



المراكز العربية
Arabian Centres



Arabian Centres Company
Governance Manual and Policy

September 2017

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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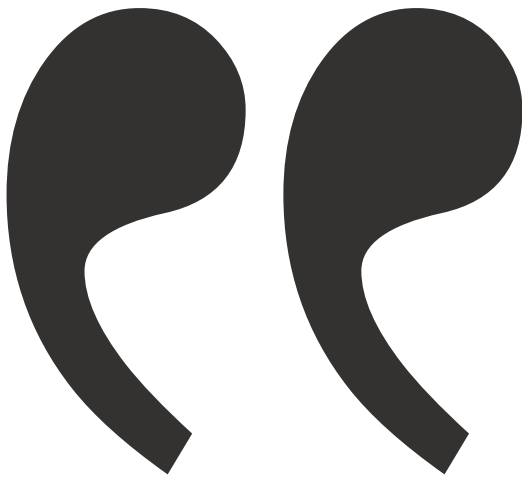
Name	Position	Signature	Date
Fawaz Bin Abdulaziz Al Hokair	Chairman of the Board of Directors		Approved by ordinary general assembly meeting held on 08/03/1439H, corresponding to 06/12/2017G, based on approval of the Board during the board meeting number [1] dated 29/12/1438H, corresponding to 20/09/2017G.



Letter from the Chairman of the Board of Directors

In keeping with **Arabian Centres'** (the "Company") ability and conviction in the need to promote effective governance through the successful implementation of the principles of transparency via a comprehensive approach that ensures the adoption of mechanisms aimed at efficiently developing and managing workflow; therefore, among the established tenets employed in that regard is the belief that the Board of Directors' responsibilities complement, strengthen and support those of the Board member appointed to be the Company's Managing Director, as well as those of the Company's senior management. The Board of Directors therefore lends particular importance to the role played by the Managing Director and senior executives, not only from the perspective of being a role model for compliance with legal and regulatory requirements, but also in the role they play to encourage adherence to the Company's Governance Manual, and the adoption thereof as a basis for managing the Company's daily business. Thus, the Company's Governance Manual, in all of its sections, serves to promote the principles of transparency and accountability, considered to be key criteria by which to establish shareholder value and adopt proper goal-oriented decision-making standards in an overall context predicated on transparency and efficiency, that enable our Company to identify the risks associated with various aspects of its commitment and subsequently prioritize its response thereto based on a sound foundation of rules and standards.

Working together, we can lay a solid foundation to study and review plans and actions that are of interest to our Company, and thus ensure that all of our decisions relating to strategies, performance and accountability are made in a judicious manner. My role as Chairman of the Board of Directors puts me at the center of responsibility to ensure that these procedures are implemented, sustained



and monitored, as I lead the effort to continuously improve our awareness of standards and performance across our business.

The level of trust that the Company has built since its inception is one of the important advantages and components that it enjoys. As is well known, trust is only built through the proper mastery of performance and sound work ethics. Good governance is what we seek and focus on in the Company; and, due to its importance in our decision-making process, we endeavor that it takes the form of true governance within a theoretical framework based on practical applications.

This document identifies the various principles of governance by which the Board of Directors and its committees shall abide. The Company's Governance Manual also pays special attention to evaluating individual and collective performance, thus allowing us to determine the extent to which the Company actually profited from the hours spent at work, with us benefiting from the fruits of our labor and ascertaining that our efforts were not expended in vain.

The Board of Directors has approved this Governance Manual, which shall be made available on the Company's website to allow all our partners and shareholders the opportunity to acquaint themselves with the standards that we drafted and adopted for ourselves.

May God judge our intentions and guide us to success, ””

Chairman of the Board of Directors
Fawaz Bin Abdulaziz Al Hokair





Introduction, Objectives and Importance of Governance and Amendment Procedures

1. Introduction, Objectives and Importance of Governance and Amendment Procedures

Based on Arabian Centers' policy and desire to provide its shareholders and interested parties with transparent credible information, as well as strengthen its relations with all related parties, improve its performance and the wisdom of its decision-making processes; on September 20, 2017, the Board of Directors approved the Company's governance standards and principles aimed at ensuring that the Company's affairs are effectively managed, that the responsibilities of its Board of Director and committees emanating therefrom are properly implemented, and to allow shareholders and other stakeholders to review said governance standards and principles, while raising their level of confidence therein through the regulations and policies used to conduct the Company and its subsidiaries' business.

In order to better enhance the Company's governance-related practices, this Manual shall be periodically reviewed by the Board of Directors (when required), in order to ensure that it conforms with relevant KSA regulations and those issued by the CMA, including registration and listing rules, the Corporate Governance Regulations, as well as all instructions issued by MoCI in that regard.

1.1 Objectives and Importance of Governance

This Manual sets forth a number of policies, rules and standards adopted by the Company's Board of Directors and aimed at monitoring the Company's operations in order to achieve the latter's objectives and plans, while ensuring compliance with the best practices that assist the Board of Directors' performance of its tasks and responsibilities towards the Company and its shareholders. The Board of Directors (at its discretion) may amend some policies and conditions, or dispense with some of them to safeguard Company interests, or remain in compliance with applicable statutory regulations.

This Manual aims to achieve the following:

- 1) Develop mechanisms that assist in achieving Company objectives and strategies.
- 2) Establish effective mechanisms and policies to manage the Company and its subsidiaries' affairs, as well as actuate decision-making mechanisms and oversight procedures.
- 3) Protect shareholder interests and rights.

4) This Manual applies to the Company (in its capacity as a public joint stock company listed on The Saudi Stock Exchange (Tadawul), and regulates the relationships that exist between the Board of Directors, executive managers, shareholders and stakeholders, by establishing special rules and procedures that facilitate the decision-making process and make the latter more transparent and credible in order to protect the rights of shareholders and stakeholders, maintain market and work environment impartiality, competitiveness and transparency.

1.2 The Governance Manual as a Reference, Compliance Therewith and Amendment Thereof

This Manual was drafted based on recognized standards of proper administrative organization. In particular, this Manual was based on the following:

- 1) The Company's bylaws.
- 2) The Capital Market Authority laws and regulations; particularly the registration and listing rules, as well as the Corporate Governance Regulations and amendments thereto.
- 3) The Saudi Companies' Law and amendments thereto, as well as the MoCI issued instructions and circulars.
- 4) The best governance-related global practices.
- 5) This Manual serves to guide the Company until procedures are concluded to list the Company's shares on Tadawul, unless otherwise stipulated by any CMA or MoCI law, regulation, decision or circular.

In addition thereto, the Company – in relation to its commitment to governance – shall implement the principle of compliance thereto, and justify any non-compliance via its Board of Directors' annual report.

1.3 Procedures to Amend the Manual

As previously mentioned, this Manual can only be amended with Board of Directors' approval. Any proposed amendments shall come into effect only after the following conditions are met:

- 1) Any amendments proposed by committees or consultants must be reviewed and approved by the Board.
- 2) The date of amendment approval must be independently and clearly documented and attached to the Manual as an integral thereof.
- 3) Amending the Manual to conform with any amendments to the registration and listing rules, the Corporate Governance Regulations and the Companies' Law.

Effective governance starts with a Board of Directors that is independent, committed and active.

This document shall provide the Company's Board of Directors with a framework for setting the standards, policies, behavior and procedures that relate to work, and monitoring compliance thereto by the Company's Board and employees, while determining the mechanisms needed to maintain said procedures in a manner that ensures advancing and safeguarding Company interests. Whereas members of the Board of Directors are responsible for ensuring compliance with the legal governance obligations of the Company, with said Board acknowledging and abiding by the laws, rules and regulations of the CMA, and adopting the best practices prescribed under the Corporate Governance Regulations; this Manual was adopted to define and act as a framework and policy for the Company's internal governance.

The Company recognizes that the successful implementation of good corporate governance practices is based on an approach that extends beyond the mere commitment to legal requirements, and encompasses a framework that establishes a culture of integration, responsibility and active business policies.

This Manual clearly defines the boundaries and characteristics of the responsibilities and required procedures upon which the Company shall fully base its business practices.





Definitions

2. Definitions

The terms and expressions listed herein shall have the meaning ascribed to them in the Company's the bylaws and as contained in the regulations of the CMA.

The following terms and expressions shall have the meaning set forth below:

CMA: The Capital Market Authority.

Tadawul: The Saudi Stock Exchange.

Board of Directors: The Company's highest administrative shareholder assembly authorized body, primarily responsible for the management of the Company before said assembly. It also represents the main instrument for drafting the Company's policies and developing and monitoring its performance under the Company's bylaws, the resolutions of the shareholders' assembly, as well as legal and regulatory requirements that define said Board's responsibilities, with the latter held responsible before the shareholders' general assembly for all of its decisions and actions.

Corporate Governance: Rules to lead and guide the Company that include mechanisms to regulate the various relationships between the Board, executive directors, shareholders and stakeholders, by establishing rules and procedures to facilitate the decision making process and add transparency and credibility to said process with the objective of protecting the rights of shareholders and stakeholders and maintain market and work environment impartiality, competitiveness and transparency.

Shareholders Assembly: An assembly consisting of the shareholders in the Company formed in accordance with the provisions of the Companies' Law and the Company's bylaws.

Shareholders' Register: The Shareholders' register that is prepared and kept at the Depository Center, and that includes the Shareholders' names, nationalities, places of residence, and share serial numbers, where all actions taken on Company shares shall be recorded.

Registered Shareholders: Shareholders registered in the Shareholders' Register at the end of the day when the Extraordinary General Assembly meets to approve the Company's capital increase and the issuance of new shares representative thereof, or at the end of the dividend due date set by the Ordinary General Assembly or the Board of Directors for the distribution of profits.

Executive Member: Member of the Board who is a full time member of the Company's executive management team and takes part in its daily activities.

Non-Executive Member: Member of the Board who is not a full-time member of the Company's management team and does not take part in its daily activities.

Independent Member: Non-executive member of the Board who enjoys complete independence in his/her position and decisions. Members are deemed to be non-independent upon but not limited to one of the following:

- 1) Hold 5% or more of the shares of the Company or any of corporate group; or be the relative of such a shareholder.
- 2) Represent a legal personality that holds 5% or more of the shares of the Company or any of its corporate group of companies.
- 3) Be a member of the Board of Directors of a company that is part of the relevant Company's corporate group of companies.
- 4) Be related to a member of the Board of Directors of the Company or one of its corporate group of companies.
- 5) Be related to any of the senior executives of the Company or one of its corporate group of companies.

- 6) Within the preceding two years, was an employee or ex-employee of the Company, any party that deals with the Company, or was an employee or ex-employee of one of its corporate group of companies, such as an auditor or key supplier, or held a controlling interest in any such party within the preceding two years.
- 7) Have a direct or indirect interest in business or contracts entered into on behalf of the Company.
- 8) Receive money from the Company in addition to the remuneration paid to the Board of Directors or any of its committees.
- 9) Participate in activities that may compete with those of the Company, or engage in commerce related to that of the Company.
- 10) Spent more than nine consecutive or non-consecutive years on the Board of Directors.

Executive Management or Senior Executives: Persons responsible for managing the daily operations of the Company, as well as proposing and executing strategic decisions, such as the Chief Executive Officer, the delegates thereof and the Chief Financial Officer.

Relatives or Kinship:

- Fathers, mothers, grandfathers, grandmothers and their ancestors.
- Children, grandchildren and their descendants.
- Siblings, maternal and paternal half-siblings and their children.
- Husbands and wives.

Holding Company: A Joint Stock Company or Limited Liability Company that aims to control other Joint Stock Companies or Limited Liability Companies called affiliates, by owning more than half of those companies' capitals or by controlling the composition of their boards of directors.

Person: Any natural or legal person that is recognized as such under the laws of the KSA.

Related Parties:

- 1) Substantial shareholders in the company.
- 2) Board members in the Company or any of its affiliates and their relatives.
- 3) Senior Executives of the Company or any of its affiliates and their relatives.
- 4) Board members and Senior Executives of Substantial Shareholders of the company.
- 5) Entities, other than companies, owned by a Board member or any Senior Executive or their relatives.
- 6) Companies in which a Board member or a Senior Executive or any of their relatives is a partner.
- 7) Companies in which a Board member or a Senior Executive or any of their relatives is a member of the Board of Directors' thereof or is one of the Senior Executives' thereof.
- 8) Joint stock companies in which a member of the Board or a Senior Executive or any of their relatives owns (5%) or more, subject to the provisions of paragraph (4) hereof.
- 9) Companies upon whose decisions a Board member or a Senior Executive or any of their relatives has influence, even if only by giving advice or guidance.
- 10) Any person whose advice or guidance influences the decisions of the Company, its Board and Senior Executives.

11) Holding companies or affiliates of the Company.

Advice or guidance that is provided on a professional basis by a person licensed to provide such advice shall be excluded from the provisions of paragraphs (9) and (10) hereof.

The Group: When referring to a person, means the person and his affiliates.

Affiliate: A person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control may be direct or indirect.

Stakeholder: Person who has an interest in the Company, including employees, creditors, customers, suppliers and the community.

Substantial Shareholders: Person who owns (5%) or more of the Company's shares or voting rights therein.

Cumulative Voting: A method of voting for electing Board members that gives each shareholder a voting capacity equivalent to the number of shares that he/she owns, and by which the shareholder is entitled to either exercise all of his/her votes in favor of one nominee or to divide his/her votes in favor of several nominees without any duplication of such votes.

Controlling Interest: The ability to influence actions or decisions of another person directly, indirectly, individually or collectively with a relative or an affiliate through: (i) owning 30% or more of the voting rights in a company, (ii) having the right to appoint 30% or more of the Administrative Team's members.

Administrative Team: A group of individuals who make the strategic decisions of the person. The Board is the Company's Administrative Team.

Remunerations: Amounts, allowances, dividends and the like, periodic or annual bonuses linked to performance, long or short term incentive plans and any other in-kind benefits, except the actual reasonable expenses and fees incurred by the Company to enable the Board member to perform his duties.

Day: Calendar day whether a business day or not.





The Company's Corporate Governance System

3. The Company's Corporate Governance System



Figure 1: Company's Corporate Governance System

Corporate Governance is a system of relationships, defined by structures and processes.

The relationship between shareholders and management consists of the former providing capital to the latter to achieve a return on investment. Managers in turn should provide shareholders with financial and operational reports in a regular and transparent manner.

Shareholders elect a Board of Directors to best manage the Company and achieve the highest rate of return to shareholders. The Board's responsibility primarily consists of providing strategic guidance to and oversight over the Company's senior management, which shall be responsible for managing the Company's affairs and report to the Board of Directors.

The Company's Governance System aims at strengthening the relationship between the Company and its shareholders.





