aware of the events and create the elements of a deeper knowledge of the business of the Company.

6.12.8. Minutes and agenda of meetings

Minutes are the records of the issues discussed and the decisions taken and the actions arising from the meetings of the committees of the Board and the Board. As legal and regulatory requirements, they must be kept and maintained. Minutes are the substantial records of indication that the Board has carried out what he is required to do to fulfill its duty.

Minutes should be clear, organized, and not ambiguous. They should contain neither unnecessary information nor recording of literal conversations said in the meetings.

Minutes should explain the resolutions of the Board or the committees and reflect the nature of consensus on the decisions of the Board.

The secretary of the Board shall prepare the record from the notes taken during the meeting and submit a draft of each minutes to be reviewed by the Chairman. The Chairman shall review the draft of the record determining any appropriate modifications may be required. Review draft shall be usually circulated to all members. It should be done immediately after review by the Chairman or mostly within a week of the Chairman's signing the draft. The members should accurately review the draft record to ensure the accuracy of the facts covers all aspects of interest prior to adoption of the record.

6.13. Board committees

The Board committees allow the Board members to closely learn about and be aware of all the important issues facing the Company more than the entire Board can do at any scheduled meeting of the Board. So committees shall be deemed an effective way to divide the burden of work between managers and allow a detailed study of significant matters of interest.

6.13.1. The effectiveness of committees

Regardless of the role of the committees, there are several steps can be taken by the Board to contribute to causing the committees to be tangible effectiveness; such matter can be achieved through:

- Developing and adopting an official and certified Business Code for each committee.
- Appointing appropriate members for the committees - ideally, focus should be on the membership of the committee so as to include a number of Board members including experienced members who can deal with the issues raised.
- The regular request to committees to provide and submit affidavits required by the Board.
- Ensuring that the committees can easily obtain independent business advice.
- Requesting the committees to adopt absolute transparency in all the activities.
- Ensuring that committees have obtained the appropriate administrative support.

The primary purpose of forming committees is to serve the needs of the Board and to keep effective performance of the functions which were assigned to them and for which they were created.

6.14. Administrative matters

6.14.1. The Board's performance and evaluation

The Board shall annually appraise its performance for the purpose of recognizing how effective is the Board and its committees in the implementation of business and fulfillment of obligations to the Company. In doing so, the Board should receive the views of all members and in the light of those views prepares the report of annual evaluation of performance of the Board to discuss after the end of each fiscal year.

The evaluation should focus on the contributions made by the Board to the Company and specifically on the areas in which the Board or the management believes that it is possible to improve the performance.

To assess its effectiveness, the Board should regularly review (for example, annually) its accomplishments and whether they fulfilled their responsibilities.

One of the ways by which the Board can assess itself is assessing its activities against its Business Code. While Board reviews itself as a whole, the benefit is likely to increase by vesting this practice in an external competent jurisdiction. The external performance evaluation organization is not only emotionally separated, but will deal with the matter with no bias or reliance on a preconceived thought. In addition, the external opinion permit discussing various views to be taken into consideration.

6.14.2. Confidentiality of the Board business

Members shall keep absolutely confidential, the deliberations and resolutions of the Board and the information circulated in the meetings, unless the Company publicly discloses information.

6.14.3. The Board's dealing with other parties

Except as directed by the MD of the Company, contacts should be made on behalf of the Company with other parties by the representatives appointed by the Company. If the Board member shall receive from third parties any query regarding the Company, including official social communications, he/she should make no comment ask them to contact the MD of the Company.

6.15. Termination of and vacancy in the Board membership

Membership of the Board shall end with the end of its tenure or removal of the member in accordance with any regulation or instructions in force in the Kingdom and if the position of a Board member is vacated, the Board may appoint a temporary member in the vacant post provided that this appointment should be brought before the Ordinary General Assembly Meeting at its initial meeting and the new member shall complete the term of his

predecessor. If the number of Board members is less than the quorum necessary for the validity of meeting, the General Assembly Meeting should be called as soon as possible to appoint the required number of members.

6.16. Orientation of the new members of the Board

The management shall provide the new members with the documents and information needed to identify the Company and its activities and to allow them to carry out their responsibilities and have knowledge of the Company's strategic plans, important financial aspects, issues of accounting and risk management, its commitment to programs and its rules of conduct. It is proper to provide the new members with the following:

- The material which contains information about the Company's field of activity and inter firm comparison with its top competitors.
- Field visits to its units and sites, whose affairs shall usually constitute a part of the scheduled Board meetings.
- Legal review of the Board, at least once a year, and the major issues under proceedings before the courts and Corporate Governance matters.

6.17. External consultants

The Board shall have the authority to contract with experts or advisers, including the independent counsel, whenever deemed expedient by the Board, without consulting the MD of the Company or obtaining his consent.

The Board shall determine the appropriate compensations for the advisors.

6.18. Hold and manage the Annual General Meetings

The core responsibility of the Board focuses on the Company's shareholders. The Annual General Meeting shall represent the forum where the Board will meet with shareholders to discuss the Company's performance and to recognize certain matters that require the approval of the shareholders. Shareholders are the providers of capital, so it is important to hold this meeting to discuss the performance of the Company and relevant matters.

6.19. Secretary of the Board of Directors

The Board shall appoint a secretary ("the secretary") of the Board and determine its duties and powers and sets his salary. He may be reappointed.

The secretary shall be responsible for certain functions, but his core responsibility is to ensure that Board is provided with appropriate counseling and that the records of the proceedings of the Board reflect that the Board has carried out its obligations towards the

Company. In addition, the Board shall help the secretary to ensure compliance with regulatory requirements. Accordingly, the secretary shall most of the time act as an advisor of Board members and senior executives about regulatory requirements and rules and laws relevant to the Company's activity.

6.19.1. The role and responsibility of the secretary

To fulfill its responsibilities and duties, the secretary should do the following:

Supporting Board members

Secretary should spend most of his time supporting the members of the Board. His duties in this area shall include:

Organizing meetings of the Board

The secretary of the Board shall be responsible for organizing the meetings of the Board. However the Board meetings are of the absolute responsibility of the Chairman, the secretary shall deal with all administrative and organizational matters such as:

- Preparing the Board meetings calendar.
- Assisting the Chairman in developing the agenda.
- Setting the procedural and substantive issues for discussion.
- Preparing model summaries of the Board Meeting Room discussions.
- Sending notices of the Board meetings to all members of the Board.
- Distributing a ballot to vote to the members of the Board.
- Gathering written and completed views of members of the Board, especially those who did not attend in person at the meeting.
- Delivering written opinions to the Chairman of the Board.

Furthermore, the secretary should help to ensure following Board meeting procedures. Along with the Chairman, secretary is required to write down the draft minutes of the meetings of the Board. It is also his functions to inform and notify the recently-appointed members of following:

- The Company's procedures governing the operations of the Board.
- Organizational structure and Company's Directors.
- Internal Company's documents.
- Resolutions of the Annual General Meeting of the Assembly and the Board's resolutions.
- Providing the information required by the members to properly fulfill their duties.

Enabling the Board's access to information

The secretary shall play key role in helping members to access the information they need to make the right decisions. The Board secretary shall provide the members with the full and appropriate accesses to:

- Minutes of the Board meetings.
- Decisions confirmed and approved by MD.
- Documents issued by the MD.
- Minutes of meetings and reports prepared by the External Auditor.
- Financial documents.

Protection of shareholders' rights

Arrangement for the Annual General Meeting of the Assembly

Secretary of the Board shall play an important role in organizing the Annual General Meeting of the General Assembly. The following are some of the roles he plays in this aspect:

- To inform shareholders of the Annual General Meeting of the General Assembly.
- To ensure the preparation of the list of shareholders.
- To answer the procedural questions during the Annual General Meeting of the General Assembly and to settle the disputes related to the preparing and managing the Annual General Meeting of the General Assembly.
- To deliver report of the results of the Annual General Meeting of the General Assembly to shareholders.
- To ensure keeping the minutes of the voting results and the minutes of the Annual General Meeting of the General Assembly.
- To ensure compliance with registration procedures of the Annual General Meeting of the General Assembly.

Disclosure of Information and transparency

Secretary shall play an important role in helping the Board and MD to fulfill their obligations in terms of the disclosure of the material information appropriately to the Company's shareholders and Stock Exchange. For the disclosure of information, the role of secretary shall include the following functions:

- To ensure that the Company adheres to the procedures and disclosure of necessary information.
- To ensure the maintaining the Company's documentations.
- To certify copies of documents before being sent to shareholders.
- To ensure unrestricted access to information by all shareholders to information in accordance with the relevant laws.

6.19.2. Qualifications of the Board secretary

When selecting a Board secretary, the Board should seek for an individual having qualifications and necessary skills to qualify him to carry out his duties. In this regard, The Board needs to assess the nominee in terms of education, expertise, professional qualities

and his skills in the light of the job description. The following are the main qualifications of the Board secretary:

- To have a charisma and good communication skills.
- To understand the Companies Law and the Listing Rules.
- To be able to play the role of mediator and achieve consensus.
- To understand the Company's business.
- To act according to the circumstances and be flexible and creative.
- To be able to extrapolate the apparent indications and provide early warning to management.

6.19.3. The independence of the secretary of the Board

Whereas the function of secretary of the Board is to constantly act in a manner that serves the interests of the Company and its shareholders at all times, he should be protected from the power and influence exercised by management and other parties. Thus, secretary of the Board shall be responsible for the Board and be under the control of the Board.

7. Membership of the Board of Directors (“the Board”) - Policy and Procedures

7.1. Introduction

The importance of policy and procedures of membership of the Board appears through its content that indicates the criteria (requirements) to be met by the nominees of membership of the Board, in its capacity as being entrusted with developing a system of governance and providing an environment appropriate for implementation and then observing and monitoring the implementation.

7.2. Conditions of the independent member of the Board

The Board member, who is completely independent, is obliged (for example, but not limited to) to:

1. Not to hold 5% or more of the shares of the Company or any of its Group Company.
2. Not to be representative of a body corporate which holds 5% or more of the shares of the Company or any of its group company.
3. Not to be, during the last two years, a senior executive with the Company or any company of the Group.
4. Not to have first-degree kinship to a Board members with the Company or any company of the Group.
5. Not to have first-degree kinship to a senior executive with the Company or any company of the Group.
6. Not to be a member of the Board with a company of the Group of the company where he is nominated to be a Board member.
7. Not to be, during the last two years, an employee with a party related to the Company or to any company of the Group, such as auditors and main suppliers, and did not have controlling interest in any of such parties during the last two years.

Requirements of the Non-Executive member of the Board

The Non-Executive member of the Board is required:

1. Not to have a full time management position in the Company.
2. Not to receive monthly or yearly salary from the Company.

First-degree Kin

Father, mother, husband, wife and children.

Stakeholders

Every person having an interest with the Company, such as shareholders, employees, creditors, clients, suppliers and the community.

Minority shareholders

The shareholders representing a group non-controlling the Company, so that they cannot influence it.

7.3. General Policy

General policy for membership of the Company's Board is choosing between the Company's shareholders nominated for membership in the Board by comparison between them on the basis of the conditions set forth in the Ministry of Commerce Circular No. 222/9362/3245 dated 18/06/1412 H, as well as the Circular of the Ministry of Trade and Industry No. 322/205/3800 dated 12/26/1420H and according to the provision of the Companies Law, the Articles of the Company, and the Regulation of Corporate Governance and the Listing Rules promulgated by the Capital Market Authority.

7.4. Criteria (conditions) of membership of the Board

Criteria for membership in the Board shall be set by the conditions contained in the Ministry of Commerce Circular No. 222/9362/3245 dated 06/18/1412H as well as the Circular of the Ministry of Trade and Industry No. 322/205/3800 dated 12/26/1420H and according to the provision of the Corporate Law, the Articles of the Company and the Regulation of Corporate Governance and the Listing Rules promulgated by the Capital Market Authority as follows:

1. A Board member should hold Company's shares having nominal value not less than ten thousand 10,000 Saudi Riyals to be deposited within thirty (30) days from the date the member is appointed with a bank designated by the Ministry of Trade and Industry for this purpose. Such shares shall be allocated to ensure the responsibility of the members of the Board and shall remain non-negotiable till the expiration of the term specified for hearing the case of liability in Article (76) of the Corporate Law or till the case in question is decided upon. If the Board member shall not present the shares as security within the deadline, his membership shall become invalid. **Article (68) of the Companies Law, Article (18) of the Articles of the Company.**
2. To be a holder of a scientific degree that allows him to fulfill his responsibilities in the Board.
3. To be adequately experienced in the Company's field of activity or other similar fields.
4. To be knowledgeable of the Corporate Law, rules and regulations and circulars relevant to the activity of the Company.
5. To be able to read and analyze Balance Sheet and be knowledgeable of Finance and Accounting.
6. To have motivation and enough time to contribute to directing the Company's business and policies.