The Company's Corporate Governance Structure

4. The Company's Corporate Governance Structure

4.1 The Company's Organizational Corporate Governance Structure

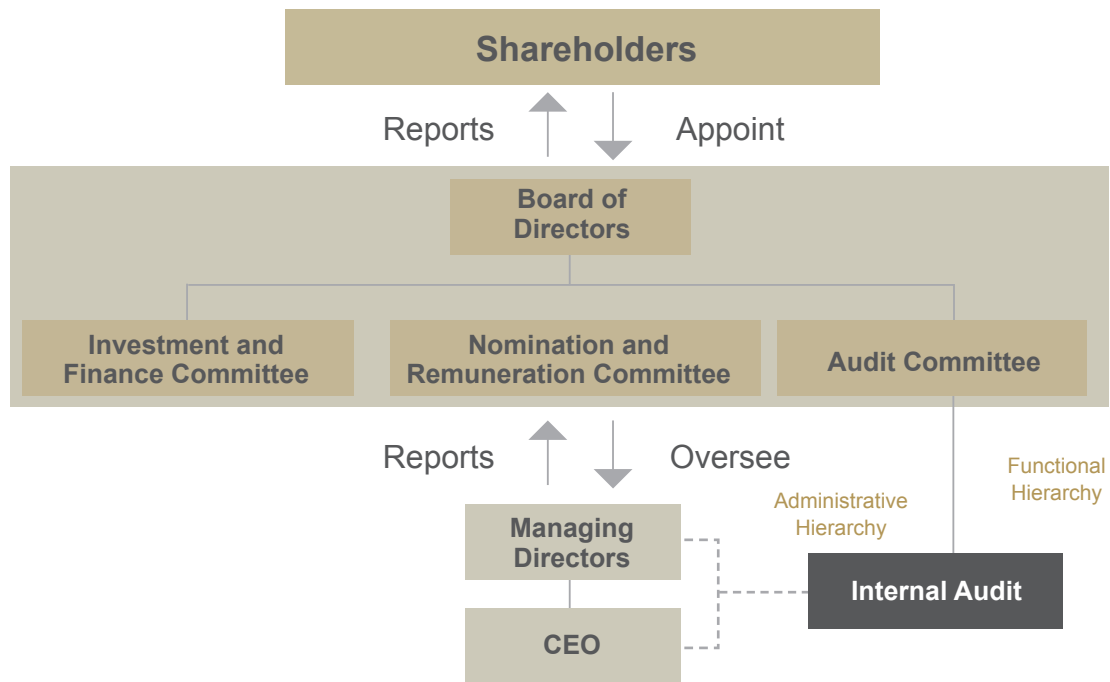


Figure 2: Company's Corporate Governance Structure

The corporate governance structure illustrates the Company's business structure, which is based on leading global corporate governance practices as dictated by the Company's activities and size.

The following is a brief introduction to the organizational structure, while the details and full description thereof provided in subsequent sections of this Manual.

4.2 The Organizational Framework

4.2.1 Shareholders

The Company undertakes to provide shareholders with all the legally required information allowing them to fully exercise their rights. Said information shall be comprehensive, accurate, updated and regularly furnished to shareholders for discussion in the Ordinary General Assembly. Through the implementation of an effective method of communication with its shareholders, the Company ensures that no single shareholder is given preferential access to information over another shareholder.

Said concerned shareholder is any individual, group or enterprise owning one or more shares in the Company, documented through share certificates. Each shareholder – regardless of number of shares held - may attend, participate and vote in General Assembly meetings. Therefore, one must avoid taking any actions that may inhibit shareholders from exercising any of their rights, including the right to vote.

4.2.2 Board of Directors

The Board of Directors shall be elected by shareholders to supervise the management of the Company's business and affairs. The main responsibility of the Board is to guarantee the continuity of the Company and ensure that it is managed in the best interest of shareholders.

4.2.3 Chairman of the Board of Directors

The main responsibilities of the Chairman of the Board of Directors are to lead the Board and facilitate constructive contributions and initiatives by all Board members to ensure Board efficiency in performing its functions as a whole through the exercise of its duties and responsibilities.

4.2.4 Vice Chairman of the Board of Directors

The Vice Chairman shall replace the Chairman of the Board of Directors in his absence.

4.2.5 Secretary of the Board of Directors

The main responsibilities of the Board Secretary are to communicate with members of the Board of Directors, prepare and arrange Board and committee meetings, as well as draft their minutes so that they may be signed by all Board members; record Board resolutions in the Company's records and sign along with the Chairman of the Board of Directors. In addition, he shall organize shareholders assemblies and ensure that all the legal requirements are met, and that laws, regulations, and the Company's Articles of Association and the contents hereof are complied with in relation to the holding of such meetings and ensuring their success.

4.2.6 Board of Directors' Committees

4.2.6.1 Audit Committee

The Audit Committee shall be responsible for monitoring the Company's business and verifying the integrity and veracity of its financial statements and internal control systems. It shall have the right to inspect the Company's records and documents and request any clarification or statement from members of the Board of Directors or the Company's Executive Management.

4.2.6.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be tasked with identifying and nominating members to the Board of Directors and make recommendations for the nomination of Board members to each of its committees, as well as supervise all matters related to compensations of members of the Board and Executive Directors, in addition to conducting periodic reviews of the independence of the members of the Board, and evaluating the Company's compensation and remuneration structure.

4.2.6.3 Finance and Investment Committee

The Finance and Investment Committee shall adopt and approve investment decisions (of medium value), including the purchase of land or projects and the liquidation, improvement and reorganization of existing projects. It shall approve financing agreements, approve mid-level overruns and refer to the Board of Directors in relation to higher value overruns.

4.2.7 Managing Director

The Managing Director acts on behalf of shareholders in overseeing daily operations, guiding the Company's management, reviewing important decisions prior to presenting them to the Board, in addition to supporting the Company's strategic plans, including its annual business plan, performance reports and the signing of draft agreements and memorandums, such as Memoranda of Understanding.

4.2.8 Chief Executive Officer

The CEO is responsible for the financial and operational performance of the Company in general, the development and implementation of the Company's strategy, and the implementation of the Company's Board approved annual business plan. He shall also act as a liaison between the Board of Directors, the Managing Director and the Executive Management of the Company.

4.2.9 Internal Audit

The Internal Audit Department shall assess and supervise the implementation of the internal control system, as well as verify the compliance of the Company and its employees with applicable regulations, laws, instructions and the Company's policies and procedures.





**Key Principles of the
Corporate Governance
Manual**

5. Key Principles of the Corporate Governance Manual

5.1 Leadership

In terms of leadership, the Company is headed by an effective board that shall be jointly responsible for its sustainability and ensures the Company's long-term success and growth.

The responsibilities of Board members shall be clearly defined to either include leading or managing the Company on an executive level. No one shall have unrestricted powers to make unilaterally make decisions, with all aspects governed within specific frameworks.

The Board Chairman shall be responsible for leading the Board and ensuring its effectiveness in all matters under its purview.

In affirmation of their complementary role, non-executive Board members shall constructively meet their challenges and help develop and advance proposals in support of the Company's strategy.

5.2 Effectiveness

Members of the Board and its committees shall enjoy an appropriate mix of skills, expertise, independence and knowledge of Company affairs, to the extent necessary to effectively discharge their duties and responsibilities.

Adopt formal rules and procedures within the framework of transparency to be followed when appointing new Board members.

Ensure that all members of the Board devote sufficient time to the Company as required to effectively fulfill their responsibilities.

Ensure that information is provided to the Board, in an appropriate, periodic, and appropriately qualitative manner to fulfill its duties.

The Board undertakes to provide an annual assessment of the effectiveness of its performance and the performance of its committees and members individually.

5.3 Accountability

The Board shall submit a balanced and realistic assessment of the Company's position and future prospects.

It is the responsibility of the Board to adopt sound risk management and internal control policies.

The Board shall establish and be accountable for the necessary formal arrangements for reporting, risk management, internal control, internal audit, and maintaining an appropriate relationship with the Company's external auditor.

5.4 Remuneration

Remuneration levels shall be designed to attract, retain and motivate individuals with the required expertise and motivate them to achieve the excellence required to successfully manage the Company, while avoiding paying more than is necessary to achieve said purpose, provided that bonuses do not exceed the amount permissible under the relevant laws and circulars. Rewards of the Managing Director and Executive Management shall be linked to individual and collective performance levels. Managers are prohibited from setting their own remuneration.

5.5 Dialogue with Shareholders

The Board shall be responsible for establishing dialogue with shareholders based on their common understanding of objectives as determined by the Ordinary General Assembly. In this regard, the Board shall collectively be responsible for ensuring that an acceptable level of dialogue is established with shareholders.

The Board shall communicate with shareholders utilizing all practical and effective methods.





**Disclosure and
Transparency Policy**

6. Disclosure and Transparency Policy

6.1 Purpose

The purpose of the disclosure and transparency policy is to ensure that the Board of Directors guarantees proper and accurate disclosure of all material matters relating to the Company, including its financial position, performance and governance.

6.2 The Overall Policy Framework

Under this policy, the Company undertakes to make full regulatory disclosure. This means that Company officials shall address issues of information creation, management and disclosure with the assumption that disclosure is permitted, unless the dissemination of information is detrimental to material interests as set forth below, taking into account that there is no abrogation of any public interest in favor of disclosure. The Company undertakes not to publish information the disclosure of which may be more detrimental than beneficial to the Company; such as in cases where:

- Disclosure is likely to cause serious harm to effective development, or to the provision of new services.
- Disclosure constitutes a violation of a legal professional advantage or other financial relationship recognized by the Company's Articles of Association.
- Disclosure may constitute a risk to the health or safety of any natural person.
- Disclosure is causes serious detriment to the business, legal or competitive position of the Company or a third party; or that leads to unjust gains or losses to any person or information obtained in confidence from a third party, where such information contains trade secrets protected by law.
- Disclosure constitutes an undue infringement on the privacy of a person, or in cases where the information about the Company is operational but is unrelated to the official position or duties of the Company. If any of these conditions are met, the Company shall submit an application to be exempt from disclosing specific information to the public, provided that it confidentially submits a statement to the CMA concerning the relevant information and the reasons that prevented the Company from disclosing said information at that time.

6.3 Clear and Fair Disclosure

The Company undertakes that all published disclosures are clear, fair and not misleading.

Disclosure to the public of any material information or developments shall be made at least half an hour prior to the beginning of the trading session.

6.4 Disclosing Material Developments

The Company undertakes to inform the CMA and the public without delay of any material developments in its business environment, which are not generally known, and which may have an impact on its assets, liabilities, financial position, or the Company and its subsidiaries' business in general, and which may:

- Affect the price of listed securities.
- Affect the Company's ability to meet its debt obligations.

The possibility of investors receiving information pertaining to future developments or acquisitions must be taken into account upon said investors making their investment decisions.

The abovementioned material developments that the Company must disclose include but are not limited to:

- Any transaction for the purchase, sale, mortgage or lease of an asset at a price equal to or greater

than 10% of the Company's net assets as determined in the most recent audited interim financial statement or audited annual financial statement, whichever is most recent.

- Any indebtedness beyond the scope of the Company's ordinary course of business in an amount equal to or greater than 10% of the Company's net assets as determined in the most recent audited interim financial statement or audited annual financial statement, whichever is most recent.
- Any losses equal to or greater than 10% of the Company's net assets as determined in the most recent audited interim financial statement or audited annual financial statement, whichever is most recent.
- Any significant change in the Company's production environment or activities, including, but not limited to the availability and accessibility of resources.
- Changing the CEO or any changes in the composition of the Company's Board of Directors.
- Any court judgment rendered against the Company's Board of Directors or one of its members, if the subject matter of the judgment relates to the activities of the Board or one of its members.
- Any dispute involving litigation, arbitration or mediation if the amount of the dispute equals or exceeds 5% of the Company's net assets as determined in the most recent audited interim financial statement or audited annual financial statement, whichever is most recent.
- A 10% or greater increase or decrease in the Company's net assets as reflected in the latest audited interim financial statement or audited annual financial statement, whichever is most recent.
- A 10% or greater increase or decrease in the Company's total profit as reflected in the latest audited annual financial statement.
- Entering into, or the unanticipated termination, of any contract with proceeds equal to or greater than 5% of the Company's net revenues as determined in the most recent audited interim financial statement or audited annual financial statement, whichever is most recent.
- Any transaction between the Company and a related party or any arrangement by which the Company and a related party shall invest in or provide a loan to any project or asset, if said transaction or arrangement is equal to or greater than 1% of the Company's total revenues as determined in the most recent audited interim financial statement or audited annual financial statement, whichever is most recent.
- Any interruption in the Company, its subsidiaries or affiliates' main activities valued at or greater than 5% of the Company's total revenues as reflected in the latest audited annual financial statement.

6.5 Disclosing Financial Information

- The Board of Directors shall approve the Company's interim and annual financial statements to be signed by a member authorized to do so by the Board of Directors, the Chief Executive Officer and the Chief Financial Officer, prior to their publication and distribution to shareholders and others.
- Interim and annual financial statements, as well as the Board of Directors' report must be submitted to the CMA as soon as they are approved by the Board.
- The Company shall, through the electronic means specified by the CMA, publish its interim and annual financial statements as soon as they are approved by the Board of Directors. Such statements may not be published to shareholders or others prior to their publication on Tadawul.
- As soon as they are adopted and within a period not exceeding 30 days from the end of the financial period covered by those statements, the Company shall provide the CMA with, and publish to shareholders, its interim financial statements, which shall be prepared and

examined in accordance with the accounting standards approved by the Saudi Organization for Certified Public Accountants.

- As soon as they are adopted and within a period not exceeding three months from the end of the financial period covered by those statements, the Company shall provide the CMA with, and publish to shareholders, its annual financial statements, which shall be prepared and examined in accordance with the accounting standards approved by the Saudi Organization for Certified Public Accountants. Furthermore, said statements must be submitted to the CMA and provided to shareholders within no less than 15 calendar days prior to the date set for convening the Company's annual Ordinary General Assembly.
- The Company shall ensure that the Auditor reviewing its financial statements or any partner thereof, are in compliance with the rules and regulations of the Saudi Organization for Certified Public Accountants concerning the ownership of Company or any of its subsidiaries' shares or securities, thus ensuring the independence of said Auditor and any partner or employee thereof.

6.6 Disclosure as it Relates to the Board of Directors' Report

The Company undertakes to provide the CMA and announce to shareholders, within a period not exceeding 75 calendar days from the end of its financial year, a report issued by the Board of Directors, that includes a review of the Company's operations during the past financial year and all important factors affecting the Company's business that investors need to assess assets, liabilities and the Company's financial position. In this regard, the Board's report shall contain the following points in accordance with registration and listing requirements, as well as the provisions of the CMA's Corporate Governance Regulations:

- Implemented and non-implemented provisions of the CMA's Corporate Governance Regulations, and justifications therefor.
- Names, qualifications, experience, as well as current and former responsibilities of Board, committee, and Executive Management members.
- Names of the companies inside and outside the KSA in which a Board member is a member of their current or previous Boards or a manager thereof.
- Composition of the Board and classification of its members, as follows: Executive Directors, Non-Executive Director, or Independent Director.
- Procedures taken by the Board to inform its members, particularly non-executive directors, of shareholder suggestions and remarks concerning the Company and its performance.
- A brief description of the competencies and duties of the committees, indicating committee names, as well as the names of chairmen, members, and the number of their respective meetings, dates thereof and the members in attendance.
- Where applicable, the means used by the Board to assess its performance, the performance of its committees and members and the external body that conducted the assessment and its relation to the Company, if any.
- Disclose the remuneration of Board members and Executive Management;
 - Any punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the CMA or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future.
- Results of the annual review of the effectiveness of the Company's internal control procedures and the opinion of the Audit Committee with respect to the adequacy of the Company's internal control system.

- The Audit Committee's recommendation on the need to appoint an internal Company auditor, in the absence thereof.
- The Audit Committee's recommendations that conflict with Board resolutions, or those that the Board rejects in relation to the appointment, dismissal, assessment or remuneration of an external auditor, as well as justifications for those recommendations and reasons for rejecting them.
- Details of the Company's social contributions, if any.
- A list of General Assembly meeting dates, held during the last financial year, and the names of Board members who attended them.
- A description of the Company and its affiliates' main scope of business activities. When two or more such activities exist, a statement shall be attached specifying each activity and the manner by which each affects Company activities and results.
- A description of the Company's significant plans and decisions (including changes to the structure, expansion of the Company's operations or the halting thereof) and future expectations.
- Information on any risks facing the Company (operational, financial or market related) and the policy of managing and monitoring said risks.
- A summary in the form of a table or graph displaying the Company's assets, liabilities and results during the last five financial years or since its incorporation date, whichever is shorter.
- Geographical analysis of the Company and its affiliates' revenues.
- Any material differences in operational results compared to the preceding year's results, along with any Company announced projections.
- Any inconsistencies with the standards approved by the Saudi Organization for Certified Public Accountants.
- Name of each affiliate company, its capital, the company's ownership percentage, the main scope of business, country of operation and country of incorporation.
- Details of shares and debt instruments issued for each affiliate company.
- A description of the dividends distribution policy.
- A description of any interest in voting shares held by persons (other than the company's directors, Senior Executives and their relatives) who have notified the Company of their holdings pursuant to Article 45 of the Registration and Listing Rules, together with any change to such interests during the last financial year.
- A description of any interest, contractual securities or rights issues held by Board members, Senior Executives and their relatives on Company or any of its affiliates' shares or debt instruments, and any change to these interests or rights during the last financial year.
- Information on any loans (payable upon request or not), a statement of the total indebtedness of the Company and its affiliates, any loan payments made by the Company during the year, the amount of the principal debts, the creditor's name, the loan term and remaining amount. In case there are no debts, a declaration thereof shall be presented.
- A description of the class and number of any convertible debt instruments, contractual securities, preemptive rights or similar rights issued or granted by the Company during the financial year, as well as a statement of any compensation obtained by the Company in this regard.
- A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company.