7. To have an independent thinking and bravely expressing his own views in the strategic and commercial matters in the field of activity of the Company.
8. To have appropriate education and knowledge and obtain continuous professional development.
9. To be committed to serve the Company as a Board member for a full cycle at least since being elected.
10. To be of morality, integrity, honesty and credibility.
11. Not to have been convicted of crime turpitude to integrity and dishonesty.
12. Not to have a resolution issued against him by the Capital Market Authority.
13. Not to have any conflict of interest with the Company.
14. Not to have any interest, direct or indirect, in the business and contracts concluded for the account of the Company, excluding the business done in public tenders if the Board member is the best bidder. **Article (69) of the Companies Law.**
15. Not to be involved in any business that would compete with the Company or to trade in one of the branches of activity practiced by the Company. **Article (70) of the Companies Law.**
16. Not to be a Board member of more than five listed joint stock companies.
17. To comply with all terms and articles for membership in the Board of the joint stock companies provided for in Companies Law and regulations of the Capital Market Authority.
18. It is permitted for the nomination of membership of the Board (except with the prior written consent of the competent authorities) only those who held the same position in a company liquidated or was removed from another company.
19. Approval to conduct a personal interview with the Nomination and Remuneration Committee of the Board.

7.5. Procedures of membership of the Board

1. Approval by the Board to open the door to apply for membership of the Board and adoption of the period for filing applications to apply and agenda of the Ordinary General Assembly to vote on the appointment of the Board members when required by the rules or the circumstances.
2. Presentation to the Ministry of Trade and Industry for approval on each of the following: Agenda of Ordinary General Assembly and the announcement wording for calling the Company's shareholders for the nomination as Board members for its period (to be decided) or to complete the remainder of the current period (to be decided).
3. The announcement of calling the Company's shareholders for nomination for Board membership for its period (to be decided) or to complete the remainder of the current period (to be decided).
4. The fellow Company's shareholders desirous to apply for membership of the Board of Directors should:

- Submit an application (notice) to the management of the shareholder's willingness to stand as a candidate and is willing to carry out the responsibilities entrusted to the Board membership.
- Fill in CV form issued by the Ministry of Commerce and Industry under the requirements contained in the Ministry of Commerce Circular No. 222/9362/3245 dated 06/18/1412H, as well as the Circular of the Ministry of Trade and Industry No. 322/205/3800 dated 12/26/1420H, as well as filling in the CV form issued by the Capital Market Authority (No. 3) by the Authority Circular No. 4/2359 dated 04/12/1431H, which can be obtained from the Ministry and the Authority website.
- Candidates should submit their applications to the Company by one of the following methods:
 - A- By attending at the Company's headquarters, Attention of the Nomination and Remuneration Committee, at the address: Company premises - in front of King Saud Medical City (formerly Shemaysi).
 - B- By express mail. P.O. Box 359 Riyadh 11411, Attention of the Nomination and Remuneration Committee.
 - C- By E-mail: nrc@alhokair.com.sa
 - D- By Fax No.: 01-4357268.
- Enclosing a copy of his qualifications and experience in the Company's field of activity.
- Providing a separate record on business and major and important achievements made by the candidate in his memberships in the Boards he occupied or in the high executive and administrative functions he held during the last ten years and the current business.
- Enclosing a statement of the Board that he took over and the tenure thereof, and a letter certified by each Company includes the tenure of membership and the number of sessions for each period and the member's percentage of attending the meetings, the Board's sub-committees where the member is participant and the percentage of his attendance, and a summary of the financial outcomes achieved by companies where he took over the membership of Boards of directors during each year of the session.
- Enclosing a statement of shareholding companies where he is still taking over the membership.
- Enclosing a statement of companies where he is involved in its management or ownership and which exercise business similar to the business of the Company.
- Enclosing a copy of the national identity card / family card of the members, the commercial register of companies and institutions, contact numbers and three photos of candidate.
- A candidate should submit a certified Arabic translation of any papers or documents written in a foreign language.

5. Studying the applications by the Nomination and Remuneration Committee of the Company.
6. Arranging interviews for those who initially selected.
7. Presentation of a Board report includes the recommendation of the Nomination and Remuneration Committee of the candidates eligible for membership, indicating the number of applicants for membership and whom are initially selected for interviews and justifications for the recommendation of members qualified for the membership.
8. Calling for an Ordinary General Meeting to vote for appointment of the vacant Board members in accordance with the recommendations of the Board and Nomination and Remuneration Committee, following the approval by the competent authorities to do so.

8. Board Committees

8.1. Audit Committee

8.1.1. Audit Committee's functions and responsibilities

The existence of a proficient internal control system is one of the responsibilities entrusted in the Board of Directors, the main task of the Audit Committee is to verify the adequacy of the internal control system and being effectively implemented and to make any recommendations to the Board of Directors that would activate and develop the system in order to achieve the objective of the Company and protect the interests of shareholders and investors with high efficiency and reasonable cost. The Committee's work scope shall include conducting all the businesses which enable it to perform its functions, including:

1. Supervising the Company's internal audit and checking how effective it is in the implementation of the business and the functions determined by the Board.
2. Studying the internal control system and developing a written report on its opinion and recommendations in this regard.
3. Studying the internal audit reports and overseeing the execution of corrective actions of the observations contained therein.
4. Supervising the investigations related to fraud or faults, which the Company experience, or any other matters deemed by the Committee important to be investigated.
5. Recommendation to the Board of Directors to appoint, remove and determine the remuneration of external auditors and to ensure their independence.
6. Supervising the activities of the external auditors and approving any activity beyond the scope of the audit and work assigned to them during the performance of their duties.
7. Studying the audit plan with the external auditors and making any recommendations there on.
8. Studying the comments of the external auditors on the financial statements and following up actions taken about them.
9. Studying interim and annual financial statements before submitted to the Board and expressing an opinion and recommendation in this regard.
10. Studying the accounting policies in force and advising the Board of any recommendations regarding them.
11. The Board shall assign any other business to the Committee in accordance with scope and nature of its activities.

8.1.2. The formation of the Audit Committee and the requirements to be met by a Committee member

1. The Audit Committee is a sub-committee of the Board. It shall consist of (3) members; they may include Non-Executive Board members, provided not to be more than two members. The one whosoever appointed as a Committee member is required to;
 - A. Be a shareholder of the Company holding a number of shares not less than 100 shares and not to hold more than 5% of the company's shares
 - B. Be Non-Executive member of the Board.
 - C. Combine to his membership in the Audit Committee, no membership in any other sub-committee of the Board.
2. A members of the Committee should - at least - have adequate qualification and knowledge of financial and accounting aspects and the nature of the business, as follows:
 - A. Doctorate in Accounting or equivalent, two-year practical experience at least in the field of accounting and auditing, reduced to one year if he holds the fellowship of the Saudi Organization for Certified Public Accountants or any other equivalent qualification approved by the Authority, or
 - B. Master Degree in Accounting or equivalent, five-year practical experience at least in the field of accounting and auditing, reduced to three years if he holds the fellowship of the Saudi Organization for Certified Public Accountants or any other equivalent qualification approved by the Authority, or
 - C. Bachelor Degree in Accounting or equivalent, seven-year practical experience at least in the field of accounting and auditing, reduced to five years if he holds the fellowship of the Saudi Organization for Certified Public Accountants or any other equivalent qualification approved by the Authority.

8.1.3. Appointment or discharge of the members of the Audit Committee and their tenure

1. Subject to the requirements to be met by the members of the Audit Committee, the Board shall appoint the members of the Committee for three years and should take the necessary measures to enable the Committee to carry out the tasks assigned to, including the review by the Committee, without any restrictions on all the data, information, reports, records, correspondences or other matters the Committee deems important to be reviewed.
2. Any Member may by re-appointed in the Committee for another period.
3. Any member of the Committee may be discharged by a resolution of the Board in the following cases:
 - A. A request by the member to be discharged from the membership of the Committee.
 - B. The member's misuse of his office in the Committee or the misconduct deemed by the Board to cause harm to the name and objectives of the Company in general and the Committee in particular.

- C. The member's non-attendance at three successive meetings without an excuse acceptable to the Board.
4. Upon the expiration of the member's tenure during the tenure of the Committee, due to death, resignation, disability or discharge, the Board shall appoint another member to fill the vacancy in the Committee taking into account the requirements that must be met by the Committee member. Both the member whose office is vacated and the member appointed for the remaining period of the member whose office in the Committee is vacated, shall be deemed served for a full period.

8.1.4 Modus operandi of the Audit Committee

1. The Committee shall prepare its working bylaw, and submit it to the Board for approval. This byelaw of Audit Committee will take its articles from the Company main bylaw, regulations and legislation in the Kingdom.
2. The Company will prepare annual work plan that includes the description of its work to be undertaken over the next year in the form of work programs that estimate the approximate cost and time required to complete each program and this plan will be submitted to the Board for approval.
3. The Committee will submit periodical reports to the Board that includes executed works and their results in addition to any deviation, mistakes or important weaknesses observed by the Committee in the design or implementation of Company's internal audit system. The report shall include Committee's recommendations to treat deficiencies in order to develop and activate Company's internal audit.
4. The Committee shall cautiously, during the preparation of reports, the probability of deliberate irregular transaction, fraud or mistakes in financial reports set by the management. The Committee shall be vigilant for opportunities or situations that may indicate fraud. If that happened, the Committee shall consider the need to seek for consultant opinion to study the situation and submit his suggestions for such cases.

8.1.5 The responsibilities of Committee Chairman, his deputy and Committee Secretary.

1. The members of the Committee shall choose Chairman for themselves who will supervise Committee accomplishment of its missions, especially the following:
 - A. Invite the Committee to convene and determine the time, date and place of Committee meetings and the agenda in coordination with Committee members.
 - B. Submit the results of committee works and its recommendations to the Board of Directors.
 - C. Prepare Committee budget, work plan and its projects for the short and long run in coordination with Committee members and submit to the Board after Committee's approval.
 - D. Prepare periodic reports for Committee activities in coordination with Committee Secretary and submit to the Board after Committee's approval.

- E. Represent the Committee before the Board or any other entities, if required.
2. Committee members shall choose deputy Chairman, during the membership of Committee, to assist the Chairman in his duties and take his place in case of his absence.
 3. The Secretary of Committee, who is appointed and his fees is determined by Committee will attend the Committee meetings, without having the right to vote, prepare meeting minutes, notify the members with the time of meeting and agenda and perform all administrative works related to the Committee. The secretary of Committee shall be chosen for his qualifications and professional experiences that enable him to carry out his assignments. The Secretary of Committee shall keep Company secrets and abstain from practicing any activities that contradict with Company's interests.

8.1.6 The fees of Audit Committee

1. Each member of the Board will get attendance allowance of 5,000 Saudi Riyals and any member out of Board members will get attendance allowance of 15,000 Saudi Riyals for each meeting.
2. The annual report of the Board for the General Assembly will disclose attendance allowances which were paid to the Committee members during the year.

8.2. Nomination and Remuneration Committee

8.2.1 The functions and responsibilities of the Nomination and Remuneration Committee

The basic task of the Nomination and Remuneration Committee is to identify qualified individuals and candidates to be members of the Board and apply the necessary conditions for membership on them as well as assist the Board in the development of sound Governance System and build the necessary policies and procedures to do so. The scope of work of the Committee is to do all the work which enable it to achieve its tasks, including:

1. Recommendation to the Board for candidature of membership of the Board in accordance with the policies and standards and make sure not to nominate any person previously convicted of a crime involving moral turpitude and dishonesty.
2. Annual review of the needs of the appropriate skills required for membership of the Board and prepares a description of the capabilities and required qualifications for membership of the Board including the identification of time that is required from the member to devote for the Board.
3. Review the structure of the Board and submit recommendations regarding changes that can be made.
4. Identify weaknesses and strengths in the Board and the proposal dealt with in accordance with the Company's interest.

5. Make sure on an annual basis of the independence of the independent members and the absence of any conflict of interest, if the member has membership of a Board in another company.
6. Establish clear policies for compensation and remuneration of the Board and Senior Executives, taking into account performance-related criteria.
7. The Board will assign any other business to the Committee in accordance with its nature of work.

8.2.2 The formation of a Nomination and Remuneration Committee and required conditions to be met by Committee member

The Nomination and Remuneration Committee is one of the Committees of the Board. The Committee will be formed from (3) members, whoever is appointed a member of the Committee shall have the following:

1. Not less than 100 shares of the Company.
2. Adequate training and knowledge relevant to the administrative aspects and the nature of the business.

8.2.3 Appointment or discharge of members of the Nomination and Remuneration Committee and the duration of their membership

1. Subject to the conditions to be met by the members of the Nomination and Remuneration Committee, the Board shall appoint members of the Committee for a period of three years. The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it, including committee review, without any restrictions, on all the data, information, reports, records, correspondence or other matters as the Committee consider it as important to access.
2. The member can be reappointed in the Committee for another term.
3. Any member of the Committee may be discharged by a resolution of the Board in the following cases:
 - A. A request by the member to be discharged from the membership of the Committee.
 - B. The member's misuse of his office in the Committee or the misconduct deemed by the Board to cause harm to the name and objectives of the Company in general and the Committee in particular.
 - C. The member's non-attendance at three successive meetings without an excuse acceptable to the Board.
4. Upon the expiration of the member's tenure during the tenure of the Committee, due to death, resignation, disability or discharge, the Board shall appoint another member to fill the vacancy in the Committee taking into account the requirements that must be met by the Committee member. Both the member whose office is vacated and the member appointed for the remaining period of the member whose office in the Committee is vacated, shall be deemed served for a full period.

8.2.4 Modus operandi of the Nomination and Remuneration Committee

1. The Committee shall prepare its working bylaw and submit it to the Board for approval. This byelaw of Nomination and Remuneration Committee will take its articles from the Company main bylaw, regulations and legislation in the Kingdom.
2. The Company will prepare annual work plan that includes the description of its work to be undertaken over the next year in the form of work programs that estimate the approximate cost and time required to complete each program and this plan will be submitted to the Board for approval.
3. The Committee will submit periodical reports to the Board that includes executed works and their results in addition to any deviation, mistakes or important weaknesses by the committee in the design or implantation of Company's internal audit system. The report shall include Committee's recommendations to treat deficiencies in order to develop and activate the structure of the Board and its Committees.
4. The Nomination and Remuneration Committee has the right to ask for assistance from experienced consultants, surveyors and others, if required.

8.2.5 The responsibilities of Committee Chairman, his deputy and Committee Secretary.

1. The members of the Committee shall choose Chairman for themselves who will supervise Committee accomplishment of its missions, especially the following:
 - A. Invite the Committee to convene and determine the time, date and place of Committee meetings and the agenda in coordination with Committee members.
 - B. Preside over the meetings of the Committee.
 - C. Submit the results of Committee works and its recommendations to the Board.
 - D. Prepare Committee budget, work plan and its projects for the short and long run in coordination with Committee members and submit to the Board after Committee's approval.
 - E. Prepare periodic reports for Committee activities in coordination with Committee Secretary and submit to the Board after Committee's approval.
 - F. Represent the Committee before the Board or any other entities, if required.
2. Committee members shall choose deputy Chairman, during the membership of Committee, to assist the Chairman in his duties and take his place in case of his absence.
3. The Secretary of Committee, who is appointed and his fees is determined by Committee will attend the Committee meetings, without having the right to vote, prepare meeting minutes, notify the members with the time of meeting and agenda and perform all administrative works related to the Committee. The secretary of Committee shall be chosen for his scientific qualifications and professional experiences that enable him to carry out his assignments. The Secretary of Committee shall keep Company secrets and abstain from practicing any activities that contradict with Company's interests.

8.2.6 The fees of Nomination and Remuneration Committee

1. Each member of the Board will get attendance allowance of 5,000 Saudi Riyals and any member out of Board members will get attendance allowance of 15,000 Saudi Riyals for each meeting.
2. The annual report of the Board for the General Assembly will disclose attendance allowances which were paid to the Committee members during the year.

8.3. Governance Committee

8.3.1 The functions and responsibilities of Governance Committee

The purpose of the Governance Committee affiliated to the Board of Directors is to assist the Board in discharging supervision responsibilities that relate to abide by the rules and practices of Corporate Governance issued by the Capital Market Authority and the global best practices and assist MD of the Company in the implementation of Corporate Governance. The scope of work of the Committee is to do all the work, which enable it to achieve its tasks, including:

1. Ensure that it is easy for shareholders to access information and practicing all their rights set forth in the Corporate Governance.
2. Ensure that the report of the Board includes all the data set forth in the listing rules and the regulations of Corporate Governance.
3. Ensure that the Board of Directors is doing its basic functions and its commitment for all its responsibilities, with an emphasis on the availability of all necessary conditions in the composition of the Board and its members on a permanent basis without prejudice.
4. Ensure that all Board Committees are doing their role entrusted with the performance, with a proposal to form new committees, if needed.

8.3.2 The formation of a Governance Committee and required conditions to be met by Committee member

1. The Governance Committee is one of the Committees of the Board. The Committee will be formed from (3) members, whoever is appointed a member of the Committee shall have the following:
 - A. Not less than 100 shares of the Company.
 - B. He shall not be a Executive member of the Board.
 - C. One of Committee member, at least, shall have the adequate training and knowledge with the rules and instructions of Corporate Governance issued by the Authority and global best practices in the field of Governance, according to Company's business.

8.3.3 Appoint or exempt members of the Governance Committee and the duration of their membership

1. Subject to the conditions to be met by the members of the Governance Committee, the Board shall appoint members of the Committee for a period of three years. The Board shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it, including Committee review, without any restrictions, on all the data, information, reports, records, correspondence or other matters as the Committee consider it as important to access.
2. The member can be reappointed in the Committee for another term.
3. Any member of the Committee may be discharged by a resolution of the Board in the following cases:
 - A. A request by the member to be discharged from the membership of the Committee.
 - B. The member's misuse of his office in the Committee or the misconduct deemed by the Board to cause harm to the name and objectives of the Company in general and the Committee in particular.
 - C. The member's non-attendance at three successive meetings without an excuse acceptable to the Board.
4. Upon the expiration of the member's tenure during the tenure of the Committee, due to death, resignation, disability or discharge, the Board shall appoint another member to fill the vacancy in the Committee taking into account the requirements that must be met by the Committee member. Both the member whose office is vacated and the member appointed for the remaining period of the member whose office in the Committee is vacated, shall be deemed served for a full period.

8.3.4 Modus operandi of the Governance Committee

1. The Committee shall prepare its working bylaw and submit it to the Board for approval. This bylaw of Governance Committee will take its articles from the Company main bylaw, regulations and legislation in the Kingdom.
2. The Company will prepare annual work plan that includes the description of its work to be undertaken over the next year in the form of work programs that estimate the approximate cost and time required to complete each program and this plan will be submitted to the Board for approval.
3. The Committee will submit periodical reports to the Board that includes non compliance with regulations and instructions of Corporate Governance issued by the Authority and Company's Governance System. The report shall include Committee's recommendations to treat deficiencies in order to achieve complete compliance with regulations and the global best practices.
4. The Governance Committee has the right to ask for assistance from experienced consultants, surveyors and others, if required.

8.3.5 The responsibilities of Committee Chairman, his deputy and Committee Secretary.

1. The members of the Committee shall choose Chairman for themselves who will supervise Committee accomplishment of its missions, especially the following:
 - A. Invite the Committee to convene and determine the time, date and place of Committee meetings and the agenda in coordination with Committee members.
 - B. Preside over the meetings of the Committee.
 - C. Submit the results of Committee works and its recommendations to the Board of Directors.
 - D. Prepare Committee budget, work plan and its projects for the short and long run in coordination with Committee members and submit to the Board after Committee's approval.
 - E. Prepare periodic reports for Committee activities in coordination with Committee Secretary and submit to the Board after Committee's approval.
 - F. Represent the Committee before the Board or any other entities, if required.
2. Committee members shall choose deputy Chairman, during the membership of Committee, to assist the Chairman in his duties and take his place in case of his absence.
3. The Secretary of Committee, who is appointed and his fees is determined by Committee will attend the Committee meetings, without having the right to vote, prepare meeting minutes, notify the members with the time of meeting and agenda and perform all administrative works related to the Committee. The secretary of Committee shall be chosen for his qualifications and professional experiences that enable him to carry out his assignments. The Secretary of Committee shall keep Company secrets and abstain from practicing any activities that contradict with Company's interests.

8.3.6 The fees of Governance Committee

1. Each member of the Board will get attendance allowance of 5,000 Saudi Riyals and any member out of Board members will get attendance allowance of 15,000 Saudi Riyals for each meeting.
2. The annual report of the Board for the General Assembly will disclose attendance allowances which were paid to the Committee members during the year.

9. Code of Ethics and Business Conduct (“Code”)

9.1. Introduction

We believe that the work we do in the Company has a direct and important impact on the lives of millions of people - customers, business partners, shareholders, colleagues and their families. We shall all work together every day until "make people successful in a changing world", through assistance in jobs management in a good working environment.

We strive every day to earn the trust and loyalty of our business partners, customers, suppliers, colleagues, shareholders, investors, governments and communities in which we operate with each other, through our work in accordance with the codes of conduct according to the core values of accountability, teamwork, diligence, commitment and integrity in life.

We do this by fulfilling our promise to:

Be responsible

For our actions and keep ourselves and each other responsible for what we say and do.

Show respect for employees

To all the rights and dignity of all individuals in the Company by establishing and maintaining ongoing, compassionate, fair and equitable collaborations

Always cautious

Towards understanding ourselves and the environment and in order to do that, we ask many questions which may not be raised by others.

Act with integrity

By showing courage and strength of character to do what is right and never get out from the Code even when it is difficult or unpopular.

Always committed

To remain focus on the priorities for action and be persistent and punctual and no obstacles can hinder us. The importance of the work and what we do is to help people that which we cannot avoid. Through the work we define, who we are and provide objective and meaning to our lives, allows us to apply our talents to contribute to society. The work is essential for the financial well-being. It is the mean by which we can achieve our dreams.

We shall assume all responsibility towards the exercise of judgment, honesty and integrity when performing our jobs. These standards will help the Company's continued success and reputation in fair dealing and honesty.

Responsibility towards our employees

In order to respect the employees and to provide a safe working environment and fair employment conditions.

Responsibility towards customers and suppliers

To get and keep on working through continuous research and development and the ability to provide products, services and solutions that meet customer expectations on quality, safety and environmental care, while always carry the highest level of business ethics.

Responsibility towards our shareholders

To protect shareholders' investments and to seek sustainable premium returns.

Responsibility towards society

Management as a responsible member of our community, demonstrating compliance with the laws and customs, and the necessities of the different countries where we present.

9.2. Purpose

This Code confirms for another time on our new basic policies and ethical behavior for all employees. The principal of our Code consists of core labor standards, as well as personal behavior, such as:

1. Honesty and sincerity in our activities, including adherence to the spirit of the Code.
2. Avoid conflict between personal interests and the interests of the Company, or even the appearance of such conflicts.
3. Taking into account the confidentiality of information obtained in the scope of the work.
4. Maintain our reputation and avoid activities that may adversely reflect on the employees.
5. Integrity in dealing with the assets of the Company.

9.3. Purpose

The Company has prepared the present Code to assist employees in understanding and implementation of the integrity and high standards of behavior, including:

- The Company's reputation and integrity is the most valuable assets, and determined by the behavior of its staff.
- Each member of employees shall manage his personal and professional affairs so as to avoid situations that might lead to a conflict or even the suspicion of a conflict between self-interest and duty towards the Company and its customers and suppliers.
- Not to exploit Company's position, directly or indirectly, for private gain, in order to pay personal interests, or to obtain privileges or benefits to an employee, or any person in his family, or anyone else.

9.4. Scope

This Code covers a wide range of professional practices and procedures and it does not cover every issue that may arise, but sets out basic principles to guide all employees in the Company.

If there is a conflict between Code and any policy or internal regulations in the Company, the Code will dominate. However, if there is a conflict between a local custom or an employees has any questions about these conflicts, they have to ask their supervisor about how to deal with the situation.