- A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the Company and those purchased by its affiliates.
- The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of attendees.
- The numbers of times the Company requested the Shareholders Register, dates and reasons thereof.
- A description of any transaction between the Company and any Related Party.
- Information relating to any business or contract to which the Company is a party and in which a director of the Company, a Senior Executive or any person related to any of them is or was interested, including the names of those involved in said business or contracts, the nature, conditions, durations and value of the business or contract. The Company shall submit a statement in that regard when there are no such businesses or contracts.
- A description of any arrangement or agreement under which a Company director or Senior Executive has waived any remuneration.
- A description of any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends.
- A statement of the value of any paid and outstanding statutory payment pertaining to zakat, taxes, fees or any other charges that have not been paid as at the end of the financial year with a brief description and the reasons therefor.
- A statement as to the value of any investments made or any reserves set up for the benefit of Company employees.
- Declarations that:
 - Accounting records have been properly prepared;
 - The system of internal control is sound in design and has been effectively implemented;
 - There are no significant doubts concerning the Company's ability to maintain its activities.
- If the external auditor's report contains reservations concerning annual financial statements, the Board report shall so indicate and state the reasons and any relevant information.
- If the Board recommended replacing the external auditor before the end of its term, the report shall so indicate and state the reasons for the replacement recommendation.

6.7 Disclosure Pertaining to Corporate Governance

The Company undertakes to disclose material information about corporate governance policies and procedures. In particular, the Company undertakes to disclose the following:

- The implemented and unimplemented provisions of the CMA's Corporate Governance Regulations, and the reasons therefor.
- The distribution of powers among shareholders, CEOs and Board members.
- Board appointment policies.
- Conflicts of interest.
- Number of Board meetings held annually.

- Any change in the Company's objectives.
- The shareholders' voting method.

6.8 Disclosure Pertaining to the Company's Social Responsibility Policies

The Company undertakes to disclose, once a year, its social responsibility policies and related procedures towards employees and the community for which the Company endeavors and in which the Company is active, as well as the policies pertaining to protecting the environment.

6.9 Disclosure to Regulatory Authorities

The Board shall disclose the following to the regulatory authorities set out below:

- Terminating the term of a Board member, with the reasons for such termination to be disclosed immediately to the CMA and Tadawul.

6.10 Notice of Ownership of Large Numbers of Shares or Convertible Debt Instruments

In accordance with the CMA's listing rules, when one or more of the following cases apply to any person, the latter shall inform the Company and the CMA at the end of the trading day when:

- Said person becomes the owner or desires to own 5% or more of any class of Company voting rights or convertible debt instruments.
- There occurs an increase or decrease in his ownership by 1% or more of the Company's shares or convertible debt instruments.
- He is a member of the Company's board of directors or a senior executive thereof and has become the owner or interest holder in any Company equity or convertible debt instruments.
- There occurs a 50% or more increase or decrease in the ownership or interest of any of the directors or senior executives in the shares or convertible debt instruments that he holds in the Company, or a 1% or more increase or decrease in the Company's shares or convertible debt instruments, whichever is less.
- For the purpose of calculating the total number of shares or convertible debt instruments in which the person has an interest, that person shall be deemed to have an interest in any shares or convertible debt instruments that are owned or controlled by any of the following persons:
 - A relative of that person.
 - A company controlled by that person;
 - Any other persons with whom that person agreed to act for the purpose of acquiring an interest or exercising voting rights in the Company's shares or convertible debt instruments.
- The aforementioned notice must conform with the CMA prepared template and include the following information:
 - Names of the persons who own or have the right to dispose of the respective shares or convertible debt instruments.
 - Details pertaining to the ownership process.
 - Details pertaining to any loans or financial backing that said person received from any other persons in relation to the acquisition.
 - Purpose of ownership.
- In the event of any change in the previously disclosed ownership holding or purpose, the relevant

shall immediately inform the Company and CMA of such change and shall not act on any shares or convertible debt instruments for a period of ten (10) Days from the date of such notice.

- Without prejudice to the provisions of this Article, a person who becomes the owner or interest holder of 10% or more in any class of voting shares or convertible debt instruments shall not act thereupon without the approval of the CMA. The CMA may impose a set of specific restrictions on such conduct and determine the methodology pertaining thereto.
- When the Auditor's report contains reservations on the annual financial statements, then the Company shall be obliged to clarify and give reasons for said reservations and any information related thereto included in the Board's report.

6.11 Disclosure Pertaining to Securities

The CMA shall be notified without delay of any significant change in the ownership or identity of the owners of more than 5% of Company shares or convertible debt instruments.

The following information shall be communicated to the CMA and the public without delay:

- Any proposed change in capital.
- Any decision to declare profits, recommend such an announcement, pay dividends or make other distributions to holders of listed securities.
- Any decision not to declare profits or recommend not to make such an announcement, or not to pay dividends that are expected to be announced or recommended to be announced or paid in the normal course of events.
- Any decision to call, repurchase, withdraw, redeem or offer to purchase Company securities, the total amount, number and value thereof.
- Any non-payment decision relating to debt instruments or convertible debt instruments.
- Any change in the rights associated with any class of listed shares or convertible debt instruments.

6.12 Language of Announcements, Notices and Bulletins

All notices, announcements and reports issued by the Company shall be in Arabic and, if necessary, translated into English.

Arabic shall be the language used to clarify and interpret announcements, notices and reports. The Arabic text shall prevail in the event of conflict between the Arabic and English texts.

6.12.1 Disclosures by Board Members and Senior Executives

All members of the Board of Directors and senior executives are required to disclose to the Board the following details pertaining to their or their family members' holding of Company securities:

- Company securities held on the date of joining the Company.
- Company securities held as at the end of each financial year.

The Secretary of the Board of Directors shall submit to the Company's Chief Executive Officer and Managing Director details of securities transactions undertaken by directors and senior executives.

6.13 Disclosure to Tadawul / the CMA

The person authorized to do so shall disclose the information received from the Secretary of the Board of Directors to Tadawul and/or the CMA as required from time to time.

6.14 Record keeping by the Secretary of the Board of Directors

The Secretary of the Board of Directors shall keep the records pertaining to the operations carried out by the members of the Board of Directors and senior executives for a period of no less than ten (10) years from the date of their implementation; including the reports of Board and the Audit Committee. Without prejudice to this period, the Company shall, in the event of a lawsuit (including any existing or threatened litigation), claim or any existing investigation relating to such records, documents or reports retain the latter until such ongoing litigation, claim or investigation is concluded.

6.15 Miscellaneous Provisions

The Company shall inform the CMA and the public without delay of any material developments arising from its activities, that the general public is unaware of, and that shall affect the assets, liabilities, financial position, business, subsidiaries or affiliates of the Company and that may:

- i. Lead to a change in the price of its listed securities.
- ii. Have a significant impact on the Company's ability to meet its debt instrument obligations.

6.16 Submitting Documents to the CMA

The Company shall submit copies of required documents to the CMA within the periods specified by relevant regulations and circulars.

6.17 Key Elements of Company Announcements

In keeping with the Company's keenness that the announced material information, data and events conform to the regulations governing the information required in Tadawul listed company announcements as per Capital Market Authority Board Resolution no. 1-199-2006 dated 11/7/1427H corresponding to 12/8/2006G, as amended by Capital Market Authority Board Resolution no. 6-46-2017 dated 22/07/1438H corresponding to 19/04/2017G; below are the most prominent elements to be included in such announcements:

1. The announcement title should be complete, clear, correct, non-deceptive and reflects the announcement's intended material development.
2. Detailed description of the material development and explanation of all related information.
3. Explanation of factors and reasons that led to occurrence of material development.
4. If the event has an effect on the financial statements, company should state said effect or give the reason for its failure to do so.
5. Due care shall be exercised to ensure that any facts or information related to that event are true and not misleading.
6. Refrain from omitting, withdrawing or concealing any facts that may affect the content or results of the material development.
7. If the material event leads to any financial obligation, guarantees or mortgages on the company, then, the announcement should reflect the conditions, period, amount of such obligation, guarantee or mortgage, the involved parties and its effect on financial statements.
8. If related parties are associated with the announced event, then the data pertaining to said parties must be disclosed.
9. In the event of a transaction between the Company and a related party or any arrangement by which the Company and a related party shall invest in or provide a loan to any project or asset, when said transaction or arrangement is equal to or greater than 1% of the Company's total revenues as determined in the most recent audited annual financial statement, then disclosure must be made as to the nature of the interest related to the transaction or arrangement, the limits

of said interest, the names of any interested persons, and the benefit expected to be directly or indirectly gained from said interest, whether financial or not. The ownership percentage of the related parties in the two entities associated with the announced event should also be disclosed, if any.

10. If a prospective material event is announced by the Company, then it should also announce any new developments relating to that event.

11. In the event of two material developments occurring, then the company shall disclose each of them separately.

12. Company announcements must be in Arabic and conform to the CMA's announcement templates and be herein (English language copies may also be provided).

13. Coordinate with Tadawul to publish the announcements on its website and the website of the Capital Market Authority.





Board of Directors Work Guidelines

7. Board of Directors Work Guidelines

7.1 Introduction

The Company's Board of Directors is the highest administrative body responsible to the General Assembly of shareholders for the management of the Company in accordance with the latter's Articles of Association and relevant laws and regulations.

The purpose of this Manual is to help members of the Board of Directors to efficiently meet their responsibilities and present their vision and expectations to said Board, while improving their effectiveness in dealing with these expectations. This Manual therefore outlines the topics and areas that Board members should focus on in the performance of their functions:

Table (1): Board Responsibilities

Performance	Compliance/Legal Conformance	Overall Operations
<ul style="list-style-type: none"> • Ensure the Company's long-term sustainability and enhance its financial position. • Motivate management to establish Company corporate strategies. • Adopt a work plan, budget and Company policies. • Approve key performance indicators. • Monitor/evaluate the performance of the Company, the Board itself, management and key projects. • Oversee risk management and monitor business risks. • Monitor development of the industry and operating environment. • Identify the aspects overlooked by the Company, including its management and accountability system. • Approve and monitor capital expenditure, capital management, acquisitions and disposals of Company shares. 	<ul style="list-style-type: none"> • Understand and safeguard the Company's financial position. • Demand and oversee legal and regulatory compliance, including adherence to accounting standards, commercial law, occupational health, safety and environmental standards. • Approve financial reports, annual reports and other general documents/sensitive reports. • Ensuring an effective system of internal control exists and is operating as expected. 	<ul style="list-style-type: none"> • Establish the Company's vision, mission and ethical standards. • Delegate management with the appropriate level of authority. • Demonstrate an ability to lead. • Take responsibility in the relationship with the Managing Director including his/her appointment and successor, performance appraisal, remuneration and dismissal. • Recommend auditors to the Assembly. • Recommending auditors and new directors to shareholders. • Ensure effective communication with shareholders and other stakeholders.

7.2 Business Rules

Business Rules provide that if you, as a Board member, voted in respect of the Company's business and fulfilled a number of specific requirements, then you are deemed to have fulfilled your fiduciary duties in that regard. The specific requirements to be met are as follows:

- Your decision was made in good faith for an appropriate purpose.
- You do not have a personal financial interest in the subject matter of the decision.
- You are convinced of the appropriateness of the decision to the extent that you consider it perfectly suitable.

- You firmly believe that the decision is in the best interest of the Company.

7.3 Duties and Responsibilities of the Board of Directors

The duties and responsibilities of the Board of Directors are as follows:

7.4 General Duties and Responsibilities

Without prejudice to the competencies of the General Assembly the Board shall have the broadest powers in managing the Company. The Company's ultimate responsibility lies with the Board, even if it has established committees or delegated some of its powers to a third party. But it is desirable that the Board seeks, as best possible, to avoid issuing generic or indefinite powers of attorney.

- Board members represent all shareholders, and undertake to act in the general interest of the Company. In that regard, Board members do not represent the interests of a particular group or the interests of those who voted in favor of their appointment to the Board.
- The Board of Directors shall determine the powers to be delegated to the Executive Management, and the procedures for taking any action and the validity of such delegation. It must also decide on matters that the Board alone is authorized to take decisions upon. The Executive Management shall provide the Board with periodic reports on the exercise of delegated powers.

The main functions of the Board of Directors are as follows:

- Adopt the Company's strategic aims and main objectives; as well as supervise the implementation thereof, including:
 - Develop the Company's comprehensive strategy, main business plans and risk management policy; as well as review and guide them.
 - Determine the Company's optimal capital structure, its strategies and financial objectives; as well as approve annual budgets.
 - Oversee the Company's main capital expenditures, and the ownership and disposal of assets.
 - Set performance objectives and monitor Company execution and overall performance.
 - Periodically review and adopt the Company's organizational and human resources structures.
- Develop internal supervision systems and controls, including:
 - Develop a written policy to manage conflicts of interest and address possible conflicts of interest by Board members, Executive Management, and shareholders. This includes misuse of the Company's assets and facilities, and the mismanagement resulting from transactions with Related Parties.
 - Ensure the integrity of the financial and accounting rules, including rules relating to the drafting of financial reports.
 - Ensure the implementation of appropriate control procedures for risk management by generally forecasting the risks that the Company may encounter and transparently disclosing such risks.
 - Review the effectiveness of the Company's internal control procedures on an annual basis.
- Set forth specific and explicit policies, standards and procedures for membership on the Board, without prejudice to the instructions promulgated by the competent authorities in that regard, and implementing said policies following approval by the General Assembly.

- Establish clear, written policies and procedures regulating the relationship with Stakeholders with the aim of protecting them and safeguarding their rights, which shall include the following, in particular:
 - Mechanisms to compensate Stakeholders when their rights established by laws or protected by contracts are infringed.
 - Mechanisms for resolving complaints or disputes that may arise between the Company and the Stakeholders.
 - Mechanisms for building good relations with customers and suppliers, and maintaining the confidentiality of their information.
 - Rules of professional conduct for Company managers and employees that are prepared in compliance with the proper professional and ethical standards and that regulate their relationship with Stakeholders, provided that the Board shall establish mechanisms for supervising the implementation of, and compliance with such rules.
 - The Company's social contribution.
- Develop policies and procedures to ensure that the Company is in compliance with rules and regulations, and committed to disclose material information to shareholders.
 - The Company's ultimate responsibility lies with the Board, even if it has established committees or delegated some of its powers to third parties or individuals. The Board shall seek to avoid issuing generic or indefinite powers of attorney.
 - The Board of Directors shall earnestly discharge its fiduciary duties in good faith. Its decisions shall be based on adequate information from executive management or any other reliable source such as consultants and expert.
 - Board members represent all shareholders, and undertake to act in the general interest of the Company and not those of the company that they represent or that voted to appoint them to the Board of Directors.