The person who abuses the criteria of this Code will be subject to disciplinary action, up to and including the termination of his employment or service. If one of the employee members was in a situation where he may violate or lead to a violation of the Code, he should follow the instructions in section 9.4.20 of this Code.

9.4.1 Compliance with laws, rules and regulations

Code commitment, in letter and spirit, is the foundation upon which the moral standards are based for the group. All employees shall observe and comply with laws and regulations and all employees must play a role for being familiar with it and ensure compliance with all applicable laws and regulations and he shall report immediately on violations or suspected violations to the Chief Audit Executive of Internal Audit Department / Audit Committee / Board Secretary.

During any survey or government investigation, any employee shall not damage or alter any special documents of the Company, or lie or make misleading statements to interrogator or governmental investigator or trying to lead a another employee to be unable to provide accurate information and/or mislead or delay information.

9.4.2 Conflict of interest

Conflicts of interest in this Code are strictly prohibited, unless approved by the Board. The "conflict of interest" may happen when the personal interest of an individual conflicts - or appear to conflict - to an individual, with the interests of the Company and the existence of inconsistencies depends on the circumstances, including the nature and relative importance of common interest. The conflict of interest may happen when one of the employee take an action or has interests that may make it difficult for him or his Company to do the work objectively and effectively. Conflicts of interest may arise also when one employee or a member in his family receive improper personal benefits as a result of his or her position in the Company.

Although it is not practical to list each activity or interest in the events that may cause a conflict of interest, the following are examples of special situations that may be considered as a conflict of interest and clarify the Company's policy regarding conflict of this interest.

Interests in other companies

No employees or a member of his family can work, own or get any financial interest in any institution of the action that establish or seeking to establish a working relationship with the Company or competitor for the group, unless (a) these interests have been disclosed fully in writing to the Company's Chief Executive Officer and (b) The Chief Executive Officer shall notify the manager, official or employee where it was concluded that the duties of a member of employees towards the Company will not be affected or to take or cause to be making decisions that could be affected by the interests of this kind or that the interest is otherwise available.

Employment by other companies

The employees shall not work or accept an offer to work as managers, business partners, consultant or in any managerial position or any other form of employment or affiliation in any institution that manages considerable work with or is a competitor of the Company, unless (a) this position, job or affiliation is disclosed fully in writing to Company's Chief Executive Officer, and (b) the Chief Executive Officer of the Company will notify the person that such position, job or affiliation is allowed.

Doing business with related companies

Employees shall not conduct business, on behalf of the Company with a member of his or her family members or business organization in which he or she or a family member has an interest with or without a working relationship disclosed in accordance with the provisions of the Code mentioned above or business that could be considered significant in terms of the potential conflict of interest, unless (a) such business transactions have been disclosed in writing to the Chief Executive Officer of the Company and (b) the Chief Executive Officer of the Company notifies the employees that this transaction is allowed.

Reporting to an immediate family member

The possibility of a conflict of interest appears clearly if a member of your immediate family also works in the Company and in the dependency relationship with you. The employees or workers shall not directly supervise or report to or be in a position that may affect on employment, work assignments or appraisal for someone having a family relationship with him.

Relationship with suppliers and customers

No one shall ask donations from customers, suppliers or request for assistance to push against any events in the Company, as well as circumvent toward seek to obtain money,

goods or services that are not allowed in order to maintain or increase or get on the Company's business. The Company wants to tell their suppliers and vendors that the working relationship with the Company is totally based on their competitive ability to meet Company's business needs.

Fees and bonuses

The employees or workers, after prior approval, may give lectures and seminars, and the publication of articles in books or participate in any other similar activity that can pay them bonuses or fees. However, any fees or bonuses shall be disclosed or repaid and shared.

Bribes and commissions

The workers and employees shall not provide, give, request or receive bribes or commissions where these acts are criminal ones that could lead to lawsuits.

Gifts, privileges, entertainment, borrow and payments**A- Received by Company employees**

It is not permissible for workers and employees to request or accept any gifts, loan, payments, fees, services, privileges, vacations or trips (even for the purpose of work is clear) or loans (non-conventional loans under the terms of the custom of lending institutions) or other privileges of any person or organization you work or seeking to do business with or a competitor of the Company. No one may accept anything of value in exchange for referral of third parties to any person or business organization. In the application of this policy:

- Employees may accept gifts or complimentary items that valued less than 300 Saudi Riyals and associated with known acceptable business practices for them and their families.
- It is not allowed to accept cash or cash equivalent (savings, bonds, securities, etc.) of any amount in addition to that he should not accept the above-mentioned entertainments under any circumstances.

B- Paid or done by Company employees

The employees shall know that it constitutes a violation of this Code to award benefits to an employee working for another company and if it was granted without the consent or knowledge of the employer for this person in order to influence the behavior of the person in relation to the affairs of the employer. Seasonal gifts in the festive periods are not generally considered violation of this policy.

Accepted professional practices will be excluded if they meet all of the following criteria:

- There is a certain commercial purpose.
- It is of limited value in a way that cannot be interpreted as a bribe or grudge.
- It does not violate applicable law and generally accepted ethical standards.

- Public disclosure of the facts will not embarrass the Company, MD, Director or employee.
- Secret commissions will not be allowed or other confidential compensation or payments which may be a criminal offense.

Political / religious contributions

The employees are not entitled to use Company's funds to make contributions of any kind to any political or religious party, committee, candidate, friend, or any office in any national, international or domestic government. This policy is not intended in any way to restrict the use of personal funds to make political or religious donations.

Once again, the conflict of interest is prohibited as a matter of Company policy, unless approved by the MD. Conflicts of interest may not always be clear, so if you have any questions, you should consult with the immediate supervisor to you. Any member of employees who becomes aware of conflict or potential conflict shall attract the attention of the supervisor or refer to the mentioned procedures in section 9.4.20 of this Code.

9.4.3 Combat Money Laundering

Employees shall inform their management if they suspected money laundering relating to products or services of the organization or the use of financial transactions to hide the source of funds that have been obtained through criminal or illegal activity.

9.4.4 Personal money

It is expected that employees live within their income and personal money management so as to avoid personal embarrassment and to the Company. This includes the proper ownership of bank accounts rather than writing checks against insufficient balances. Excessive borrowing is evidence of poor financial management. Counseling services are available to all Company employees who are in need of guidance and financial assistance.

9.4.5 Handling/participation of information

It is not allowed for employee that have access to material non-public information to use or share this information for stock trading purposes or for any other purpose, except for a business of our own. The term "trade" includes all securities transactions in the open market. All non-public information about the Company shall be considered as confidential information, especially for the use non-public information for personal or financial benefit to others who might make an investment decision on the basis of this information. It is not only unethical; it is also a violation of the law and could lead to civil and criminal penalties.

Non-public material information includes, for example, but not limited to: the development of new important products / services, reports or perceptions of sales and profits, significant

contracts with customers or suppliers, plans to buy a stock or and potential acquisitions or mergers. Such material non-public information in case of another company can also include the knowledge that another company may enter or are in negotiations for important contract to sell the property, goods or services to or by the Company. In these cases, when the employees know such information, they shall refrain from buying, selling or encourage others to buy or sell securities of the group or the securities of another company, as the case may be, until the disclosure of such information to the public. If any questions were raised about the appropriateness of the purchase or sale of securities under these circumstances, you should contact the Chief Audit Executive of Internal Audit Department / Audit Committee / Board Secretary.

9.4.6 Equal opportunities

The employees are prevented from exploiting the personal opportunities that are discovered through the use of the property, information or status of the Company without written approval from the MD. No employees shall use the property, information or the Company's position for personal gain or entitled to compete with the Company, either directly or indirectly. Employees owe a duty towards the Company to move forward with their legitimate interests when the opportunity comes to do so.

9.4.7 Employees discounts

Employees shall not use their positions to get discounts unless the discounts are commonly agreed and made available to all employees or expressly authorized by the MD. It is expected that the employees will abide by relevant rules of work with respect to the specified deductions.

9.4.8 Competition and fairness in the treatment

We are striving to compete honestly and moderately and strive for competitive advantages through superior performance and never through unethical or illegal business practices. The theft of confidential information is prohibited and possession of confidential business information that was obtained without the consent of the owner or cause this disclosure by former or current employees in owner companies. The employees shall strive to respect the rights and deal fairly with the Company's customers, competitors, suppliers and employees. The employees shall commit not to use anyone unfairly through manipulation, concealment, abuse of confidential information, misrepresent of material facts or any unfair treatment by deliberate exercise.

9.4.9 Discrimination and harassment

Diversity in the workforce of the group is a tremendous source of strength for the group and we are deeply committed to provide equal opportunities in all aspects of employment and will not tolerate any discrimination or harassment of any kind.

9.4.10 Health and Safety

The Company strives to provide a safe and healthy work environment. All employees will be responsible for maintaining the work site in safe and healthy condition by following health and safety rules and practices and the reporting of incidents, injuries, unsafe equipment, improper practices or conditions of violence, threatening behavior or behaviors not allowed.

Employees shall inform their management of any breach of security or safety regulations or potential danger to the security and safety of our employees, customers, assets or work sites.

9.4.11 Drugs and Alcohol

It is prohibited to use or possess illegal drugs and other unauthorized controlled substances, including the unauthorized use of strictly prohibited medical drugs. It will be considered a criminal offense punishable by law (the death penalty in Saudi Arabia).

The employees shall not attend or stay at work or running vehicles offered by the Company when they are under the influence of unauthorized medical alcohol and/or drug.

9.4.12 Environmental Protection

The Company will comply with all local and international laws on the protection of the environment, including laws related to transport, storage and disposal of solid wastes and hazardous materials.

9.4.13 Social Responsibility

The Company aims to act in a socially responsible manner within the framework of the national legislation of all countries in which it operates with the aim of job creation and support of our customers.

Our ability to manage and grow our business profitably is the foundation from which we can meet our social responsibility. We will seek more actively to find ways and activities through which the Company and our employees can have a positive and lasting impact on society and the communities in which we operate.

9.4.14 Record-keeping

The Company requires honest and accurate registration and reporting of information in order to take sound and responsible business decisions on a rational basis. For example, the real and actual hours of work shall be reported and ensure that whether a certain expense is illegal or not. In order to do so, you have to refer to your supervisor and maintain documents, records, accounts and financial statements of the Company in reasonable detail, reflecting appropriately Company's transactions are in accordance with applicable

requirements of the documentation, as well as the Company to adjust the system and internal control.

The employees shall avoid exaggeration, derogatory remarks, guesswork or inappropriate diagnoses that can be misunderstood. This also applies to e-mail, internal memos and official reports. The records shall always be retained or destroyed in accordance with the Company's policies regarding retention of records and relevant laws. If records / documents are requested for litigation or government investigation, kindly refer to the Chief Audit Executive of the Internal Audit Department, Corporate Governance Committee and Secretary of the Board.

9.4.15 Confidentiality

The employees shall maintain the confidentiality of entrusted information to them by the Company or its customers, unless disclosure is authorized by the Company's Chief Executive and legally authorized under laws or regulations. The confidential information includes all non-public information that might be useful to competitors or to the damage to the Company or its customers, if disclosed.

The employees who have access to confidential information are committed to protect them from unauthorized access and:

- Not to disclose this information to people from outside the Company (be careful when discussing the Company's business in public places where conversations can be heard. Realize the possibility of eavesdropping on cellular phones).
- Do not use this information for personal benefit or for the benefit of people from outside the Company.
- Do not share this information with other employees other than on the basis of "need to know".

Before the publication of confidential information outside the Company, written approval from the MD is required. This includes speeches, technical papers for publication, company references, approvals for other products and services and information received by the Company from other companies under an obligation of confidentiality.

Any private information that has been created over the job or service is the right of the Company. The duty of confidentiality will continue even after the end of your business or service upon retirement or termination of employment or service and shall return all the linear and intangible properties, to the Company before or on the last day of work or service.

9.4.16 Protection and proper use of Company's assets

The employee shall work to protect the company's assets and ensure efficiency and safety of assets from theft, neglect, waste and disposal which have a direct impact on the profitability of the Company. Any suspected incident of fraud or theft shall be immediately reported for investigation. Company assets shall not be used except for the Company's business.