Responsibilities of the Board towards Subsidiaries or Affiliates (if any)

1. Set financial targets.
2. Follow-up on their financial performance.
3. Approve main investments according to the list of priorities as determined by the Board's internal policies.
4. Evaluate the performance of the boards of directors of subsidiaries or affiliates, as well as the performance of their members.
5. The Company's Board of Directors shall retain its responsibilities towards subsidiaries or affiliates in respect of all material decisions that have legal or financial repercussions on the Company. Towards that end, the Board of Directors shall develop a specific internal policy and criteria defining the respective powers of the Company's Board and those of its subsidiary boards, as well as the mechanism to follow-up and submit the latter to management. Said mechanisms include amending the articles of association of subsidiaries or affiliates, approve budgets and financial statements, and approve the distribution of profits and other such decisions.

7.5 Identifying and Managing Key Risks

- The Board shall identify and review with management any major business risks that the Company may face.
- The Board shall ensure that appropriate systems are implemented, and take the necessary actions to manage those risks.
- The Board may authorize one or more committees to receive the management's assessment and opinions on these risks, and submit recommendations and reports to the Board.

7.6 Adopting a Strategic Planning Method

- The Board undertakes to meet with management in order to discuss the Company's strategic planning as it relates to future trends, opportunities and risks.
- The Board shall review and approve the overall strategy set by management for Company's business.

7.7 Evaluating and Adopting Financial Decisions

- The Board shall review the Company's financial and operating results.
- The Board shall review, evaluate and approve major resource allocations and capital investments.
- The Board shall review, evaluate and approve the Company's budget and expectations.
- The Board shall draft financial statements for submission to shareholders for approval.

7.8 Develop the Company's Governance Manual and Policy

- The Board shall determine the method to be followed in order to achieve the objectives of corporate governance.
- The Board shall periodically review the Company's social responsibility objectives and policies.

7.9 Evaluate Executive Management and Succession Planning

- The Board shall conduct an annual assessment of the Managing Director's performance in improving the Company prospects on the short and long term.
- The Board shall draft an annual report on succession planning for the Company's leadership positions, with an ongoing review of any development plans that are recommended to said individuals.

7.10 The Role of the Chairman of the Board

The responsibilities of the Chairman of the Board of Directors revolve around leading the Board and facilitating constructive contributions and initiatives by all Board members to ensure that the Board is effective in performing its functions as a whole through the exercise of its duties and responsibilities.

A key Chairman requirement is his ability to make Board meetings effective and have an impact on the Company's standing. He shall attain said goals through:

- Draft an appropriate agenda for the meeting, where sufficient time is allocated for each agenda item.
- Effectively manage the flow of information to the Board for the purpose of supporting the business agenda.

- Manage board discussions and ensure that results/decisions are reached, clearly understood by all members and properly recorded.
- Endeavor to develop the role of independent members.
- Approve Board resolutions, abstracts and minutes.
- Ensure that Board members are aware of their role and responsibilities.
- Ensure that Board meetings are held once per quarter at least.
- Meet and review the qualifications and experience of new candidates for Board membership nominated by the Nomination and Remuneration Committee.
- Hold regular meetings with non-executive board members in the absence of any Company executive.

Other responsibilities of the Chairman include being the Board's official spokesman, which, in many circumstances, requires demonstrating the ability to lead under difficult circumstances. In some cases, such situations call for the Chairman to speak publicly on behalf of the Company even if that task falls under the main responsibilities of the Managing Director.

In addition thereto, the Chairman is considered to be the principal link between management and the Board. This requires that the relationship between Chairman and Managing Director be vital throughout. To be effective, this relationship must be based on mutual cooperation, trust and respect.

Moreover, the Managing Director should be encouraged to benefit from the Chairman of the Board and encourage him to discuss sensitive issues or important matters affecting the Company. When the working relationship is good, the Managing Director shall surely benefit from the experience of the Chairman by seeking the latter's objective and independent opinion. In light of the outcome of discussions with the Managing Director, the Chairman may consider submitting discussed issues for consideration and evaluation by the Board of Directors.

Among the Chairman's other responsibilities is the management of annual General Assembly meetings and playing the preeminent role in the Company's relationship with stakeholders. He may also authorize others to manage such meetings.

Mechanism for Selecting the Board Chairman:

The Company's shareholders shall elect the members of the Board of Directors in an Ordinary General Assembly meeting. The Board shall then elect a Chairman from amongst its non-executive members, with due consideration given to the fact that the Corporate Governance Regulations and the Company's articles of association do not permit the concurrent holding of the post of Chairman of the Board and any other executive position in the Company, such as the position of Managing Director. Moreover, Article 28 of the Corporate Governance Regulations stipulates that the CEO may not be appointed Chairman of the Company's Board of Directors within one year of service termination.

The duties of the Chairman of the Board include representing the Company in its relations with third parties, before the Judiciary, notaries public and all official and private entities, as well as to sign on behalf of the Company as provided for in the latter's bylaws.

7.11 The Role of the Managing Director

7.11.1 Key Accountability

Act as the shareholder representative in ACC, providing guidance to ACC Management and reviewing major decisions prior to escalation to Board-level entities

7.11.2 Roles and Responsibilities

Strategy

- Endorse ACC's strategic plans, annual business plans, and performance reports prior to Board approval
- Inform the Board about market conditions and trends, new innovations, and internal organizational issues that may influence the Company's objectives and performance
- Review business performance reports and coordinate with the CEO to close any gaps
- Submit quarterly or monthly reports to the Board and Board Committees
- Offer advice to BoD on operational issues and develop appropriate improvement plans

Budget

- Approve small budget deviations and endorse medium and larger ones before being submitted to the Board for approval.
- Approve small budget transfers to/ from Opex/ Capex and endorse larger ones before being submitted to the Board for approval.

Investments

- Sign non-binding land agreements (e.g., MoUs)
- Review and endorse the business case for land acquisitions prior to higher-level approval
- Approve go for design and construction of small development projects and review larger investments and all divestments

Financing

- Approve small-medium new/ changes to financial agreements entered to by ACC or one of its projects
- Approve the opening and closure of all ACC bank accounts

Nomination and Compensation

- Appoint direct CEO reports (L2s) and approve ACC's major organization structure changes.
- Review ACC's overall compensation and benefits structure and salary/ grading scale

Other

- Handle major communication with media/ press
- Appoint firm's legal advisors

7.12 The Role of the CEO

7.12.1 Key Accountability

- Assume accountability for overall P&L perf. (financial + operational) & endorse annual business plans submitted to BoD
- Drive the development and execution of ACC's strategy & the delivery of customer service excellence throughout ACC.

7.12.2 Roles and Responsibilities

Strategy

- Coordinate with ACC's MD and Board in setting the firm's vision/mission and top down Company strategic guidelines
- Ensure the detailing of the strategic plan into initiatives and action plans
- Ensure proper implementation of the corporate business plan and annual budget and mall business plans
- Coordinate with senior management team regarding ACC's vision and strategy, ensure its implementation, and provide guidance by ensuring strong coordination between ACC's departments

Budget

- Approve smaller budget deviations and endorse medium and large ones
- Approve minor budget transfers to/ from Opex/ Capex and endorse medium and larger ones

Investments

- Review and endorse the business case for land acquisitions prior to higher-level approval
- Approve go for design and construction of minor Capital works and review larger investments and all divestments

Financing

- Approve small new/ changes to financial agreements entered to by ACC or one of its projects

Nomination and Compensation

- Appoint L3s and below and endorse/approve ACC's organization structure changes.
- Review ACC's overall compensation and benefits structure and salary/ grading scale

Other

- Coordinate with MD for handling major communication with media/ press.

Execution/ Operation

- Establish and maintain effective relationships with key tenants, strategic partners, local authorities, and other stakeholders
- Ensure that ACC malls offer superior customer service experience & drive adherence of brand attributes throughout ACC
- Ensure the maximization of both footfall and dwell time to increase sales productivity
- Ensure continuous asset management and endorse value enhancement of operating properties
- Ensure the execution of ACC's project pipeline in-line with its vision, goals, and approved project budget and timeline
- Ensure alignment on multi-stakeholder initiatives such as pricing, tenant mix, design, and annual mall business planning

- Ensure KPI target attainment for the Company and perform strategic course correction in a timely manner
- Ensure the development and implementation of appropriate policies and procedures to meet the Company's objectives and ensure compliance with local laws and regulations, including the CMA's (once ACC becomes listed)
- Ensure the Company's risk profile is hedged and within the risk appetite defined by the shareholders
- Establish productive corporate culture in the Company
- Ensure the development of all ACC employees and specifically Saudi nationals
- Ensure all financial statements reflect the real financial performance and of ACC
- Lead the innovation process to introduce new products/ services adjacent to mall development and operations
- Ensure that an attractive and distinctive value proposition is offered for tenants, which maximizes demand and sales prices

7.13 Relationship between Management and the Board

The relationship between Management and the Board is important and must be supported by a clear separation of responsibilities. Management undertakes to:

- Take responsibility.
- Work within its delegated authorities.
- Possess an appropriate level of skill and resources.
- Recommend a strategic direction and translate the strategic plan into action programs.
- Manage the Company's human, material and financial resources to achieve the Company's objectives.
- Provide information to the Board.
- Act as a channel of communication between the Board and the Company.
- The Board of Directors shall remain in control at all times.

[Based on the principle of disclosure and transparency between the Company, management and members of the Board of Directors, the Company shall establish an internal website allowing browsers to communicate directly with the Board, and that includes Company news published in the press, as well as necessary information about the Board and Management].

7.14 Delegation of Authority

Whereas the Board has absolute responsibility for all actions and decisions taken by the Company, it must develop appropriate policies to guide organizational behavior, for example, professional codes of conduct, risk management policies, and salary policies. In achieving the objectives associated with said policies, the Board shall establish procedures and controls for policy implementation and be responsible for assessing the efficiency and effectiveness of policies and procedures. In order to ensure that Board and Management responsibilities are clearly delineated, the Board must adopt the policies governing the delegation of authority.

The authority to enter into commitments or take action on behalf and in the name of the Company is limited to the Board. But this does not seem to be in line with the concept of a responsible management team endowed with a mandate to efficiently manage activities. It is not possible or appropriate for the Board to sign all checks or approve every small and large business-related matter. It is clear that the delegation of authority is the appropriate mechanism required to enable the Managing Director and other senior Company employees to manage the workflow. However, the Board recognizes that the delegation of its powers does not mean that it is relieved of associated responsibility. To be effective and to make the authorization effective, the delegation shall:

- Be drafted in simple language.
- Cover the area of activities in which the Company operates or is expected to participate.
- Be aimed at facilitating and streamlining Company operations.
- Be aimed at enabling Management to take appropriate operational decisions.
- Clearly define the authorities granted to each level of management, particularly with respect to budgeted and unplanned expenditures.
- Include the communicate announcing the delegation to all employees, in order to ensure that each person is aware of his/her responsibilities.
- Be supported by appropriate supervision, follow-up and review, in order to ensure that delegations are appropriate, up-to-date, and properly adhered to.
- Be subject to review on a regular basis to ensure continuity of mandates and their relevance to Company developments.

The Board may define its responsibilities and the responsibilities granted to Management through a similar document stating the matters for which the Board is solely responsible. The role of the Board is to carry out the tasks for which it is solely responsible and to supervise Management's performance of its delegated functions. A statement may also be issued regarding matters that the Board retains for itself and those delegated to Management.

7.15 Delegation of Authority

The Board of Directors has the authority to delegate powers, which must be commensurate with the risks agreed upon by the Company. Delegations shall be expressed taking into consideration financial and other circumstances, and may include:

- The authority to enter into strategic commitments.
- The authority to incur costs associated with core business processes and the ordinary operations of the Company.
- The authority to commit the Company to capital expenditure.
- The authority to enter into contractual commitments, for example, leases and guarantees.
- The authority to commit to the payment of bonuses.
- The authority to make decisions concerning appointment, termination, remuneration, promotion, bonus, training, engaging with contractors and temporary employment.
- The authority to commence or conclude litigation and conciliation.
- The authority to undertake specific treasury related transactions.
- The authority to authorize payments.

7.16 Composition and Organization of the Board

The following shall be observed in order to ensure the effective functioning of the Board of Directors and to serve the interests of Company shareholders: Ensure that no one individual or small group of members control the Board; refrain from requiring that its members be experts in all fields; focus attention on everything that serves the Company's interests; endeavor to identify and select the right team of employees to help the Company meet its challenges and exploit its opportunities, as well as sustain the Company and ensure its future; work closely with the executive management, provide real supervision thereof, and develop Company prospects.

7.17 Number of Board Members

The Company shall be managed by a Board of Directors composed of nine (9) members appointed by the ordinary general assembly for a period not exceeding three (3) years. As an exception thereof the term of the first Board of Directors shall be for five (5) years starting from the date of the ministerial decision approving the Company's conversion to a joint stock company. The following members may be reappointed provided that:

- The majority of the Board members are non-executive.
- The number of independent members of the Board shall be no less than two or one third of the total number of Board members.
- Board members should not concurrently be members of the boards of directors of more than five joint stock companies.
- The Chairman of the Board is prohibited from concurrently holding another executive position in the Company, such as the Managing Director, Chief Executive Officer or the General Manager. The Company's bylaws shall specify how Board membership is terminated. The General Assembly may, at any time, dismiss all or some members of the Board of Directors, even if the Company's bylaws otherwise provide.
- The CMA and Tadawul shall be notified and the reasons therefor shall be stated upon the termination of Board membership by any of the methods pertaining thereto.
- A juristic personality - who, according to the Company's bylaws (if any), may appoint representatives to the Board of Directors - shall not vote on the selection of other members of the Board of Directors.

7.18 Selection of Board Members

Without prejudice to the restrictions referred to in Article 7.16, the Nomination and Remuneration Committee shall review the names of all candidates for Board membership and submit recommendations to the Board of Directors for the purpose of selecting members thereto. It shall then submit its recommendations to the General Assembly for a vote and the appointment of Board members in accordance with the instructions issued by the competent authorities. Any Company shareholder who meets membership requirements may nominate himself.

7.19 Qualifications for Board Membership

The Board shall assess the required skills and personal qualities required from a Board member, as well as evaluate Board composition as a whole. This assessment shall include their qualifications as independent members, as well as them having the highest levels of experience, skill, expertise and knowledge relating to Company business.

7.20 Independence of Board Members

The presence of independent members of the Board serves to ensure that the Board includes members who can effectively present their views and discuss them to safeguard the Company's best interests, as well as to avoid any conflicts of interest.

According to the CMA and the Corporate Governance Regulations, an "independent member" is a board member who is fully independent. For example, the following reflect independence:

- Holds 5% or more of the shares of the Company or any other company within its group; or is a relative of the holder of such a percentage.
- Is a representative of a juristic entity that holds 5% or more of the shares of the Company or any company within its group.
- Is a Board member of any company within the Company's group of companies for which he/she is nominated to be a Board member.
- Is a relative of a Company Board member, or any other company within the Company's group.
- Is a relative of a Company Senior Executive, or of any other company within the Company's group.
- Is an employee or used to be an employee, during the preceding two years, of the Company, of any party dealing with the Company or any company within its group, such as external auditors or main suppliers; or held, during the preceding two years, a controlling interest in any such parties.
- Has a direct or indirect interest in the businesses and contracts executed on behalf of the Company.
- Is a Board member who receives financial consideration from the Company in addition to remuneration for his/her membership on the Board or any of its committees.
- Engages in a business that competes with that of the Company, or engages in activities that compete with those of the Company.
- Served for more than nine consecutive or inconsecutive years, as a member of the Company's Board.

7.21 Requirements for Board Membership

It is important that the Board's Audit Committee members possess adequate knowledge and ability to understand the contents of financial statements, other financial reports and regulations. In addition, members who hold certain posts shall set the skills required of the current Board and identify any additional skills or expertise that may be required. In a qualitative sense, members should possess a combination of qualifications related to the following disciplines:

- Law
- Financial, including accounting background
- Marketing
- Corporate Operations
- The main areas in which the Company operates, including real estate expertise
- Corporate Governance
- H.R.
- Risk Management
- Banking

Following are the qualities to be evaluated by the Board of Directors when reviewing the names of candidates for appointment as members.

7.22 Personal Qualities

Integrity and Accountability: Demonstrates high ethical standards, integrity and strength of character in his personal and professional dealings and a willingness to act on and be accountable for his decisions.

Informed Judgment: Demonstrates intelligence, wisdom and thoughtfulness in decision-making. In addition to a willingness to thoroughly discuss issues, ask questions, voice concerns and vote against disagreed with matters.

Financial Literacy: Demonstrates an ability to read and understand balance sheets, income and cash flow statements and understands financial ratios and other indices for evaluating Company performance.

Confidence: Assertive, responsible and supportive in dealing with others. Respects others, demonstrates openness to others' opinions and the willingness to listen.

High standards: With a history of achievements that reflect a high level of standards the member and his colleagues.

7.23 Core Competencies

Accounting and Finance: Experience in financial accounting and corporate finance especially in debt and equity markets. Familiarity with internal financial controls.

Risk Management: Experience in assessing and controlling risks in the areas in which the Company conducts its business.

Practical Experience: History of making good business decisions and sufficient evidence exists that he will perform his duties as a board member in good faith and in a manner that is in the best interest of the Company.

Management: Experience in corporate management. Understands management trends in general and in the areas in which the Company conducts its business.

Crisis Management: Ability and availability to perform during periods of both short-term and prolonged crisis.

Industry / Technology: Unique experience and skills in the area in which the Company conducts its business, including manufacturing, technology and industry related trends.

International Markets: Experience in global markets, international issues and foreign business practices.

Leadership: Understanding the intricacies of leadership and possessing the necessary skills, supported by a history of being highly motivated.

Strategy and Vision: Demonstrates the skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualizing key trends, evaluating strategic decisions and proposing initiatives that achieve Company objectives.

7.24 Commitment to the Company

Time and Effort: Willingness to commit the time and energy necessary to satisfy the requirements of the Board and the Board Committees. The board member is expected to attend and participate in all Board meetings and Board Committee meetings in which he is a member. He should be willing to rigorously prepare prior to each meeting and actively participate therein; in addition to advising and counseling management when needed.

Awareness and Ongoing Education: Possess, or is willing to develop, a broad knowledge of both critical issues affecting the Company (including industry, technology and market-specific information), and familiarity with the board member's roles and responsibilities (including the general legal principles that guide Board members).

Other Commitments: In light of other existing commitments, the ability to perform adequately as a board member, including preparation for and attendance at Board meetings, as well as assume all responsibilities in relation to the Company's business.

7.25 Staff Support

Balancing the Board: Contributes the talent, skills and experience that the Board needs as a team in support of current resources, and providing the talent needed for future needs.

Diversity: Contributing to the Board in a way that may enhance perspective and experience through background diversity, qualifications, and professional experience. Candidate recruitment should not depend solely on these factors.

Independence: Provides an unbiased and objective point of view. And meets all the conditions of independence in accordance with the CMA's regulation.

7.26 Board Member Remuneration

- In accordance with Article 76 of the Companies' Law, the Company's bylaws shall determine the manner for remunerating Board members. Such remuneration may be a specific salary or meeting attendance allowance, benefits in kind or a certain percentage of profits. Two or more of these benefits may be combined, If the bonus is a certain percentage of the profits of the Company, then this percentage shall not exceed 10% of net profits after deduction of expenses, depreciation and reserves decided by the General Assembly in accordance with the Companies' Law and the Company's bylaws after the distribution of dividends in an amount equal to no less than 5% the Company's paid up capital paid. Entitlement to this award shall be commensurate with the number of sessions attended by the member, and any otherwise calculated estimate shall be void. In all cases, the amount of Board member remuneration shall not exceed SAR 500,000 per annum for each member.

- In accordance with Article 21 of the Company's bylaws, Board member remuneration shall consist of the percentage prescribed in said bylaws and within the limits stipulated by the Companies' Law, in addition to an attendance and travel allowance as determined by the Board of Directors, subject to relevant regulations, decisions and instructions applicable in the KSA as issued by the competent authorities. The report that the Board of Directors submits to the Ordinary General Assembly shall include a comprehensive statement of all payments received by Board members during the financial year, including salaries, share in profits, attendance allowance, expenses and other benefits. The report shall also indicate remuneration received by Board members in their capacity as Company employees, administrators, or compensation for technical, administrative or consulting work provided to the Company, as approved by the General Assembly.

- Subject to other relevant laws and regulations issued by other regulatory bodies, the Board of Directors shall take into account relevant provisions of the Companies' Law and its Implementing Regulations in the determination and disbursement of bonuses received by each of its members, in addition to the following criteria:

- Remuneration shall be fair and commensurate with the Board member's expertise, duties and responsibilities, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
- Remuneration shall be based on the recommendation of the Remunerations Committee.
- Bonuses shall be commensurate with the Company's activities and the skill required to manage them.
- Takes into account the sector in which the Company operates, the latter's size and the experience of Board members.
- Remuneration shall be reasonably sufficient to attract, motivate and retain Board members possessing the appropriate competence and experience.

- Board members shall be prohibited from taking part in General Assembly voting on Board remuneration.
- Board members may receive remuneration for membership in the Audit Committee formed by the General Assembly, or as consideration for any – professionally licensed - executive, technical, administrative or advisory work assigned to him by the Company, in addition to the remuneration to which he may be entitled as a member of the Board or committees formed by the Board of Directors, in accordance with the Companies' Law and the Company's bylaws.
- Remuneration of Board members may vary to reflect the extent of the member's experience, competencies, tasks, independence, number of meetings attended and other considerations.
- The remuneration of independent directors should not be equal to a percentage of the profits achieved by the Company, or be directly or indirectly based on the profitability of the Company.
- Members shall not be entitled to any bonuses for the period following the last meeting attended, and must return all bonuses received for that period, when the General Assembly decides to terminate the membership of Board members absent for three consecutive Board meetings without legitimate cause.
- If the Audit Committee or the CMA finds that the remuneration paid to any Board member is based on incorrect or misleading information presented to the General Assembly or included in the Annual Report of the Board of Directors, then said member shall return those sums to the Company, and the Company shall be entitled to request the return thereof.
- In accordance with Article 90 of the CMA's Corporate Governance Regulations, the report of the Board of directors to the shareholders shall include the remuneration and compensation paid in detail to each of:
 - Board members.
 - Five senior executives who received the highest compensation and benefits from the Company, including the Chief Executive Officer and Chief Financial Officer.
 - Committee members.
- In accordance with Article 93 of the CMA's Corporate Governance Regulations, the Board of Directors' report shall disclosed in a precise, transparent and detailed manner, without any concealment or misrepresentation, any direct or indirect cash or in-kind benefits, regardless of the nature or designation thereof. If the benefits are shares in the Company, then the itemized value thereof shall be their market value as at the disbursement date. Disclosure shall be made in the Board of Directors' report as per the tables below:

7.26.1 Compensation Schedule

	Fixed Compensation						Variable Compensation						
	Specific Amount	Committee Attendance	Total Committee Attendance	In-kind Benefits	Technical, Administrative and Consulting Benefits	Board Chairman, Managing Director and Board Secretary (if a Board member) Remuneration	Total	Percentage of Profits	Interim Bonus	Short term Incentives	Long term Incentives	(Shares Granted (Value thereof	Total
First: Independent Members													
1-													
2-													
3-													
Total													
Second: Non-Executive Members													
1-													
2-													
3-													
Total													
Third: Executive Members													
1-													
2-													
3-													
Total													

7.26.2 Senior Executives Compensation Schedule

Senior Executive Positions	Fixed Compensation				Variable Compensation					End of Service Bonuses	Total Board Executive Member Compensation	Total
	Salaries	Allowances	In-kind Benefits	Total	Profits	Short Term Incentive Plans	Long Term Incentive Plans	Shares Granted (Value thereof)	Total			
1- CEO												
2- CFO												
3-												
4-												
5-												
Total												

7.26.3 Committee Member Remuneration Schedule

	Fixed Compensation (Except Meeting Attendance Allowances)	Meeting Allowances	Total
Audit Committee Members			
1-			
2-			
3-			
Total			
Members of Nomination and Remuneration Committee			
1-			
2-			
3-			
Finance and Investment Committee Members			
1-			
2-			
3-			
4-			
Total			
[*] Committee Members			
1-			
2-			
3-			
[*]			

7.27 Meetings of the Board of Directors

7.27.1 Board Meeting Frequency and Schedule

The Board shall meet at least twice or as often as deemed necessary by the board members in order to fulfill their duties and responsibilities and as dictated by the needs of the business. Under normal circumstances, The Board shall meet at the request of its Chairman in the manner prescribed in the Company's bylaws. Without prejudice to any provision of the Company's bylaws, the Chairman shall call for the convening of the Board if so requested by two or more members of the Board of Directors.

Meetings shall be quorate if attended by a majority of members, provided that the number of those present is at least five.

Board resolutions shall be passed by a majority vote of members present in person or represented thereat. In the event of a tie, the Chairman shall have the deciding vote.

Members shall be provided in advance with the timetables and lists of places where regular meetings are to be held. They should endeavor to attend board and committee meetings, if any, of which they are informed. The Company shall also ensure that members take the necessary time to serve the Company and meet whenever necessary to fulfill their responsibilities in the appropriate manner.

7.27.2 Meeting Duration

The length of Board meetings should be sufficient to give appropriate attention to the issues at hand. In any event, meetings should be long enough to cover all matters in appropriate detail.

7.27.3 Meeting Agenda

The Chairman shall set the agenda for each Board meeting. At the beginning of the year, the Chair sets out a schedule of business topics to be discussed during the year (to the extent that they meet expectations).

Each member is free to propose the inclusion of agenda items and to raise those matters which are not on the agenda of Board meetings. Therefore, when drafting the agendas of meetings, the Chairman shall coordinate with the Secretary of the Board and the Managing Director to determine what matters require that the Board attention. If the inclusion of an agenda item is requested, then Management may need to submit written reports or documents in that regard.

The agenda may need to allow the submission of important documents to the Board and, where appropriate, Management's attendance to discuss a particular agenda item.

7.27.4 Managing Boardroom Discussions

The Chairperson should:

- Ensure that debates are open and structured.
- Facilitate contributions by all members.
- Ensure that all issues are given due and appropriate consideration.
- That discussions do not digress away from the agenda.

The Chairman must instill balance, and for that purpose, he must retain control of the meeting without dominating discussions. The Chairman shall permit, in a qualitative manner that discussions proceed until broad consensus is reached or he is able to reach a consensual outcome.

Where consensus cannot be reached and no conclusions appear to be forthcoming, the Chairman must decide whether:

- Board members require additional information.

- There may be particular benefits in postponing a decision on a specific matter.
- Additional or external advice should be obtained.
- The Chairman shall intervene and endeavor to reach a solution in situations where serious disagreements occur.

7.27.5 Board Material Distribution

Enough time prior to meetings, members shall be provided with a detailed agenda, supporting documentation and proposed resolutions.

Board members should review these materials prior to the meeting. Board members having items to suggest for inclusion on the agenda for future Board meetings should advise the Chairman in advance of such meetings.

If a board member has queries about any agenda item, he should submit this one week prior to the scheduled Board meeting.

Management should respond to Board member queries before the scheduled Board meeting and any Management response should be distributed to all Board members.

7.27.6 Board Member Meeting Preparation

Preparation involves reading and analyzing Board documents provided prior to the meeting and taking appropriate steps to clarify any issues or papers that are not clear. Members must receive the documents enough in advance of the Board meeting to be able to review and examine them, as well as follow up on any pertinent items. The package received should include:

- The agenda and supporting papers including:
 - The CEO's operational report – providing an overview of major events impacting the business since the last meeting.
 - A financial performance report, focusing on the Key Performance Indicator and strategic performance.
 - Documents pertaining to specific issues for decision, discussion or information.

7.27.7 Management Attendance of Meetings

Management is expected to participate in Board meetings (if needed) and will make presentations on their relative areas of responsibility to allow board members the opportunity to gain additional understanding and insight into the Company's business.

7.27.8 Meeting Minutes and Agendas

Minutes are the record of the issues discussed, decisions made and actions arising from the Board and committee meetings. As legal and regulatory requirements, minutes must be provided and kept. Minutes are an important record demonstrating that the Board has undertaken necessary actions to perform its duties.

Minutes should be clear and well organized. They should not contain superfluous information and should not be a verbatim recording of the dialogue at the meeting. The minutes must clearly set out the resolutions taken by the Board or committees during the course of the meeting and reflect the consensual nature of Board decisions.

The board Secretary shall prepare the minutes from notes taken during the meeting. A draft will be provided for the Chairman's review within one week of the meeting. The Chairman will review the draft minutes and arrange for any appropriate amendments to be made.

The draft is usually circulated to all board members. This should be done immediately after the Chairman's review, or at the most within one week after the Chairman signs said draft. Board members shall carefully review the draft minutes to ensure the correctness and completeness of the record made and that any points of concern have been covered prior to the minutes' adoption and the signing thereof by all members indicating their approval or rejection thereof.

7.28 Board Committees

Committees allow members of the Board of Directors to take a closer look at all the important issues facing the Company in greater detail than is possible for the whole Board to do during its scheduled meetings. Committees are therefore an effective means of distributing the workload among Board members, thus allowing the detailed study of the greatest number of matters of interest.

7.29 Committee Effectiveness

Irrespective of the role played by committees, there are many steps that the Board can take to the committees' effectiveness, including:

- Developing a formal, documented charter for each committee.
- Appointing appropriate members to the committee; primarily focusing on board members with the expertise most relevant with the issues at hand.
- Requiring regular feedback from committees.
- Ensuring that committees have appropriate access to independent professional advice.
- Demanding that absolute transparency be adopted with regard to committee activities.
- Ensuring that committees have appropriate administrative support.

The primary purpose of forming committees is for the latter to serve the needs of the Board and be effective in conducting its ascribed roles and responsibilities.

7.30 Administrative Matters

7.30.1 Performance and Evaluation of the Board

The Board of Directors shall conduct an annual evaluation in order to determine the effectiveness of the Board and its committees in carrying out the work and fulfilling their obligations towards the Company. Towards that end, the Board shall receive comments from all board members and complete an annual assessment of its performance which will be discussed after the end of each financial year.

The assessment shall focus on the Board's contribution to the Company and will specifically focus on areas that the Company's Board or management believe can be improved.

To assess its effectiveness, the Board should periodically (for example, annually) review its accomplishments and whether it has fulfilled its responsibilities.

One way the Board can assess itself is by evaluating its activities against its charter. While self-assessment is the norm, the benefits arising therefrom can be increased by the appointment of an external party tasked with assessing the Board; for an external view is unbiased and unreliant upon preconceived notions. In addition, an external point of view allows for discussing and considering all points of view.

7.30.2 Board of Confidentiality

Board members shall maintain the absolute confidentiality of meeting deliberations and decisions, unless the Company disclosed said information in general.

7.30.3 Board Interaction with Third Parties

Except the Managing Director instructs otherwise, only designated representatives are authorized to communicate with third parties on behalf of the Company. If a board member receives any inquiry relating to the Company from third parties, including informal social contacts, he or she should not comment, requesting them to contact the Company's Managing Director.

7.31 Board Membership termination and Vacancies

Board membership shall expire upon the expiry of its term or the expiry of the member's membership in accordance with any laws or instructions in force in the KSA. If the seat of a Board member becomes vacant, the Board may temporarily appoint a member to fill said vacancy provided that such appointment is presented to the Ordinary General Assembly at its first subsequent meeting. If the number of Board members falls below the required quorum, then the General Assembly shall be convened as soon as possible to appoint the necessary number of members.