Use the of e-mail, voice mail and internet services

E-mail systems and Internet services will be used for business purposes and employees shall not access, send or upload any information that may be degrading or offensive to another person, such as sexually explicit messages, cartoons, jokes, moral slurs or any other message that can be considered as harassment.

Employees' messages (including voice mail) and computer information are Company property with no anticipation of privacy, unless the Code did not stop him. The Company reserves the right to access and disclose this information when necessary for professional purposes.

The violation of these policies leads to disciplinary action and even termination from the Company.

Special information

Employees are committed to protect the Company's assets for private information, which include but not limited to Company's brand name, logos, copyrights, trade secrets, customer lists / documents, marketing plans, designs, databases, records, information of salary, any undeclared financial statements and reports, evidences, Company stationery and stamps and other advanced materials for commercial use. The use or unauthorized distribution of such information may destroy the value of the information and harm the competitive position of the Company or constitute a breach of the conventions. It can also be illegal and result in civil or criminal penalties.

The Company's guidelines regarding the handling of information are:

- Special information shall be discussed with the Company's employees only on a "need to know basis".
- Unless publicly disclosed by competent authority to disclose to personal information, it should not be disclosed to anyone outside the Company, but within the framework of the confidential disclosure agreement executed and prepared by the MD.
- Always be ready to detect unintentional personal information, for example, in social talks or working relationships with customers, suppliers and others.
- Confidential information will not accept from third parties, unless such information will be subject to written confidentiality agreement prepared by the MD.

Employees must remain aware of the competitive environment to obtain information regarding the Company's markets and competitors. The employees shall do this only by legal and ethical ways. The employees shall not participate in getting unethical or improper personal information about another person. Any breach will be immediately referred to MD of the Company.

9.4.17 Payments for government employees

The Company should not give anything of value, directly or indirectly, to government officials or political candidates in order to obtain or retain business. It is strictly prohibited to pay illegal payments to government officials.

9.4.18 Mandatory professional code of conduct and ethics

No waiver of this Code shall be made to employees except by the Company's Chief Executive Officer and Chief Audit Executive of the Internal Audit.

9.4.19 Reporting of any unethical or illegal behavior

Employees are encouraged to hold talks with supervisors and managers or others appropriate employees about remarkable unmoral or unethical behavior. When you are in doubt about the best course of action in a particular case, all employees shall report violations of laws, regulations and rules of this Code. According to Company policy, retaliation is prohibited for reports of misconduct by others made by employees in good faith. It is expected that the employees will cooperate in internal investigations of misconduct.

9.4.20 Compliance with the standards and procedures

Interpretation

The Chief Audit Executive of the Internal Audit Department / Audit Committee / Board Secretary will be responsible for giving any guidance on the interpretation and application of the Code when they were asked questions in writing. Questions will be submitted in writing.

Corporate Governance and accountability

Company is committed to high standards of Corporate Governance. The Board shall be responsible to shareholders and others about the activities of the Company and responsible for the effective governance practices within the Company. The managers will follow up the Company's commitment to all of the recommendations contained in all applicable regulations.

Reports of non-compliance

All suspected cases of Code violations or improper conduct shall be reported in the Company to the Chief Audit Executive of the Internal Audit Department / Audit

Committee / Board Secretary. Any employee, officer or Director, who sees that an employee has violated or may violate any law or standard, shall report about this matter. Employees have the right, in some cases of a legal obligation; to draw the attention of the Company to cases in which there is a breach in the provisions of this Code. It is emphasized that those who choose to identify themselves will not suffer from any disciplinary or retaliation action. Confidentiality will be kept to the possible extent in light of the Company's duty to fully investigate in any report about improper conduct in the Company. Once the attention is received, the internal audit of the Company will initiate a proper investigation and the decision of this issue will be for the Chief Audit Executive of Internal Audit Department / Audit Committee / Board Secretary and to deal with specific issues. They have the right to choose suitable individual to collect the necessary information and assess situations. Anyone who breaches this charter will be subject to disciplinary action. In special cases, the Company may be obliged to refer violations to the appropriate officials for Code enforcement.

Request for an exception

However some of the criteria in the Code require the strict application, others allow exceptions. For example, conflict of interest can be solved by the disclosure of conflicts to all concerned parties. The employees who believe in their right of exception shall first contact immediate supervisor. If the immediate supervisor agrees that there is a need for the exception, he or she may submit a request to the MD for the exception.

Limitations

While the provisions of the Code are wide, nothing mentioned explicitly or implicitly in the Code shall represent all policies and procedures, which the Company believes that the employees shall follow.

If it is suspected that the violation of the Code has occurred or may occur, he should comply with the following directives:

- Make sure that you have all the facts. In order to reach the right solutions, we shall have complete awareness as possible.
- Ask a question to yourself: what is specifically required from me to do? Does it seem unethical or improper? This will enable you to focus on a specific question you face and the alternatives you have. Use your judgment and common sense to determine if something seems unethical or improper.
- Clarify responsibility and your role. In most cases, there is a shared responsibility. Has your colleagues been informed? This may help you to reach the other participants and discuss this problem.
- Discuss the problem with your supervisor; this is the basic guidance for all situations.
- Ask for assistance from Company's Directors. In a situation where it may not be appropriate to discuss the issue with your supervisor or where you do not feel

comfortable to ask the supervisor, the employee can head to the Chief Audit Executive of the Internal Audit Department / Audit Committee / Secretary of the Board or the MD.

- You can report any ethical violations in confidence and without fear of reprisal. If your situation requires that your identity remains confidential, your identity will be protected by the Company and the Company will not allow retaliation of any kind against employees for reporting of ethical violations in good faith.

9.5. Recognition and disclosure

The Company will ask newcomers and employees on grades six (6) and higher to sign a recognition and disclosure statement to testify that:

- A- They understand Code completely and will abide by it throughout their service in the Company
- B- They will ensure that the concept of Code is understood by those in management;
- C- They will provide advice and guidance on the interpretation of the Code;
- D- They will support and encourage the requirements of the Code;
- E- They will acknowledge the acceptance of the Code and their acceptance will be renewed every year.

10. Regulation of Conflicts of Interests Policy

10.1. General policy

Conflicts of interest are prohibited for members of the Board, Executive management and shareholders with the interests of the Company without an approval from the General Assembly which is renewed annually. The situation of conflict of interest may arise generally when, or even the interest seems to be, personal interest for a member of the Board, MD or shareholder and interfere - by any form - with the interests of the Company, or when affected by the adequacy and objectivity of a member of the Board or the MD in the personal interest of decision making or when a relative of a member of the Board, MD or shareholder has benefits especially as a result of his position in the Company.

10.2. Executive procedures

- No member of the Board, without an approval from the General Assembly renewal on annual basis, shall have an interest (directly or indirectly) in business and contracts for the Company, with the exception of works done by tender if a member of the Board is the best bidder. The member of the Board shall inform the Board, his personal interest in the business and contracts that are for the Company, and enters such information in the minutes of the meeting. The member with interest may not participate in the vote on the resolution issued in this regard. The Chairman of the Board in the General Assembly shall be informed at the session on business and contracts in which a member of the Board has a personal interest; this notification will be attached with special report from Company's auditor.
- No member of Board, without a license from the General Assembly renewal on annual basis, shall participate in any action that would compete with the Company or a branch of Company's activity, otherwise the Company can require for compensation or be considered as a process initiated by his own account.
- The Company may not provide a cash loan of any kind to the members of the Board without the approval of the General Assembly or to guarantee any loan held by one of them with others, with the exception of banks and other credit companies.
- It is not permissible for the members of the Board to disclose to shareholders in the meetings of the General Assembly or to others what they agreed as confidential in the Company for their participation in the management, otherwise, they will be isolated and asked for compensation.
- It is not permissible to combine the work of the auditor and participate in the establishment of the Company or the membership of the Board or involve in the management of the Company, even on a consultative basis. The external auditor also shall not be a partner to one of the founders of the Company or one of its Board members or employees or relative to the fourth generation. All the action on contrary to the rule of this paragraph will be null and void and

the offender is required to respond to the Ministry of Finance and respective Governmental bodies for what he has taken from the Company.

- The Company is committed to the work conducted by the Board within the limits of its competence and will be asked for compensation arising from damage from illegal actions from the members of the Board in Company's management.
- The members of the Board will be asked jointly for compensation of the Company, shareholders or third parties for damage arising from abuse of management of the Company or violating the provisions of the Companies law or the provisions of this policy. Any condition requires otherwise will be considered as void.
- All members of the Board will bear the responsibility of any mistake resulted from a decision based on their unanimous approval. The opponents of the decisions will not be asked when they prove their objection explicitly in the minutes of the meeting. The absences to attend the meeting will not be considered as an exemption from liability unless the absentee proved that he is not aware of the decision or not being able to challenge it after knowing it.
- The Company has the right to file a responsibility claim to the members of the Board because of mistakes that cause damages to all shareholders. The General Assembly will decide to file this case and appoint a representative of the Company to conduct it and if the Company is bankrupted, the representative of the bankruptcy will file the suit. If the Company is liquidated, the liquidator will file the suit after the approval of the Ordinary General Assembly.
- With the exception of fraud and forgery cases, the responsibility claim will be expired by the approval of the Ordinary General Assembly to discharge the members of the Board of the responsibility of their management and in all cases, if we do not receive claim mentioned above within one year after such approval.
- Each shareholder has the right to file the responsibility claim against the members of the Board, if such mistake issued by them harmed his own shares. The shareholder may not file mentioned claim, if the right of Company is still valid. The shareholder shall notify the Company of his intention to file the claim.
- The shareholders who represent at least 5% of the capital shall seek dispute Settlement Commission for commercial companies to inspect the Company, if they found the actions of the members of the Board or the auditors in the affairs of the Company are suspicious. The mentioned Commission has the right to inspect the company management on the expense of the complainants, after hearing the words of the members of the administration and auditors in a special session, and where appropriate, to impose on the complainants to provide a guarantee. If the complaint is right, the aforementioned Commission may order what it deems precautionary measures, and calls on the General Assembly to take the necessary decisions, and may in the case of extreme necessity to isolate the Board members and auditors to appoint temporarily manager and define his authority and the duration of his duties.

11. Insider Trading Policy

11.1. Introduction

The Company is committed to the principles of fair and open markets for securities trading by the public. This policy aims to define and determine the position of the Company and its rules in relation to the following:

- Prevent securities trading by insider of the Company's secrets.
- Maintain the confidentiality of insider information on the Company's secrets.
- Comply with the requirement of Article 50 of the Listing Rules in particular and the pursuit of best practices.

Any person who violates these regulations will be subject to personal accountability and responsibility arising from any breach or violation, including the possibility of facing criminal penalties. We take seriously our commitment, as well as the commitment of our business partners and our employees, to prevent the irregularities of familiar person with trading Company secrets. Taking into consideration, the severity of the penalties can be imposed on the offender personally and we as a Company. We have developed this policy and adopted to govern trading Company insider secrets for strict adherence to our commitment. Any violation of this policy or any other Company policies can display any level of the Company to disciplinary action, including termination.

This policy is not intended to be a substitute for your responsibility in full comprehension and commitment to applicable rules and regulations to trading under insider knowledge and Company secrets.

If you have any queries in relation to this policy or applicable law, please contact us through e-mail shareholder@alhokair.com.sa or contact the secretary of the Board at this number: +966 11 4350000 ext 333.