7.32 New Board Member Orientation

Management shall provide new members with the necessary documents and information needed to introduce them to the company and its activities, and help them to fulfill their responsibilities and knowledge of the Company's strategic plans, important financial aspects, accounting and risk management issues, compliance programs and codes of conduct. The following may be provided to new members:

- Material that contains information pertaining to the Company's industry and comparisons with the Company's major competitors.
- Periodic field visits to operating units and locations, the business of which usually comprise part of meeting proceedings.
- At least once per year, an annual legal review of the Board and the status of major pending litigation and corporate governance matters.

7.33 External Advisers

At its discretion, the Board has the power to engage experts or advisors, including independent legal counsel, without consulting or obtaining the approval of the managing Director. The Board shall approve the remuneration of said advisers.

7.34 Convening and Managing Annual General Assembly Meetings

The main responsibility of the Board is towards Company shareholders. The annual General Assembly meeting represents the platform on which the Board meets with shareholders to discuss the performance of the Company and to identify a range of matters requiring the approval of shareholders, who provide the Company's capital. It thus is important that they hold this meeting to discuss the Company's performance and related matters.

7.35 Board Secretary

The Board of Directors shall appoint a Secretary; determine his duties, powers and remuneration. Said Secretary may be reappointed.

The Board Secretary is responsible for the performance of certain tasks, but the core of his responsibilities is to ensure that the Board has the proper advice that its meeting minutes reflect the fact that the Board has fulfilled its obligations towards the Company. In addition, the Board Secretary helps to ensure that governing bodies comply with all important regulatory requirements. Accordingly, he often acts as a consultant to directors and senior executives about regulatory requirements, rules and laws that pertain to Company activities.

7.36 Role and Responsibility of the Board Secretary

In fulfilling his responsibilities and duties, the Board Secretary shall:

7.37 Support Board Members

Most of the Board Secretary's time shall be spent supporting the Board of Directors. His duties in this area include:

7.37.1 Organize Board Meetings

The Board Secretary is responsible for organizing Board meetings. Although Board meetings are ultimately the responsibility of the Chairman, the Board Secretary handles all administrative and organizational matters such as:

- Preparing the Board meetings' calendar.
- Helping the Chairman prepare the agenda.
- Developing presentations on substantive and procedural issues under discussion.
- Preparing briefs for Boardroom discussions.
- Giving advance notice of Board meetings to all board members.
- Distributing voting ballots to board members.
- Collecting completed ballots and the written opinions of board members who are not physically present at the meeting.
- Forwarding written opinions to the Chairman.

In addition thereto, the Board Secretary shall help ensure that procedures for Board meetings are followed. Along with the Chairman, the Board Secretary shall Board meeting minutes, and shall also brief newly elected board members on:

- Corporate procedures that regulate the operations of the Board.
- The Company's organizational structure and officers.
- The Company's internal documents.
- The decisions of the annual General Assembly meeting and Board resolutions.
- The availability of information required by board members to adequately perform their duties.

7.37.2 Provide the Board with Access to Information

The Board Secretary plays a key role in assisting Board members to obtain the information they need for sound decision-making. The Board Secretary provides Board members with timely and full access to:

- The minutes of Board meetings.
- Decisions approved by the Managing Director.
- Documents from the Managing Director.
- The minutes of meetings and reports prepared by the External Auditor
- Financial documents.

7.37.3 Protect Shareholder Rights

Organize the Annual General Assembly Meeting

The Board Secretary plays an important role in organizing the annual General Assembly meeting. Some of the Board Secretary's tasks include:

- Notifying shareholders about the annual General Assembly meeting.
- Ensuring that the list of shareholders is prepared.
- Answering procedural questions during the annual General Assembly meeting and resolving disputes related to preparing and conducting said meeting.
- Forwarding the report on the results of the annual General Assembly meeting to shareholders.
- Ensuring that minutes on the voting results and the annual General Assembly meeting minutes are kept.
- Ensuring compliance with the procedures for registering to attend the annual General Assembly meeting.

7.37.4 Disclosure and Transparency

The Board Secretary plays an important role in helping the Board and Managing Director fulfill their respective obligations to disclose material information on a timely basis to Tadawul and Company shareholders. The Board Secretary's role in relation to information disclosure includes:

- Ensuring that the Company complies with procedures for disclosure of information.
- Safekeeping of Company documents.
- Certifying copies of documents before providing them to shareholders.
- Ensuring unrestricted access to information for all shareholders in accordance with the applicable laws.

7.38 Qualifications of the Board Secretary


When selecting a Board Secretary, the Board should look for an individual with appropriate qualifications and skills to perform his duties. In this regard, the Board needs to evaluate the candidate in terms of education, practical experience, professional qualities and skills in light of the job description adopted for the post. The following are the key qualifications required of the Board Secretary:

- Has good communication skills and presence.
- Understands corporate and securities law.
- Understands the Company's business.
- Is flexible, creative and able to adapt to circumstances.
- Has foresight and the ability to provide early warning to management.
- Hold a university degree in law, finance, accounting, administration or equivalent, and have at least three years relevant practical experience.
- Has at least five years relevant practical experience.

7.38.1 Independence of the Board Secretary

Whereas the task of the Board Secretary is to always act to serve the interests of the Company and its shareholders, he must thus be protected from pressure and influence exercised by management and other parties. The Board Secretary is responsible for the Board and under said Board's management.





**Board Membership
Policy and Procedures**

8. Board Membership Policy and Procedures

8.1 Introduction

Importance of the membership policy and procedures at the Board of Directors is evident in light of the criteria (requirements) to be satisfied by candidates for membership to the Company's Board Directors, taking into consideration that the Board of Directors is the body in charge of laying down regulations for governance and providing the proper environment for the implementation thereof, and then following-up and controlling the implementation thereof.

8.2 General Policy

The general policy for membership on the Company's Board of Directors revolves around selecting, between candidates applying for Board membership, by comparing between them pursuant to the provisions of the Companies' Law, the Company's bylaws, as well as the Corporate Governance Regulations and the registration and listing rules issued by the CMA's Board.

Each shareholder shall have the right to apply in his personal capacity, or to nominate any other person or persons for Board membership, within the limits of his capital shareholding percentage.

8.3 Board Membership Criteria (Requirements)

Board membership criteria shall be specified in accordance with the provisions of the Companies' Law, the Company's bylaws, as well as the Corporate Governance Regulations and the registration and listing rules issued by the CMA's Board, and any amendments thereto, pursuant to the following:

1. Possess educational qualifications enabling him to perform his duties at the Board.
2. Possess sufficient experience in the business field of the Company or in similar fields.
3. Be familiar with the Companies' Law, rules, regulations and circulars related to the Company's activities.
4. Be capable of reading and analyzing general balance sheets and knowledgeable in accounting and financial affairs.
5. Have the incentive and sufficient time to contribute in guiding the Company's business and policies.
6. Is independent in his thinking, and courageous in presenting opinions that affect strategic and commercial issues related to Company's activities.
7. Be educated, knowledgeable and keen to continue learning.
8. Be committed to serving the Company as a member of the Board of Directors for at least one full term as of the time of his election thereto.
9. Be well-mannered, honest and credible.
10. Not convicted of a crime that violates honor and fiduciary duty.
11. No decision has been passed against him by the Capital Market Authority.
12. Have no conflict of interests with the Company.
13. Have no direct or indirect interest in the activities and contracts made on behalf of the Company-[Article 71] of the Companies' Law.
14. Participate in activities that may compete with those of the Company, or engage in commerce related to that of the Company except after obtaining the consent of the General Assembly – [Article 72] of the Companies' Law.
15. Not be a member of the Board of Directors in more than five (5) joint stock listed companies. stock companies as set forth under the Companies' Law and the CMA's regulations.

17. It is impermissible (except with the prior written consent of the competent authorities) for any person to apply for membership in the Board of Directors, if such person held said position at a company that was liquidated, or was dismissed from another company.

18. Agree to be interviewed by the Company's Nomination and Remuneration Committee.

8.4 Board Membership Procedures

- Consent by the Board of Directors to start accepting applications for nomination to the Board, approving the term for filing the applications and the agenda of the Ordinary General Assembly for voting on the appointment of Board members, whenever the rules or surrounding conditions so require.
- Bringing the issue before the Ministry of Commerce and Investment to approve the agenda of the ordinary General Assembly and the form of announcement calling Company shareholders to apply for Board membership for the term (to be specified), or to complete the remaining period of the current term (to be specified).
- Announcing the call for Company shareholders to apply as candidates or to nominate another person or more as candidates for membership on the Board for the term (to be specified), or to complete the remaining period of the current term (to be specified).
- Company shareholders desirous of personally applying or nominating another person or persons, for membership on the Company's Board of Directors, shall:
 - File an application with (inform) the Company's Management of his desire to apply for Board membership, and his willingness to undertake the responsibilities associated with said membership.
 - Complete Form No. (3), issued by the Capital Market Authority, as per CMA Circular number 4/2359, issued on 12/04/1431H, both of which can be obtained from the websites of the Ministry and the CMA.
 - Candidates shall submit their applications to the Company in one of the following manners:
 1. Present themselves at the Company's head office (c/o: the Nomination and Remuneration Committee) at the following address: 2919, Branch North Ring Road, Al Nakheel District, Riyadh.
 2. By express mail at P.O. Box 341904 Riyadh 12394, Attention: the Nomination and Remuneration Committee.
 3. By email: NR.Committee@arabiancentres.com.
 4. By fax at no. +966 11 825 2323.
 - Attach copies of his qualifications and experience in the Company's business sector.
 - Submit a separate record of the important and major works and achievements made by the candidate in the course of his membership on other Boards of Directors or in senior executive and administrative positions occupied during the previous ten years, and the current profession.
 - Attach a statement of the companies' Boards of Directors where he was a member, and the terms thereof, in addition to a certified letter from each company stating the term of his membership, the number of sessions in each term, the percentage of the times he attended Board meetings, and the Board subcommittees in which he was a member and his attendance record therein, as well as a summary of the annual financial results achieved by such companies during his Board tenure.
 - Attach a statement of the joint stock companies where he is still a member of the Board of Directors.

- Attach a statement of the companies where he participated in the management or ownership thereof, and that conducted activities similar to those of the Company.

- For natural persons, attach a copy of the National Identity Card/Family Register; and, for companies and establishments, the Commercial Register, in addition to the candidate's contact numbers and three personal photographs.

- The candidate shall submit a certified Arabic translation of any instruments or documents written in a foreign language.

- Applications shall be reviewed by the Company's Nomination and Remuneration Committee.
- Arrange interviews with preliminarily approved candidates.
- Submit a report to the Board of Directors that includes the Nomination and Remuneration Committee's recommendations and remuneration for candidates qualified to be members stating the number of applicants, those who are initially selected for personal interviews and the reasons for recommending the qualified candidates for Board membership.
- Call for a meeting of the Ordinary General Assembly for voting on the appointment of Board members in accordance with the recommendations of the Board of Directors and the Nomination and Remuneration Committee, after obtaining the consent of competent authorities.

The Board membership application forms of listed companies shall be sent to the, after completing the procedures referred to above.





Board Committees

9. Board Committees

The Company shall have an appropriate number of committees commensurate with the needs and circumstances of the Company allowing the Board of directors to effectively perform its functions. Board committees shall be formed in accordance with general procedures established for that purpose by the Board of Directors, which shall include determining committee functions, terms, powers and the manner by which the Board shall supervise them. Committees shall transparently report to the Board of Directors on their findings or decisions. The Board of Directors shall follow up the work of the committees on a regular basis to verify that they are carrying out their assigned tasks.

9.1 Audit Committee

9.1.1 Powers and Responsibilities of the Audit Committee

The audit committee shall be competent to monitor the Company's activities and ensure the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the Audit Committee shall particularly include the following:

Concerning Financial Reports:

- Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
- Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
- Analyzing any important or non-familiar issues contained in the financial reports.
- Accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
- Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

Concerning Internal Audits:

- Examining and reviewing the Company's internal and financial control systems and risk management system.
- Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
- Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties. If the Company has no internal auditor, the committee shall provide a recommendation to the Board on whether there is a need to appoint an internal auditor.
- Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest his/her remunerations.

Concerning the Auditor:

- Providing recommendations to the Board to nominate auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- Verifying the independence of the auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.

- Reviewing the plan of the Company's auditor and its activities, and ensuring that it does not provide any technical or administrative works that are beyond its scope of work, and provides its opinion thereon.
- Responding to the auditor's queries.
- Reviewing the auditor's reports and its comments on the financial statements, as well as following up the procedures taken in connection therewith.

Concerning Ensuring Compliance:

- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
- Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith.
- Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

9.1.2 Audit Committee Formation and Membership Requirements

The Audit Committee shall be one of the committees formed by the Board of Directors. The Committee shall consist of (3) three members chosen from among its shareholders or others, provided that at least one of its members is an Independent Director and that no Executive Director is among its members who shall include at least one specializing in financial and accounting matters. No individual who is currently employed or, during the past two years, was employed in the executive or financial management of the Company or its auditor may be a member of the Audit Committee.

A member shall be deemed to specialize in financial and accounting matters when any of the following is met:

- He holds a doctorate or equivalent degree in accounting, and has at least two years' practical experience in the field of accounting and auditing, reduced to one year if he is a member of the Saudi Organization for Certified Public Accountants or holds any similar professional qualification approved by the CMA.
- He holds a masters' or equivalent degree in accounting, and has at least five years' practical experience in the field of accounting and auditing, reduced to three years if he is a member of the Saudi Organization for Certified Public Accountants or holds any similar professional qualification approved by the CMA.
- He holds a bachelors' or equivalent degree in accounting, and has at least seven years' practical experience in the field of accounting and auditing, reduced to five years if he is a member of the Saudi Organization for Certified Public Accountants or holds any similar professional qualification approved by the CMA.

9.1.3 Appointing or Removing Members of the Audit Committee and the Membership Term Thereof

Subject to the qualification requirements for membership in the Audit Committee, the Audit Committee shall be formed by a decision of the Company's Ordinary General Assembly for a period of three years. The Board of Directors shall take the necessary measures to enable the Committee to carry out its functions, including providing the Committee, in an unrestricted fashion, with all data, information, reports, records, correspondences or other matters which the Committee deems necessary.

1. Committee members may be reappointed for an additional term.
2. Committee members may be dismissed pursuant to a Board resolution in the following cases:
 - a. The member requested being relieved from membership duties.
 - b. The member's abuse of his Committee position or misconduct occurs which the Board

deems detrimental to the objectives and reputation of the Company in general and the Committee in particular.

c. The member fails to attend three consecutive meetings without providing a valid excuse acceptable to the Board of Directors.

d. Failure to satisfy any of the membership requirements.

3. Upon expiry of a membership during the Committee's term, due to death, resignation, disability or termination, then the Board shall appoint another member to fill the vacancy, taking into account the relevant Committee's membership requirements. The combined terms of the member whose seat was vacated and the new replacement member, shall be deemed to represent one full term.

9.1.4 Audit Committee's Powers and Work Methodology

1. Based on a proposal from the Board of Directors, the Company's General Assembly shall issue the Audit Committee's charter, which shall include the rules and procedures governing the Committee's work, its functions, member selection rules, manner employed for their nomination, term of membership, respective remuneration, and manner by which members are appointed on a temporary basis to fill a Committee vacancy. The Audit Committee shall derive its regulations from the Company bylaws, as well as KSA regulations and laws.

2. The Committee shall draft an annual action plan, including a description of the work to be carried out during the coming year, in the form of work programs, in which the estimated cost and duration for the completion of each program shall be considered and submitted to the Board for approval.

3. The Audit Committee shall draft a report on its opinion regarding the adequacy of the Company's internal control system and its other activities within the scope of its competence. The Board of Directors shall make available, at the Company's head office, sufficient copies of the report and publish the same on the Company's and Tadawul's website upon publication of the invitation to convene the General Assembly at least ten days prior to date set therefor in order to provide each shareholder with a copy of the report. The summary of the report shall be read during the General Assembly.

4. The Committee shall meet at the request of at least two of its members or the request of the Internal or External Auditor. The Committee shall meet periodically at least four times a year and whenever necessary.