11.2. Definitions

The reviewer of company's secrets means one of those:

- Member of the Board of Directors, Senior Executives or any other employee familiar with the secrets and insider things of the Company.
- The person who gets the information about the inside secrets through a family relationship and/or through relative, including any person having a relationship with the person who receives the information.
- The person who gets an inside confidential information through a working relationship, including access to information:
 - From a party related to the Company;

- From anyone who has a working relationship with someone who holds information; or
- Any person belongs to the works of a person who gets information.
- A person who gets an inside confidential information through a contractual relationship, including access to information:
 - From a party related to the Company; and
 - anyone who has a working relationship with the person holds information
- **Person familiar with insider information. Company's secrets mean any information that meet the following:**
 - Information related to securities;
 - Confidential information that has not been disclosed to the public, which is not available to the general public in any form;
 - The information that the ordinary person can, in light of the nature and contents of that information, know that if such information is disclosed or made available to the public may have a material effect on the value of the securities.
 - Such information includes, without limitation, periodic financial results of the Company, dividends to be announced, the business plan or expectations, any plan for main expansion, a new financial security or new debt or buy back available securities, the news of prospective merger/acquisition, merger or acquisition or sale of important investments, exposure to significant risks relative to actual or threatened lawsuits, imminent bankruptcy or problems with liquidity, changes in senior management, obtain important customer, changes in profits estimates, the early termination of important concession contract, any changes in the Company's expectations, policies, plans or its special operations.
- **Security:** With regard to inside information, it means any securities that may be substantially affected if the price or value is disclosed or become public. The security which related to inside information shall be a security traded in the stock market.
- **Securities trading** are considered the trading of insiders, if the knowledge influenced directly or indirectly in the trading of those securities.
- **Direct trading of a security:** it will be for person who directly trading in securities in any of the following cases:
 - A. If he executed the trading in security for any account of his interest; or
 - B. If he made an offer for the price of securities trading.
- **Indirect trading of a security:** it will be for person who indirectly trading in securities in any of the following cases:
 - A. If he traded with a proxy for another person;
 - B. If he arranged a trading for one relative or a person with contractual relationship; or
 - C. If he appoint an agent or any other person acting on his behalf or under the direction of trading in the relevant securities.
- **Relative:** husband, wife and minor children.

11.3. Prohibition of disclosure of inside information

- It is prohibited for insider to disclose inside information to another person and knows that this person may trade in the share according to this inside information.
- It is prohibited for any person not insider to disclose to any other person for any internal information obtained from insider and knows or should know that that other person may trade in the share based on inside information.

11.4. Prohibition of trading based on inside information

- It is prohibited for insider to trade based on inside information.
- It is prohibited for a person not insider to trade based on inside information, got from another person which knows or should know about inside information.

11.5. Trading ban for members of the Board of Directors and Senior Executives.

It is not allowed for the Board members or Senior Executives or any person with a relationship with any of them to deal in any securities of the Company during the following periods:

- A period of ten days before the end of the fiscal quarter until the date of the announcement and publication of the preliminary results of the Company.
- A period of twenty-days before the end of the financial year and until the date of the initial announcement of the annual results of the Company or the final declaration of the annual results of the Company, whichever is shorter.

11.6. Reporting and Disclosure

11.6.1 Disclosure by the Chairman of the Board of Directors

The Chairman of the Board shall notify the General Assembly, at its meeting, of activities and contracts that any member of the Board has a personal interest therein and attach with this notice a special report to be reviewed by the Company's auditor.

11.6.2 Disclosure by members of the Board of Directors and senior executives

All the members of the Board and Senior Executives are required to disclose the following details to keep operations in securities for their own Company and their family members to the secretary of the Board:

- Securities of the Company held on the date of enrollment to the Company.
- Securities of the Company which are kept at the date of March 31 of each year.

The secretary of the Board shall submit to the Chief Executive and MD of the Company, the details of transactions in securities by members of the Board and Senior Executives.

11.6.3 Disclosure to Stock Exchange / Capital Market Authority

The authorized person shall disclose the information received from the secretary of the Board to the Stock Exchange and/or the Capital Market Authority as required from time to time.

11.6.4 Record-keeping by the secretary of the Board of Directors

The secretary of the Board shall keep the records of operations which are done by the members of the Board and Senior Executives up to 5 years from the date of implementation.

11.7. Breach penalty

- Any member of the Board or a Senior Executive violates the conditions of the Capital Market Authority or other related rules and regulations and/or the law of the insider trading, will be subject to penalties imposed by the Capital Market Authority and/or the Company.
- Any violation is made to this policy may lead to the termination of the employee's service under Article 80 of the Labor Code, without end of service award, in addition to any monetary and/or non-monetary compensation for damages as well as other penalties imposed under civil law or regulations of the Capital Market Authority or any other rules and regulations in force.

11.8. Reporting a policy violation

Every employee who knows violation of this policy by a fellow employee or an insider in the Company (as defined above) shall report this violation on e-mail shareholder@alhokair.com.sa or call the secretary of the Board on the number +966 11 4350000 ext 333.

12. Shareholders' Manual

12.1. General rights of shareholders

The shareholders of the Company are entitled to all rights in relation to the shares, and in particular:

- A. The right of the share of the profits available for distribution;
- B. The right of the share of the Company's assets upon liquidation;
- C. The right to attend the General Assembly and to participate in the deliberations and voting on the relevant resolutions;
- D. The right of disposition with respect to shares;
- E. The right to supervise the work of the Board and file responsibility claims against the members of the Board;
- F. The right to inquire and access to information without prejudice to the Company's interests and in a manner not contradicting with the Listing Regulations and its implementing rules;
- G. The right to participate in decisions relating to main changes with Company, such as:
 - 1) amendments to the Articles of the Company;
 - 2) permit with additional shares; and
 - 3) extraordinary operations, including the conversion of all or a substantial part of assets.
- H. The right to participate effectively and vote in the General Assembly meetings and voting procedures that govern the meetings of the General Assembly shall be informed and reported to the rules, including:
 - The shareholders shall be sufficiently provided with adequate and timely information relating to the date, place and agenda of General Assembly meetings, in addition to complete and suitable information for agenda to be approved at the meeting.
 - The shareholders shall have the opportunity to ask questions to the Board, including questions relating to external audit and the inclusion of the topics on the agenda of General Assembly meetings and to propose resolutions in accordance with the system.
- I. The right to participate in important decisions for Corporate Governance, such as the nomination and election of members of the Board of Directors.

12.2. Facilitate the practicing of shareholders' rights and access of information

All information that enables shareholders to properly exercise their rights shall be made available and information shall be comprehensive and accurate. The information shall be updated regularly on a regular basis within the prescribed times. The Company shall use

the most effective means to communicate with shareholders. No discrepancy shall be exercised with respect to shareholders in relation to providing information.

12.3. Shareholders' rights related to the General Assembly

- A. Saudi corporate law distinguishes between regular and extraordinary meetings for shareholders. The law imposes holding of an ordinary meeting of General Assembly once a year at least. The date of holding this meeting shall not exceed six months after the end of the financial year of the Company.
- B. General Assembly shall meet at the request of the Board. The Board shall call for the meeting of the General Assembly in accordance with the request of the auditor or number of shareholders whose shares representing at least 5% of the equity rights.
- C. The date of the General Assembly, place and agenda shall be announced at least twenty (20) days prior to date of such meeting and publish the invitation in the Exchange website and the Company's web site and in 2 widely circulated newspapers in the Kingdom. Modern technology means shall be used to communicate with shareholders.
- D. Effective opportunities to participate and vote in the General Assembly shall be available. Shareholders shall also be informed with rules governing meetings and voting procedures.
- E. Necessary arrangements to facilitate the participation of the largest number of shareholders in the General Assembly shall be taken, including, among other things, taking into account that place and time of session are appropriate.
- F. The Board in the preparation of the agenda of the General Assembly, shall take into account the topics that shareholders wish to be included in the agenda; including the right of shareholders who owns 5% or more of the Company's shares to add one or more item to the agenda when prepared.
- G. Shareholders are entitled to discuss topics listed on the agenda for the General Assembly and ask related questions to the members of the Board of Directors and the external auditor. The Board and the external auditor shall answer the questions raised by shareholders in a way that do not harm the interests of the Company.
- H. The topics shall be provided in the General Assembly supported by adequate and correct information to enable shareholders to make decisions.
- I. Each shareholder who owns (20) twenty shares and above has the right to attend the General Assembly in person or to appoint any other shareholder, provided that such members shall be a member of the Board or employees of the Company to attend the General Assembly on his behalf under the power of attorney in writing and supported by the Chamber of Commerce and Industry or a local bank.
 - The original of authorized power of attorney shall be delivered to the Company, by at least, three days before the date of holding the General Assembly (the delivery destination: Investor Relations; PO. B. 359, Riyadh 11411, Fax +966 11 4357268).

- Each shareholder who is willing to attend the General Assembly, or his agent, shall show his identity card, and documents that support his ownership of shares, with emphasis on the importance of attendance before at least one hour from the start of the deliberations of the Assembly, to complete the registration procedures.
- J. General assembly meeting will be only legal if a quorum, that is, if attended by shareholders representing at least half of the Company's capital. If this quorum is not complete, a second meeting will be announced to be held within thirty days after the date of the previous meeting. This announcement would be before 25 days from the date of the second meeting. The second meeting will be legal regardless of the number of shares represented therein.
- K. Extraordinary meeting would be legal only if attended by shareholders representing at least half of the Company's capital. In the absence of a quorum at the first meeting, a notice will be sent to hold the second meeting within thirty days of the previous meeting. The second meeting will be legal and complete quorum if attended by a number of shareholders representing at least a quarter of the Company's capital. The decisions of Extraordinary General Assembly will be taken by the two-thirds majority vote of the shares represented at the meeting. If the decision is related to an increase or reduction of capital, extending the duration of the Company or to dissolution of the Company before the expiration of the period specified in the bylaws or in connection with the merging of the Company in another company or another plant, such a decision will be valid only if adopted by a three-fourths majority vote of the shares represented at the meeting.
- L. Extraordinary General Assembly is held to amend the Articles of the Company, with the exception of the following amendments:
 - Deprive shareholders of any of their fundamental rights as shareholders in the Company;
 - Amendments that lead to increase in financial obligations for any of the shareholders;
 - Amendments that is inconsistent with the objectives of the Company;
 - Transfer the official office of the Company from Saudi Arabia to a foreign country;
 - Change the nationality of the Company
- M. Shareholders shall be able to see the minutes of the meeting of the General Assembly; according to the law, the Company provides CMA with a copy of the minutes of the meeting within ten (10) days after the date of any meeting of shareholders.
- N. The stock exchange will be notified immediately with of the results of the General Assembly.

12.4. Voting Rights

- A. Voting is a fundamental right of the shareholder, so he/she shall not be deprived of it in any way. The Company shall avoid taking any action that impede the advantage of the right to vote; but shall seek to enable and facilitate shareholder upon the exercise of this right.
- B. In the General Assembly to vote for the nomination of the members of the Board, the Company depends on and uses the cumulative voting method starting from the fourth session of the Board of Directors.
- C. The shareholder may designate and appoint another shareholder in writing as his representative to attend the General Assembly, provided that such representative should not be a member of the Board or employee of the Company.
- D. Investors who are judicial persons and work on behalf of third parties - for example investment funds - shall disclose in their annual reports their policies of the vote they have, the actual voting, and ways to deal with any material conflict of interests which may affect the exercise of fundamental rights in relation to their investments.

12.5. The right of shareholders regarding dividends available for distribution

- A. The Board shall set a clear policy with regard to dividends, in a way that may realize the interests of shareholders and the Company. Shareholders shall be informed with this policy during the General Assembly and reference thereto shall be made in the report of the Board.
- B. The General Assembly shall approve the proposed dividend and the date of distribution. The eligibility of dividends whether cash dividends or rights shares shall be for registered shareholders in the records of the Tadawul (stock exchange) at the end of trading session on the day on which the General Assembly is convened.

12.5.1 Dividend Policy

The general policy is to distribute the Company's annual net profit after deducting all general expenses and other costs, according to what is listed in its Articles as follows:

- A. (10%) of the net profits will form a statutory reserve and the General Assembly may stop this regular retainer when reserves reached half of the Company's share capital.
- B. The Company may, on the recommendation of the Board and the approval of the Ordinary General Assembly, set aside a percentage of net profits as agreed reserve to be allocated to support the financial position of the Company.
- C. A payment may be distributed to the shareholders by five (5%) of the paid-up capital.
- D. A percentage not exceeding five (5%) of the remainder shall be allocated as a remuneration to the members of the Board within the provisions of the Companies Law and the governmental instructions or regulations issued in this regard.

The rest will be distributed to shareholders as an additional share of the profits.

13. Corporate Social Responsibility Policy

Based on the keenness of Fawaz Abdulaziz Al-Hokair & Co. to support the values and social concepts and recognizing the importance of cooperation and integration with internal and external environment of the Company by contributing to community service and the belief of the Company's Board and Executive Management to improve the practice of social responsibility and development of this culture to promote the public interest. The Company has committed to develop a strategy and regulatory policy to monitor and ensure compliance with social and international standards in this regard.

13.1. The coverage of social responsibility policy for the Company

13.1.1 Employment and Training

Investment in the society by providing support and assistance to the development and training programs for our citizens and pioneered the adoption of the Ministry of Labor directives in women's employment and create the right climate for that.