5. Meetings shall be deemed quorate when attended by the majority of members.

6. Each member shall have one vote when voting on Committee resolutions, which shall be adopted by a majority vote.

7. The Committee shall organize regular periodic meetings with the Company's internal audit department, risk management and management.

8. Non-members of the Committee shall not be entitled to attend its meetings. However, the Committee may, at its discretion, allow the presence of any member of the Board of Directors or Executive Management.

9. The certified accountant shall be invited to periodically attend Committee meetings.

10. In case of conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board refuses to accept the Committee's recommendations regarding the appointment of the Company's auditor, dismissal, fees, performance evaluation or the appointment of the Internal Auditor, then the Board of Directors' report shall include the Committee's recommendations and justifications, as well as the reasons for rejecting them.

11. In performing its duties, the Audit Committee shall:

a. Be entitled to review the Company's records and documents.

b. Request any clarification or statement from members of the Board or Executive Management.

c. Request that the Board calls for a General Assembly meeting if its activities have been

impeded by the Board or if the Company suffered significant losses and damages.

9.1.5 Competencies of the Committee's Chairman, Vice-Chairman and Secretary

1. Committee members shall choose from among their ranks a Chairman for the duration of the Committee's term, who shall supervise the completion of the Committee's tasks and shall, in particular:
 - a. Call the Committee to meet and determine the time, date, place and agenda of each meeting in coordination with Committee members.
 - b. Chair Committee meetings.
 - c. Submit the results of the Committee's work and recommendations to the Board of Directors.
 - d. In coordination with the Committee Secretary, draft the Commission's budget, action plan and projects both on the short and long term and submit them to the Committee for approval prior to referring them to the Board of Directors.
 - e. In coordination with the Committee Secretary, draft periodic reports on the activities of the Committee and submit them to the Committee for approval prior to referring them to the Board of Directors.
 - f. Represent the Committee before the Board and any other body that so requires.
2. Committee members shall choose from among their ranks a Vice-Chairman for the duration of the Committee's term, who shall assist the Chairman in the performance of his functions and replace him in his absence.
3. The Committee shall appoint a Secretary and determine the remuneration thereof. Said Secretary shall attend meetings but shall not be entitled to vote thereat. He shall prepare the meeting minutes and inform members of meeting dates and agendas, as well as carry out all of the Committee's administrative tasks. When selecting the Secretary care must be given that he possesses the scientific qualifications and practical experience enabling him to carry out the tasks entrusted to him. The Secretary shall undertake to safeguard Company secrets and refrain from any conducting activities that may fall contrary to Company interests.

9.1.6 Determining Audit Committee Remuneration

1. Committee members shall be entitled to an attendance allowance for each meeting attended, as determined and approved by the Board of Directors and the Shareholders' Assembly.
2. The Board of Directors' annual report to the General Assembly shall disclose the attendance allowances paid to members of the Committee during the year.

9.2 Nomination and Remuneration Committee

9.2.1 Functions and Responsibilities of the Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to identify qualified candidates for membership on the Board of Directors, who meet the conditions set for membership, as well as to assist the Board in establishing a proper governance system and build the necessary policies and procedures. The scope of the Committee's work includes all actions that enable it to fulfill its functions, including:

1. Identify qualified candidates and nominate them to the Board of Directors.
2. Conduct an annual review of Board membership requirements, which shall include the candidates' capabilities, experience and availability to fulfill their Board responsibilities.
3. Review the structure of the Board and propose required changes thereto beneficial to the Company's interests.
4. Determine the strengths and weaknesses of the Board and propose required changes thereto beneficial to the Company's interests.

5. Nominate candidates for the positions of CEO and Managing Director, as well as nominate Committee members for approval by the Board of Directors or the General Assembly.
6. Review the approval policies and procedures for Board membership prior to their adoption through the General Assembly.
7. Monitor the independence of independent Board members and monitor any conflicts of interest on an annual basis.
8. Review the preparatory materials and training courses destined to new Board members.
9. Establish clear policies regarding the remuneration of managers and senior executives.
10. Review and propose plans for the assumption of key executive functions.
11. Review and approve the Company's overall structure of rewards and privileges, which includes employment grades, structure of wages and privileges, as well as rewards and incentives associated with performance.
12. Approve changes to the remuneration of the CEO and recommend changes to the remuneration of the Managing Director, members of the Board of Directors and members of the various Board committees.
13. Approve extraordinary remuneration (signing or performance bonuses) for the CEO and senior executives.

9.2.2 Formation of the Nomination and Remuneration Committee and the Requirements for Membership Therein

The nomination and remuneration committees shall be combined into one committee named Nomination and Remuneration Committee, and shall be formed by the Board of Directors and consist of at least (3) members, pursuant to the following:

1. Committee members shall be out of the Independent Directors. The Board may appoint Non-Executive Directors or persons other than Board members either from shareholders or others.
2. The Chairman of the nomination and remuneration committee shall be an independent director.
3. Committee members shall have proper scientific qualifications and training, as well as familiarity with the administrative aspects and nature of the Company's activity.
4. The Nomination and Remuneration Committee shall be formed by a decision of the Company's Board of Directors. Based on a Board proposal, the Company's General Assembly shall adopt a charter for the Nomination and Remuneration Committee, which shall include the Committee's work rules and procedures, its functions, membership requirements, term and remuneration.

9.2.3 Appointing or Removing Members of the Nomination and Remuneration Committee and the Membership Term Thereof

1. Subject to the qualification requirements for membership in the Nomination and Remuneration Committee, the Nomination and Remuneration Committee shall be formed by a decision of the Company's Board of Directors. Based on a proposal from the Board of Directors, the Company's General Assembly shall issue the Nomination and Remuneration Committee's charter, which shall include the rules and procedures governing the Committee's work, its functions, member selection rules, manner employed for their nomination, term of membership and respective remuneration. The Board shall appoint Committee members for a three-year term and take the necessary measures to enable the Committee to carry out its functions, including providing the Committee, in an unrestricted fashion, with all data, information, reports, records, correspondences or other matters which the Committee deems necessary.
2. Committee members may be reappointed for an additional term.
3. Committee members may be dismissed pursuant to a Board resolution in the following cases:
 - a. The member requested being relieved from membership duties.

- b. The member's abuse of his Committee position or misconduct occurs which the Board deems detrimental to the objectives and reputation of the Company in general and the Committee in particular.
- c. The member fails to attend three consecutive meetings without providing a valid excuse acceptable to the Board of Directors.

4. Upon expiry of a membership during the Committee's term, due to death, resignation, disability or termination, then the Board shall appoint another member to fill the vacancy, taking into account the relevant Committee's membership requirements. The combined terms of the member whose seat was vacated and the new replacement member, shall be deemed to represent one full term.

9.2.4 Nomination and Remuneration Committee's Powers and Work Methodology

1. Based on a proposal from the Board of Directors, the Company's General Assembly shall issue the Audit Committee's charter, which shall include the rules and procedures governing the Committee's work, its functions, member selection rules, manner employed for their nomination, term of membership and respective remuneration.
2. The Committee shall draft an annual action plan, including a description of the work to be carried out during the coming year, in the form of work programs, in which the estimated cost and duration for the completion of each program shall be considered and submitted to the Board for approval.
3. The Committee shall submit periodic reports to the Board containing its completed work and results, including disclosing any significant deviations, errors or weaknesses identified in the composition of the Board of Directors or its subcommittees. The report shall include the Committee's recommendations to address deficiencies in order to better develop the structure of the Board and its committees as well as advance their work.
4. The Committee shall meet at the request of at least two of its members. It shall meet periodically at least two times a year and whenever necessary.
5. Meetings shall be deemed quorate when attended by the majority of members.
6. Each member shall have one vote when voting on Committee resolutions, which shall be adopted by a majority vote.
7. At its discretion, the Nomination and Remuneration Committee shall have the right to seek the opinion of experts, consultants, opinion polls, and others.

9.2.5 Competencies of the Committee's Chairman, Vice-Chairman and Secretary

1. Committee members shall choose from among their ranks a Chairman for the duration of the Committee's term, who shall supervise the completion of the Committee's tasks and shall, in particular:
 - a. Call the Committee to meet and determine the time, date, place and agenda of each meeting in coordination with Committee members.
 - b. Chair Committee meetings.
 - c. Submit the results of the Committee's work and recommendations to the Board of Directors.
 - d. In coordination with the Committee Secretary, draft the Commission's budget, action plan and projects both on the short and long term and submit them to the Committee for approval prior to referring them to the Board of Directors.
 - e. In coordination with the Committee Secretary, draft periodic reports on the activities of the Committee and submit them to the Committee for approval prior to referring them to the Board of Directors.
 - f. Represent the Committee before the Board and any other body that so requires.
2. Committee members shall choose from among their ranks a Vice-Chairman for the duration of the

Committee's term, who shall assist the Chairman in the performance of his functions and replace him in his absence.

3. The Committee shall appoint a Secretary and determine the remuneration thereof. Said Secretary shall attend meetings but shall not be entitled to vote thereat. He shall prepare the meeting minutes and inform members of meeting dates and agendas, as well as carry out all of the Committee's administrative tasks. When selecting the Secretary care must be given that he possesses the scientific qualifications and practical experience enabling him to carry out the tasks entrusted to him. The Secretary shall undertake to safeguard Company secrets and refrain from any conducting activities that may fall contrary to Company interests.

9.2.6 Determining the Remuneration of the Nomination and Remuneration Committee

1. Committee members shall be entitled to an attendance allowance for each meeting attended, as determined and approved by the Board of Directors and the Shareholders' Assembly.

2. The Board of Directors' annual report to the General Assembly shall disclose the attendance allowances paid to members of the Committee during the year.

9.3 Finance and Investment Committee

9.3.1 Functions and Responsibilities of the Finance and Investment Committee

The main function of the Board of Directors' Finance and Investment Committee is to approve investment decisions (medium value), including: purchase of land or projects, liquidation / improvement and reorganization of existing projects. Approval of financing agreements, adoption of medium value budget overruns and submitting to the Board a list of overruns exceeding said level. The scope of the Committee's work includes all actions that enable it to fulfill its functions, including:

1. Approve the dividend distribution policy before its adoption by the Board of Directors in preparation for submission to the General Assembly for approval.
2. Review the Company's annual budget in preparation for submission to the Board of Directors for approval.
3. Approve medium value budget overruns and submitting to the Board a list of overruns exceeding said level
4. Approve large budgetary transfers from/to operating expenses and capital expenditures.
5. Approve land acquisitions and agree to large land purchases, prior to submitting the latter to the Board of Directors for approval.
6. Approve large capital development projects (design and construction) and agree to important projects, prior to submitting the latter to the Board of Directors for approval.
7. Approve investment exit strategies.
8. Approve Company joint projects.
9. Review the financial performance of the Company's major projects / investments.
10. Approve new financing agreements and amendments to existing agreements.
11. Review, evaluate and approve the issuance of any capital increase prior to referring the latter to the Board of Directors and the General Assembly for approval.
12. Review and approve large financial agreements entered into by the Company and ratify the important agreements prior to referring them to the Board of Directors for approval.
13. Review the Company's undertakings with banks, medium level write-offs and adjustments affecting the Company's financial statements.
14. Approve authorized signatures in relation to banking transactions prior to submitting them to the Board of Directors for approval.

9.3.2 Formation of the Finance and Investment Committee and the Requirements for Membership Therein

The Finance and Investment Committee shall be formed by the Board of Directors and consist of at least (4) member. A person appointed to the Committee shall have appropriate scientific qualifications and knowledge relating to the development, ownership and management of commercial real estate, as well as administrative aspects and project financing.

9.3.3 Appointing or Removing Members of the Finance and Investment Committee and the Membership Term Thereof

1. The Board of Directors shall appoint Committee members for a period of three years and take appropriate measures to enable the Committee to carry out its functions, including providing the Committee, in an unrestricted fashion, with all data, information, reports, records, correspondences or other matters which the Committee deems necessary.
2. Committee member may be reappointed for additional terms.
3. Committee members may be dismissed pursuant to a Board resolution in the following cases:
 - a. The member requested being relieved from membership duties.
 - b. The member's abuse of his Committee position or misconduct occurs which the Board deems detrimental to the objectives and reputation of the Company in general and the Committee in particular.
 - c. The member fails to attend three consecutive meetings without providing a valid excuse acceptable to the Board of Directors.
4. Upon expiry of a membership during the Committee's term, due to death, resignation, disability or termination, then the Board shall appoint another member to fill the vacancy, taking into account the relevant Committee's membership requirements. The combined terms of the member whose seat was vacated and the new replacement member, shall be deemed to represent one full term.

9.3.4 Finance and Investment Committee's Work Methodology

1. The Committee shall draft its own work rules and submit the latter to the Board for approval. The Committee's action plan shall be derived from the Company's bylaws and other applicable laws and regulations in the KSA.
2. The Committee shall draft an annual action plan, including a description of the work to be carried out during the coming year, in the form of work programs, in which the estimated cost and duration for the completion of each program shall be considered and submitted to the Board for approval.
3. The Committee shall submit periodic reports to the Board containing its completed work and results, including any shortcomings in the Company's financing structure and mistakes in the Company's investment decisions. The Committee shall also submit its recommendations to address those shortcomings.
4. The Committee shall meet at the request of its Chairman or Vice-Chairman. It is preferable that the Committee meets periodically once per quarter if possible.
5. Meetings shall be deemed quorate when attended by the majority of members with resolutions adopted by a majority vote. The Chairman shall cast the deciding vote in case of ties.
6. Each member shall have one vote when voting on Committee resolutions, which shall be adopted by a majority vote.
7. At its discretion, the Committee shall have the right to seek the opinion of experts, consultants and others.

9.3.5 Competencies of the Committee's Chairman, Vice-Chairman and Secretary

1. Committee members shall choose from among their ranks a Chairman for the duration of the

Committee's term, who shall supervise the completion of the Committee's tasks and shall, in particular:

- a. Call the Committee to meet and determine the time, date, place and agenda of each meeting in coordination with Committee members.
 - b. Chair Committee meetings.
 - c. Submit the results of the Committee's work and recommendations to the Board of Directors.
 - d. In coordination with the Committee Secretary, draft the Commission's budget, action plan and projects both on the short and long term and submit them to the Committee for approval prior to referring them to the Board of Directors.
 - e. In coordination with the Committee Secretary, draft periodic reports on the activities of the Committee and submit them to the Committee for approval prior to referring them to the Board of Directors.
 - f. Represent the Committee before the Board and any other body that so requires.
2. Committee members shall choose from among their ranks a Vice-Chairman for the duration of the Committee's term, who shall assist the Chairman in the performance of his functions and replace him in his absence.
 3. The Committee shall appoint a Secretary and determine the remuneration thereof. Said Secretary shall attend meetings but shall not be entitled to vote thereat. He shall prepare the meeting minutes and inform members of meeting dates and agendas, as well as carry out all of the Committee's administrative tasks. When selecting the Secretary care must be given that he possesses the scientific qualifications and practical experience enabling him to carry out the tasks entrusted to him. The Secretary shall undertake to safeguard Company secrets and refrain from any conducting activities that may fall contrary to Company interests.

9.3.6 Determining Finance and Investment Committee Remuneration

1. Committee members shall be entitled to an attendance allowance for each meeting attended, as determined and approved by the Board of Directors and the Shareholders' Assembly.
2. The Board of Directors' annual report to the General Assembly shall disclose the attendance allowances paid to members of the Committee during the year.





**Code of Business
Conduct & Ethics**

10. Code of Business Conduct & Ethics

10.1 Introduction

The work we do in our Company has a direct and significant impact on the lives of millions of people - our valued Customer, Associates, Shareholders, Colleagues and their families -.All of us work together every day to “make people successful in a changing world” by helping manage careers in the new world of work.