13.1.2 Educational events and conferences

Contribute for the care of educational and professional activities by participating in conferences and activities in addition to career events for graduating citizens of the nation.

13.1.3 Suitable environment for employees

Provide an ideal working environment for employees to be compatible with international standards and professional rules and consistent with the Company's future prospects and in particular focus on the following points:

- Comprehensive health insurance for employees.
- Apply regulatory mechanism for the provision of soft loans to needy employees.
- Suitable working environment.

13.1.4 Health campaigns and events

Participate - on a regular basis - in blood donation campaigns, organized by various health institutions, including the King Faisal Specialist Hospital.

13.1.5 Preservation of environment

Care for environment and the preservation of resources and give preference to suppliers who offer environmentally friendly products.

13.1.6 Cooperation with governmental and non-governmental authorities

Provide full support and assistance to governmental and non-governmental authorities to develop Islamic and social values and concepts.

13.1.7 Assist cooperative and charitable societies

Support and provide assistance in cash and kind to cooperative and charities societies.

14. Appendix (1) - Board Effectiveness Assessment Tool

1 = Hardly ever / Poor

2 = Occasionally / Below average

3 = Some of the time / Average

4 = Most of the time / Above average

5 = All of the time / Fully satisfactory

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| 1 - Setting strategy: All Board members support and debate the Company's strategy and values, enabling them to set the tone from the top | | | | | | |
| 2 – Strategy: All Board members have a clear understanding of the Company's core business, its strategic direction and the financial and human resources necessary to meet its objectives. | | | | | | |
| 3 - Management Board meetings and discussions: Board meetings encourage a high quality of debate with robust and probing discussions. | | | | | | |
| 4 – Managing internal Board relationship: Board members make decisions objectively and collaboratively in the best interests of the Company and feel collectively responsible for achieving organizational success. | | | | | | |
| 5 – Managing the Board's relationship with others: The Board communicates effectively with all of the Company's stakeholders and seeks their feedback. | | | | | | |
| 6 – Board members' own skills: Board members recognise the role which they and each of their colleagues is expected to play and have the appropriate skills and experience for that role. | | | | | | |
| 7- Reaction to events: The Board responds positively and constructively to events in order to enable effective decisions and implementation and to encourage transparency. | | | | | | |
| 8 - Chairman: The Chairman's leadership style and tone promotes | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| effective decision-making, constructive debate and ensures that the Board works as a team. | | | | | | |
| 9 - Chairman and Managing Director (“the MD”) relationship: The Chairman and the MD work well together and their different skills and experience complement each other. | | | | | | |
| 10 – Attendance and contribution at meetings: All Board members attend and actively participate at meetings. | | | | | | |
| 11 - Open channels of communication: The Board has open channels of communication with Executive Management and others and is properly briefed. | | | | | | |
| 12 - Risks and control frameworks: The Board’s approach to reviewing risk in the organization is open and questioning, and looks to learning points from events, rather than blame. | | | | | | |
| 13 - Composition: The Board is the right size and has the best mix of skills to ensure its optimum effectiveness. | | | | | | |
| 14 - Clear terms of reference: The terms of reference for the Board are appropriate, with clearly defined roles and responsibilities, ensuring that the right issues are being addressed. | | | | | | |
| 15 - Committees of the Board: The Board’s committees are properly constituted, perform their delegated roles and report back clearly and fully to the Board. | | | | | | |
| 16 - Corporate Officer: The Corporate Officer acts as an appropriate conduit for the provision of information to the Board and support to the Chairman and the non- executive directors. | | | | | | |
| 17 - Executive Directors: The contribution of the executive directors, as members of the Board rather than as senior executives, is effective. | | | | | | |
| 18 - Non-Executive Directors: | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| The Non-Executive Directors contribute effectively to the development of strategy and the monitoring of the performance of management, providing both support and challenge. | | | | | | |
| 19 - Meetings and administration: The Board meets sufficiently often, and with information of appropriate quality and detail, such that agenda items can be properly covered in the time allocated. | | | | | | |
| 20 – Timeliness of information: The Board meets sufficiently often, and with information of appropriate quality and detail, such that agenda items can be properly covered in the time allocated. | | | | | | |
| 21 - Agenda items: The Board cycle agenda covers all matters of importance to the Company, is prioritized and includes consideration of corporate reputation, its enhancement and the risks surrounding it. | | | | | | |
| 22 - Annual General Meeting: The Company makes best use of its Annual General Meeting. | | | | | | |
| 23 - External stakeholders: The Board has defined its external stakeholders and ensures that the Company has the right level of contact with them. | | | | | | |
| 24 - Risk management: The Board uses an active and well-structured process to manage risk, taking account of the Company's activities and the breadth of functions across the business. | | | | | | |
| 25 - Induction and training: Board members receive proper induction on appointment and ongoing training is available to meet development needs. | | | | | | |
| 26 - Succession planning: There is appropriate succession planning for key Board members and senior executives. | | | | | | |
| 27 - Performance evaluation: | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| Board members are individually subject to an annual performance evaluation that measures their contribution and commitment. | | | | | | |

15. Appendix (2) - Curriculum vitae form for a candidate for membership of the Board

The form of Capital Market Authority No. (3) - Curriculum vitae form for a candidate for membership of the Board of Directors of Joint Stock Company listed in the Saudi Stock Exchange (Tadawul).

| |
|--|
| Instructions to fill out the form: |
| 1. This form will be filled by the candidate for membership of the Board of Directors. |
| 2. The form will be sent as soon as possible to the Company to get the approval of the competent authorities to the Capital Market Authority - Public Administration to oversee the market - Fax: 01 279 7205, e-mail: cgd@cma.org.sa, and then sent by registered mail to the postal address: P.O. Box 220022 - Riyadh 11311 CMA. |

| | | | |
|--|---|---|---|
| 1 - The name of company in which applicant is candidate for the Board of Directors. | | | |
| Company name: | | | |
| Company activity: | | | |
| 2 - The nature and status of membership | | | |
| Membership Description (✓ tick) | <input type="checkbox"/> Executive member | <input type="checkbox"/> Non-Executive member | <input type="checkbox"/> Independent member |
| Membership nature (✓ tick) | <input type="checkbox"/> In Person | <input type="checkbox"/> A representative of the legal person | |
| 3 - Personnel data of candidate or representative | | | |
| Full name: | | Occupation: | |
| Nationality: | Birthday: | Postal address: | |
| Work place: | Position: | Office telephone: | |
| | | Mobile: | |
| | | Fax: | |
| ID name: | | | |
| The number of shares owned by the Company to be run for the membership of its Board of Directors | | | |
| 4 - Qualifications and practical experiences | | | |
| Qualifications for a candidate for membership of the Board of Directors: | | | |
| SN | Qualifications | Speciality | Date of qualification |
| 1 | | | |
| 2 | | | |

| | | | |
|--|--|------------------|--|
| 3 | | | |
| 5 – No. of years of experience years their details | | | |
| Years of experience | | Experience field | |
| | | | |
| | | | |

Note:

The candidate for membership of the Board of Directors shall be liable in front of Capital Market Authority on the validity of the data contained in the form

The signature of a candidate for membership of the Board of Directors:

| 6- Interests related to the Company in detail (the candidate or representative): | | | | |
|---|--------------|---------------|--|----------------------|
| (A) Is there any direct or direct interests of the candidate or representative with the Company? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is yes, mention full details: | | | | |
| (B) Is the candidate involved in any action that would compete with the Company? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is yes, mention full details: | | | | |
| 7- The current membership on the Boards of other Joint Stock Companies (listed or unlisted) or sub-committees, including: | | | | |
| SN | Company name | Main activity | Membership status (Executive, Non-Executive, Independent) | Committee membership |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |

Note:

The candidate for membership of the Board of Directors shall be liable in front of Capital Market Authority on the validity of the data contained in the form

Candidate for membership of the Board of Directors

Name:

Signature:

Date:

16. Appendix (3) – Director’s Personal Effectiveness Assessment

1 = Hardly ever / Poor

2 = Occasionally / Below average

3 = Some of the time / Average

4 = Most of the time / Above average

5 = All of the time / Fully satisfactory

Name of Director being assessed: _____

| Behavior | Evaluations | | | | | |
|--|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| 1 - Setting strategy: The Director has a clear understanding of the Company’s core business and participates in setting its strategic aims. | | | | | | |
| 2 - Enabling performance: The Director assists in ensuring that the necessary financial and human resources are available for the Company to meet its objectives. | | | | | | |
| 3 - Setting and applying values: The Director supports the Company’s standards and values, enabling him/her to contribute to setting the tone from the top. | | | | | | |
| 4 - Demonstrating courage and integrity: The director is prepared to stand firm, challenge constructively and to lead by example on ethical matters. | | | | | | |
| 5 - Attendance at Board meetings: The Director regularly attends meetings. | | | | | | |
| 6 - Appropriate preparation: The Director prepares appropriately in advance of meetings. | | | | | | |
| 7 - Active participation: The Director actively participates in robust and probing discussions during and between Board meetings. | | | | | | |
| 8 - Engagement of Executive Directors: The Director clearly works in the best interests of the Company leaving his or her functional responsibilities “at the door”. | | | | | | |
| 9 - Personal accountability: The Director demonstrates personal responsibility for | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| promoting the success of the business. | | | | | | |
| 10 - Risk and control frameworks: The Director's approach to reviewing risk in the organization is open and questioning. | | | | | | |
| 11 - Reaction to bad news: The Director responds positively and constructively to bad news thus encouraging open and transparent communications. | | | | | | |
| 12 - Understanding of individual contribution: The Director recognizes the role which he/she and each of his/her colleagues is expected to play. | | | | | | |
| 13 - Director's skills: The Director has the appropriate skills and experience for the role. | | | | | | |
| 14 - understanding of the business: The Director makes an effort to get to know the business. | | | | | | |
| 15 - Sufficient time for the role: The Director has sufficient time to dedicate to the role. | | | | | | |
| 16 - Flexibility: The Director anticipates and embraces change and reinforces the positive aspects of change to others. | | | | | | |
| 17 - Personnel impact: The Director communicates with impact, seeking to understand others' points of view and negotiating/influencing as appropriate. | | | | | | |
| 18 - Demonstrating business acumen: The Director makes sound decisions and exercises good judgement in debating Board agenda items. | | | | | | |
| 19 - Professional development: The director takes responsibility for his/her ongoing professional development. | | | | | | |
| 20 - Managing relationships with executive management: The Director has open channels of communication with executive management and others, as appropriate. | | | | | | |
| 21 - Managing relationships with externally: The Director is open to contact from major shareholders and other stakeholders as appropriate to his/her role on the | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| Board. | | | | | | |
| 22 - Liaison with Corporate Officer: The Director appropriately utilizes the support of the Corporate Officer. | | | | | | |
| 23 - Liaison with Senior Independent Director: The Director consults and communicates with the Senior Independent Director, where relevant and appropriate. | | | | | | |

17. Appendix (4) – Audit Committee Effectiveness Assessment Tool

1 = Hardly ever / Poor

2 = Occasionally / Below average

3 = Some of the time / Average

4 = Most of the time / Above average

5 = All of the time / Fully satisfactory

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| 1 - Understanding of core business objectives: All Audit Committee members have a good understanding of the different risks inherent in the Company's business activities. | | | | | | |
| 2 - Focus on appropriate areas: The Audit Committee focuses on the right questions and is effective in avoiding the minutiae. | | | | | | |
| 3 - Quality of interaction with External Auditors: The Audit Committee actively engages with the external auditors regarding scope of work, audit findings and other relevant matters. | | | | | | |
| 4 - Quality of interaction with Internal Auditors: The Audit Committee demonstrates an appropriate degree of involvement in the work of internal audit and its findings. | | | | | | |
| 5 - Understanding the key financial issues: The Audit Committee has a good understanding of the key financial issues, including quality of earnings, critical accounting policies and complex transactions. | | | | | | |
| 6 - Understanding of how assurance is gained: The Audit Committee understands the interaction between the various sources of assurance available to it. | | | | | | |
| 7 - Rigor of debate: The Audit Committee meetings encourage a high | | | | | | |

| Behavior | Evaluations | | | | | |
|--|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| quality of debate with robust and probing discussions. | | | | | | |
| 8 - Reaction to bad news: The Audit Committee responds positively and constructively to bad news in order to encourage future transparency. | | | | | | |
| 9 - Quality of Chairmanship: The Chairmanship operates satisfactorily in terms of promoting effective and efficient meetings, with an appropriate level of involvement outside of the formal meetings. | | | | | | |
| 10 - Frank, open working relationship with Executive Directors: The Audit Committee members have a frank and open relationship with the Executive Directors, whilst avoiding the temptation to become 'executive'. | | | | | | |
| 11 - Open channels of communication: The Audit Committee has open channels of communication with Company contacts which facilitates the surfacing of issues. | | | | | | |
| 12 - Perceived to have a positive impact: There is an appropriate balance between the monitoring role of the Audit Committee and it being an "influencer for good". | | | | | | |
| 13 - Members with appropriate skills and experience: The Audit Committee comprises members with an appropriate mix of skills and experience, including recent and relevant financial experience. | | | | | | |
| 14 - Clear terms of reference: There are clear terms of reference, with clarity as to role vis a vis the Board as a whole. | | | | | | |
| 15 - Clear as to risk management responsibilities: The Audit Committee is clear as to its role in relation to risk management | | | | | | |
| 16 - Structured and appropriate annual | | | | | | |

| Behavior | Evaluations | | | | | |
|--|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| agenda: There is a structured annual agenda of matters to be covered with focus on the right areas. | | | | | | |
| 17 - Sufficient number of meetings and access to resources: The number and length of meetings and access to resources is sufficient to allow the Audit and Risk Committee to fully discharge its duties. | | | | | | |
| 18 - Concise, relevant and timely information: The Audit Committee papers are concise, relevant and timely and are received sufficiently far in advance of meetings. | | | | | | |
| 19 - Right people invited to attend and present at meetings: Executive management and others are asked to present on topics, as appropriate. | | | | | | |
| 20 - Meetings held sufficiently far in advance of Board meetings: The Audit Committee meetings are held sufficiently far in advance of Board meetings to permit resolution of issues raised. | | | | | | |
| 21 - Attendance and contribution at meetings: All Audit Committee members attend and actively contribute at meetings. | | | | | | |
| 22 - Sufficient time and commitment to undertake responsibilities: All Audit Committee members have sufficient time and commitment to fulfill their responsibilities. | | | | | | |
| 23 - Ongoing personal development to remain up to date: All Audit Committee members undertake ongoing personal development activities to update their skills and knowledge. | | | | | | |
| 24 - Private meetings with Internal and External Auditors: Private meetings of the Audit Committee, and not just its Chairman, are held at least annually with | | | | | | |

| Behavior | Evaluations | | | | | |
|--|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| both the External Auditors and Internal Audit. | | | | | | |
| 25 - Role in relation to whistle-blowing: The Audit Committee has been informed of the whistle-blowing procedures in place within the organization and undertakes its defined role in relation to them. | | | | | | |
| 26 - Assumption of responsibility for the content of the published annual Audit Committee report: The Audit Committee takes full responsibility for the content of the published annual Audit Committee report and proactively drive the decisions on the disclosures contained therein. | | | | | | |

18. Appendix (5) – Nomination and Remuneration Committee Effectiveness Assessment Tool

1 = Hardly ever / Poor

2 = Occasionally / Below average

3 = Some of the time / Average

4 = Most of the time / Above average

5 = All of the time / Fully satisfactory

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| 1 - Understanding of core business objectives: All Nomination and Remuneration Committee members have a good understanding of the Company's business objectives and Company-wide HR programs and utilize this understanding during Committee discussions on Nomination and Remuneration policy. | | | | | | |
| 2 - Assessment of possible outcomes from decisions: The Nomination and Remuneration Committee understand in detail all aspects of the Company's Nomination and Remuneration policies and assesses the possible future outcomes from decisions. | | | | | | |
| 3 - Appreciation of potential risks: The Nomination and Remuneration Committee consider the behavioural impact on executives and other employees arising from policies and their implementation. | | | | | | |
| 4 - Approach to individual executives' performance objectives and performance assessment: In considering specific awards, the Nomination and Remuneration Committee understands the basis of any assessment of the performance of executive directors (and other members of the management team within their remit) and is prepared to deal with the remuneration aspects of performance below expectation. | | | | | | |
| 5 - Quality of interaction with management: The Nomination and Remuneration Committee retains | | | | | | |

| Behavior | Evaluations | | | | | |
|--|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| the initiatives in setting Nomination and Remuneration policy and structures and listen to, but also challenges, proposals, put forward by management. | | | | | | |
| 6 - Quality of dialogue with Nomination and Remuneration Committee and external advisors: The Nomination and Remuneration Committee is active in ensuring it obtains and understands advice from the HR manager or independent external advisors. | | | | | | |
| 7 - Focus on various investor perspectives: The Nomination and Remuneration Committee consults with shareholders and anticipates reactions to changes in Nomination and Remuneration policy and is aware of the sentiment of the Company's shareholders' and other stakeholders' with respect to senior executive rewards. | | | | | | |
| 8 - Rigour of debate: Meetings of the Nomination and Remuneration Committee are conducted in such a way as to encourage robust and probing debate. All members contribute proactively. | | | | | | |
| 9 - Willingness to take unpopular decisions: The Nomination and Remuneration Committee is prepared to take unpopular decisions and deliver "bad news" to management, if this is considered to be necessary in light of the Company's, or individual, performance or is appropriate in the context of current standards of best practice. | | | | | | |
| 10 - Quality of Chairmanship: The Chairmanship of the Nomination and Remuneration Committee promotes efficient and effective meetings and encourages involvement by all members, both within the formal meetings and informally. | | | | | | |
| 11 - Clear terms of reference: There are clear terms of reference for the Nomination and Remuneration Committee that define the | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| Committee's role in relation to the Board as a whole, are available to shareholders and other interested parties, and to which the Nomination and Remuneration Committee adheres. | | | | | | |
| 12 - Members with appropriate skills and experience: Members of the Nomination and Remuneration Committee comprise individual with appropriate range of experience and skills including a working knowledge of HR and Remuneration structures commonly applied in similar companies and of the current HR and Remuneration framework applicable to the Company. | | | | | | |
| 13 - Ongoing briefing and knowledge update: Each member of the Nomination and Remuneration Committee has committed to undertake regular personal development to update his or her skills and knowledge. | | | | | | |
| 14 - Structured and appropriate annual agenda: There is a structured annual agenda setting out the timing of critical decisions and the processes to be undertaken in order to allow the Nomination and Remuneration Committee members to make such decisions. | | | | | | |
| 15 - Regular, appropriately timed and well-attended meetings: There are a sufficient number of meetings, of adequate length, to allow the Nomination and Remuneration Committee to fully discharge its duties. All Nomination and Remuneration committee members are in attendance at all meetings. | | | | | | |
| 16 - Access to relevant, concise and timely information: The members of the Nomination and Remuneration Committee are provided with complete but concise information sufficiently in advance of each meeting to allow them to assimilate the key issues for debate and | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| decision-making. | | | | | | |
| 17 - Access to external advisors: The Nomination and Remuneration Committee has direct access to external advisers, whether appointed its independent consultants officially to important reports which may lead to a result of any other relationship they may have with management. | | | | | | |
| 18 - Restriction on non-member invitees to Nomination and Remuneration Committee meetings: Executive management and other non-members are invited to attend Nomination and Remuneration Committee meetings to provide information or present on relevant topics but do not attend as a matter of course. | | | | | | |
| 19 - Assumption of responsibility for content of the published annual Nomination and Remuneration Committee report: The Nomination and Remuneration Committee takes full responsibility for the content of the published annual Nomination and Remuneration Committee report and proactively drive the decisions on the disclosures contained therein. The Chairman of the Nomination and Remuneration Committee attends the AGM to answer questions relating to Nomination and Remuneration. | | | | | | |

19. Appendix (6) - Corporate Governance Committee Effectiveness Assessments Tool

1 = Hardly ever / Poor

2 = Occasionally / Below average

3 = Some of the time / Average

4 = Most of the time / Above average

5 = All of the time / Fully satisfactory

| Behavior | Evaluations | | | | | |
|--|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| 1 - Understanding of core business objectives: All the members of the Corporate Governance Committee have a good understanding of the various inherit risks in the Company's activities. | | | | | | |
| 2 - Focus on appropriate areas: The Corporate Governance Committee focuses on the areas associated with the governance effectively. | | | | | | |
| 3 - Quality of interaction with Corporate Officer: The Corporate Governance Committee communicates with Corporate Officer regarding the scope of work and abides by the Capital Market Authority (CMA), Company's Governance System and other related regulations. | | | | | | |
| 4 - Quality of the interaction with the Board Committees (Audit Committee and Nomination and Remuneration Committee): The Corporate Governance Committee demonstrates appropriate degree of involvement with other Committees of the Board. | | | | | | |
| 5 - Understanding key Corporate Governance issues: The Corporate Governance Committee has a | | | | | | |

| Behavior | Evaluations | | | | | |
|--|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| good understanding of the key Corporate Governance issues, including the listing rules, disclosure and transparency policies, financial policies and procedures in addition to financial reports. | | | | | | |
| 6 - Rigor of debate: The Governance Committee meetings encourages on high quality of debate with robust and probing discussions. | | | | | | |
| 7 - Reaction to bad news: The Corporate Governance Committee responds positively and constructively to bad news in order to encourage future transparency. | | | | | | |
| 8 - Quality of Chairmanship: The Chairman operates satisfactorily in terms of promoting effective and efficient meetings, with an appropriate level of involvement of regulatory bodies' official. | | | | | | |
| 9 - Frank, open working relationship with the Executive Directors: The Corporate Governance Committee members have a frank and open relationship with the Executive Directors. | | | | | | |
| 10 - Open channels of communication: The Corporate Governance Committee has open channels of communication with Company contacts which facilitates the surfacing of issues. | | | | | | |
| 11 – Perceived to have positive impact: There is an appropriate balance between the monitoring role of the Corporate Governance Committee and it being an “influencer for good”. | | | | | | |
| 12 - Members with appropriate skills and experience: The Corporate Governance Committee comprises members with an appropriate mix | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| of skills and experience, including recent and relevant legal and financial expertise. | | | | | | |
| 13 - Clear terms of reference: There are clear terms of reference for the Corporate Governance Committee that defines the Committee's role in relations to the Board as a whole, are available to shareholders and other interested parties, and to which Corporate Governance Committee adheres. | | | | | | |
| 14 - Clear as to Corporate Governance responsibilities: The Corporate Governance Committee is clear as to its role in relation to Corporate Governance assessments. | | | | | | |
| 15 - Structured and appropriate annual agenda: There is structured annual agenda of matters to be covered with focus on right areas related to Governance. | | | | | | |
| 16 - Sufficient number of meetings and access to resources: The number and length of meetings and access to resources is sufficient to allow the Corporate Governance Committee to fully discharge its duties. | | | | | | |
| 17 - Concise, relevant and timely information: The Corporate Governance Committee papers are concise, relevant and timely and are received sufficiently far in advance of the meetings. | | | | | | |
| 18 - Right people invited to attend and present at meetings: Executive management and others are asked to present on topics, as appropriate. | | | | | | |
| 19 - Meeting held sufficiently far in | | | | | | |

| Behavior | Evaluations | | | | | |
|---|-------------|---|---|---|---|-----|
| | 1 | 2 | 3 | 4 | 5 | N/A |
| advance of Board meetings: The Corporate Governance Committee meetings are held sufficiently far in advance of Board meetings to permit resolution of issues raised. | | | | | | |
| 20 - Attendance and contribution at meetings: All the members of the Governance Committee attend and actively participate in the meetings. | | | | | | |
| 21 - Sufficient time and commitment to undertake responsibilities: All Corporate Governance Committee members have sufficient time and commitment to fulfill their responsibilities. | | | | | | |
| 22 - Ongoing personal development to remain up to date: The Corporate Governance Committee members undertake ongoing personal development activities to update their skills and knowledge. | | | | | | |
| 23 - Private meetings with Corporate Officer and Board Committees: Private meetings of the Corporate Governance Committee, not just its Chairman, are held at least annually with both the Corporate Officer and Board Committees (Audit Committee and Nomination and Remuneration Committee). | | | | | | |
| 24 - Assumption of responsibility for the content of the published annual Corporate Governance Committee report: The Corporate Governance Committee takes full responsibility for the content of the published annual Corporate Governance Committee report and proactively drive the decisions on the disclosures contained therein. | | | | | | |