At Arabian Centres, we strive every day to earn the trust and loyalty of our associates, customers, suppliers, colleagues, shareholders, investors, governments and the communities in which we operate and with one another, by performing our work in accordance with this Code of Conduct and our Core Values of accountability, teamwork, curiosity, commitment, and integrity to life.

We do this by keeping our promise to:

Be Accountable

for our actions and hold ourselves and each other accountable for what we say and do.

Demonstrate Respect to the Team

and for the rights and dignity of all individuals in the organization by being fair, just, compassionate, and continuous collaborations.

Always Curious

about understanding ourselves and the environment and it causes us to ask the questions others might not.

Act with Integrity

by demonstrating the courage and strength of character to do what is right and never acting outside of the law, even when it is difficult or unpopular.

Always Committed

and staying focused on the business priorities, being tenacious and persistent and not being deterred by any obstacles.

The importance of work, and what we do to help people find it, cannot be overstated. Work can define who we are. It can give purpose and meaning to our lives. It permits us to apply our talents to contribute to society. It is essential to our financial well-being. It is the means by which we can each realize our dreams.

We all have a responsibility to exercise good judgment, honesty, and integrity when performing our jobs. These standards will help continue the organization’s reputation for fair dealing and honesty:

Responsibility towards our Team Members

To respect employees and to offer a safe working environment and fair employment conditions.

Responsibility towards our Customers, Distributors and Suppliers

To gain and maintain business by continuous development and research and to be able to provide products, services and solutions that meet customers’ expectations regarding quality, safety and environmental care, while always applying the highest standards of business ethics.

Responsibility towards our Shareholders

To protect the shareholders’ investments and strive for a sustainable and improving return.

Responsibility towards Society

To manage the business as a responsible member of our society, showing respect for laws, customs and regulations.

10.2 Scope

Unless defined otherwise, the term “Team Member” in this Code of Business Conduct and Ethics (“the

Code”) is defined to include all directors, officers, employees and part-time employees of the Arabian Centres Company (the “Company”) and its subsidiaries located in Saudi Arabia and internationally, if any.

This Code is drafted and valid in the Arabic language. Where the English language version of this document shall be considered translation of convenience only and the Arabic version will prevail in any case of discrepancy.

10.3 Purpose

This Code reaffirms our basic policies and ethical conduct for all team members. The foundation of our Code consists of basic standards of business as well as personal conduct:

- Honesty and candor in our activities, including observance in spirit, as well as the letter of the law.
- Avoidance of conflicts between personal interests and the interests of the Company, or even the appearance of such conflicts.
- Respecting the confidentiality of information obtained in the course of business.
- Maintenance of our reputation and avoidance of activities which might reflect adversely on the Company.
- Integrity in dealing with the Company assets.

10.4 Objective

The Company has established this policy to assist its team members in understanding and carrying out this mandate for honesty, integrity, and high standards of conduct:

- A Company’s reputation for integrity is its most valuable asset and is determined by the conduct of its team members.
- Each team member must manage his personal and business affairs so as to avoid situations that might lead to a conflict or even suspicion of a conflict between self-interest and duty to the Company and its customers.
- No Company position must ever be used, directly or indirectly, for private gain, to advance personal interests, or to obtain favors or benefits for a team member, a member of his family, or any other person.

10.5 General

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all directors, officers and team members of the Company.

Our general rule is that our team members must follow the laws. Should any requirement in this Code conflict with the law in KSA, the law must always be followed. However, if a local custom or practice conflicts with this Code, team members must comply with the Code. In such cases the team member must notify their supervisor or Human Resources Manager (“HRM”) or Internal Audit Director (“IAD”) immediately.

Those who violate the standards in this Code will be subject to disciplinary action up to and including termination of employment or service. If a team member is in a situation where it may violate or lead to a violation of this Code, the guidelines described in Section 10.22 and 10.24 of this Code should be followed.

10.5.1 Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which this Company’s ethical standards are built. All team members must respect and obey the laws and regulations. To that effect, all team members must take an active role in being knowledgeable of and ensuring compliance with all applicable laws and regulations, and must immediately report violations or suspected violations to their supervisor or HRM or IAD.

During any government examination or investigation, team members should never destroy or alter any Company documents, lie or make misleading statements to the government examiner or investigator, attempt to cause another team member to fail to provide accurate information and/or obstruct, mislead or

delay the communication of information or records.

10.6 Conflicts of Interest

Conflicts of interest are strictly prohibited under this Code, unless approved by the Board of Directors (“BOD”). A “conflict of interest” exists when a person’s private interest interferes - or even appears to interfere - in any way, with the interests of the Company. The existence of a conflict depends upon the circumstances, including the nature and relative importance of the interest involved. A conflict of interest situation can arise when a team member takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when a team member, or members of his family, receives improper personal benefits as a result of his or her position with the Company.

According to the above any employee must communicate to the Company HRM and/or IAD any existing conflict of interest in place at the moment of hiring or any conflict of interest that may arise during employment term.

Although it is not practical to list every activity or interest that might present a conflict of interest, the following are examples of specific situations in which conflicts of interest could arise, and sets forth the Company’s policy with respect to such conflicts of interest.

10.6.1 Interests in Other Companies

Team members, or members of their families shall not acquire, own or have any financial interest in any business organization that does or seeks to do business with the Company or is a competitor of the Company, unless (a) such interest has been fully disclosed in writing to the CEO and (b) the CEO notifies the director, officer or employee that it has been determined that the team member’s duties for the Company will not require him or her to make or cause to be made decisions that could be influenced by such interest, or that the interest is otherwise permissible.

10.6.2 Employment by Other Companies

Team members shall not serve or accept an offer to serve as directors, partners, consultants of, or in any managerial position or any other form of employment or affiliation with, any business organization that does significant business with or is a competitor of the Company, unless (a) such position, employment or affiliation has been fully disclosed in writing to the CEO and (b) the CEO notifies the team member that it has been determined that such position, employment or affiliation is permissible.

10.6.3 Conducting Business with Related Companies

Team members shall not conduct business on behalf of the Company with a member of his or her family, or a business organization with which he or she or a family member has an interest or employment relationship that calls for disclosure under the Code standards described above or that otherwise could be considered significant in terms of potential conflict of interest, unless (a) such business dealings have been disclosed in writing to the CEO and (b) the CEO notifies the team member that it has been determined that such transaction is permissible.

10.6.4 Reporting to an Immediate Family Member

The potential for conflict of interest clearly exists if your immediate family member also works at the Company and is in a direct reporting relationship with you. Officers or employees should not directly supervise, report to, or be in a position to influence the hiring, work assignments or evaluations of someone with whom they have a familial relationship.

10.6.5 Soliciting Suppliers and Customers

No one should request donations from suppliers, customers or contractors to help pay for any Company events. Solicitations of cash, merchandise or services are not allowed because they could be perceived to create obligations in order to keep, increase or obtain Company business. The Company desires that its suppliers and vendors understand that their business relationship with the Company is based totally on their ability to competitively meet the Company’s business needs.

10.6.6 Fees and Honorariums

With prior approval from CEO, officers or employees may give lectures, conduct seminars, publish articles

in books or engage in any other similar activity for which they may be paid a fee or honorarium. However, any fees, honorariums or reimbursements must be disclosed and shared.

10.6.7 Bribes and Kickbacks

Officers and employees should not offer, give, solicit or receive bribes or kickbacks. These are criminal actions that can lead to prosecution.

10.6.8 Gifts, Favors, Entertainment, Advances and Payments

10.6.8.1 Received by Company Team Member

Officers and employees may not seek or accept any gifts, advances, payments, fees, services, privileges, vacations or pleasure trips (even with an apparent business purpose), loans (other than conventional loans on customary terms from lending institutions) or other favors from any person or business organization that does or seeks to do business with, or is a competitor of, the Company. No one may accept anything of value in exchange for referral of third parties to any such person or business organization. In applying this policy:

- Officers or employees may accept common or ordinary social amenities valued less than SR. 300 associated with generally accepted business practices for themselves and members of their families. In all cases the employee must communicate the gift acceptance to his/her immediate Line Manager.
- It is never permissible to accept cash or cash equivalents (savings bonds, stock, etc.) of any amount. In addition, entertainment beyond that described above should not be accepted under any circumstances.

10.6.8.2 Paid or Made by Company Team Members

Officers and employees should be aware that it is a violation of this Code to confer benefits on an employee of another company if it is made without such person's employer's consent or knowledge and with intent to influence such person's conduct in relation to the affairs of the employer. The making of seasonal gifts at holiday time is generally not considered to be a violation of this policy; however, at no time may cash or cash equivalents (savings bonds, stock, etc.) be issued as gifts.

Officers and employees may dispense common courtesies or ordinary social amenities generally associated with accepted business practices if they meet all the following criteria:

- There is a specific business purpose.
- They are of limited value, and in a form that will not be construed as a bribe or pay-off.
- They are not in contravention of applicable law and generally accepted ethical standards.
- Public disclosure of the facts will not embarrass the Company or the director, officer or employee.
- Secret commissions or other secret compensation or payments are never permissible and may be a criminal offense.

10.6.9 Political / Religious Contributions

Team Members shall not use Company funds for contributions of any kind to any political or religious party or committee or to any candidate for, or holder of, any office of any government —national, state or local. This policy is not intended to restrict in any manner the use of personal funds for political or religious contributions.

Again, conflicts of interest are prohibited as a matter of Company policy, except where approved by the CEO. Conflicts of interest may not always be clear-cut, so if any questions arise, consult with your immediate supervisor. Any team member who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor or consult the procedures described in Section 10.24 of this Code.

10.7 Anti-Money Laundering

Money laundering, or the use of financial transactions to conceal the source of funds which have been

obtained via criminal activity, is illegal. Employees must inform their management if they suspect money laundering related to the organization's products or services.

10.8 Personal Finances

Team members are expected to live within their income and to manage their personal finances so as to avoid embarrassment personally and to the Company. This includes proper handling of bank accounts and not writing checks against insufficient funds. Excessive borrowing is evidence of poor financial management. The services and advice of the Company are available to all team members in need of financial guidance and assistance.

10.9 Insider Trading

Team members who have access to non-public material information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. The term "trade" includes all securities transactions in the open market. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but is also a violation of the law and can result in civil and criminal penalties.

Non-public, material information includes, but is not limited to: significant new product/service developments, sales and earnings reports or projections, major contracts with customers or suppliers, plans for stock splits or buy backs and potential acquisitions or mergers. Such non-public material information in the case of another company would also include knowledge that the other company may enter into or is negotiating for a contract important to it for the sale of property, goods or services to or by the Company. In these instances where team members have such information, they must refrain from buying or selling or encouraging others to buy or sell the Company's securities or securities of another company, as the case may be, until the information has been disclosed to the general public. If any questions about the appropriateness of purchasing or selling a security under these circumstances arise, contact the IAD.

10.10 Corporate Opportunities

Team members are prohibited from taking personal opportunities that are discovered through the use of Company property, information or position without the written consent of the CEO. No team member may use Company property, information, or position for improper personal gain, and no team member may compete with the Company directly or indirectly. (Refer to section 10.6: Conflict of Interest.) Team members owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

10.11 Employee Discounts

Team members should not use their position to obtain discounts unless they are corporate agreed discounts and made available to all employees or expressly authorized by management. Team members are expected to abide by the related business rules in relation to the specific discount.

10.12 Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Team members should endeavor to respect the rights of, and deal fairly with, the Company's customers, suppliers, competitors and employees. Team members should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

10.13 Discrimination and Harassment

The diversity of the Company's work force and management is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind.

10.14 Health and Safety

The Company strives to provide a safe and healthy work environment. All team members have a

responsibility for maintaining a safe and healthy workplace by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted.

Team members must inform their management of any breach of security or safety regulations or potential risk to the security or safety of our employees, customers, assets or locations.

10.15 Drugs and Alcohol

All the employees are expected to comply with Saudi Arabia's government laws related to use or possession of alcohol and illegal drugs. The misuse of prescribed medical drugs, or the use, possession, distribution or sale of alcohol, illicit or un-prescribed controlled drugs on the Company premises, is strictly prohibited and will lead to termination and legal action as per relevant laws.

10.16 Environmental Protection

The Company will comply with all regulations, and local environmental protection laws, including laws pertaining to the transportation, storage, and disposal of solid waste and hazardous materials and substances.

10.17 Social Responsibility

The Company will aim to act in a socially responsible way and within the framework of the national legislation of all the countries where we are present, creating jobs and supporting our customers.

Our ability to profitably manage and grow our business is the foundation by which we meet our social responsibility. We will further aim to actively find ways and activities by which our organization and our employees can make a positive and lasting impact on the society and the communities in which we operate.

10.18 Record-Keeping

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many officers and employees regularly use business expense accounts, which must be documented and recorded accurately. If there is uncertainty whether a specific expense is legitimate or not, refer to your supervisor before to execute the expense itself.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls.

Business records and communications often become public, and team members should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that could be misunderstood. This applies equally to e-mail, internal memos, and formal reports.

Records are maintained for the period in line with the local laws (10 years as per Article 8, The Law of Commercial Books, and Royal Decree No. M/61) or internal policies, whichever is higher. In accordance with those policies, in the event of litigation or governmental investigation please consult Internal Audit.

10.19 Confidentiality

Team members must maintain the confidentiality of confidential information entrusted to them by the Company or its customers, except when disclosure is authorized by the Managing Director ("MD") or legally mandated by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

Team members who have access to confidential information are obligated to safeguard it from unauthorized access and:

- not disclose this information to persons outside the Company. (Exercise caution when discussing company business in public places where conversations can be overheard. Recognize the potential

for eavesdropping on cellular phones.)

- not use this information for personal benefit or the benefit of persons outside of the Company.
- not share this information with other employees except on a legitimate “need to know” basis.

Written approval from the MD is required before confidential information can be released outside the Company. This includes speeches, technical papers for publication, Company references, endorsements of other products and services, and information the Company has received from other companies under an obligation of confidentiality.

Any Company information created in the course of your employment or service belongs to the Company. The obligation to preserve confidential information continues even after your employment or service ends. Upon retirement or termination of employment or service, all written and tangible proprietary, confidential information must be returned to the Company prior to or on your last day of employment or service.

10.20 Protection and Proper Use of Company Assets

Team members should endeavor to protect the Company’s assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company’s profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company assets should not be used for non-Company business.

10.20.1 Use of email, voice mail and Internet services

E-mail systems and Internet services are provided for work purposes. Team members should not access, send, or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, ethnic slurs, or any other message that could be viewed as harassment. Also, it is to be noted that “flooding” Company computer systems with junk mail and trivia is not acceptable behavior and hampers the ability of the Company’s systems to handle legitimate Company business.

Team members’ messages (including voice mail) and computer information are considered Company property with no expectation of privacy. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Team members should use good judgment and not access, send a message, or store any information that should not be seen or heard by other individuals. Violation of these policies may result in disciplinary actions up to and including discharge from the Company.

Any company asset is given in use to the employee only during employment terms therefore at the moment of departing the Company any employee must return all the assets and working tools that the company has provided during the whole service time.

10.20.2 Proprietary Information

Team members’ obligation to protect the Company’s assets includes its proprietary information. Proprietary information includes but is not limited to, our trademarks including our brand name and logos, copyrights, trade secrets, customer lists/ documents, marketing plans, designs, databases, records, salary information, any unpublished financial data and reports, manuals, stationery, company stamps and other materials developed for business use. Unauthorized use or distribution of this information may destroy the information’s value, harm the Company’s competitive position, or constitute breaches of agreements. It could also be illegal and result in civil or even criminal penalties.

The Company’s guidelines regarding treatment of proprietary information are:

- Proprietary information should be discussed with Company team members only on a “need-to-know” basis.
- Unless someone with proper authority decides publicly to disclose proprietary information, disclosures to anyone outside the Company should occur only in conjunction with an executed confidential disclosure agreement prepared by the CEO.
- Always remain alert to inadvertent disclosure of proprietary information, e.g., in social conversations or normal business relations with suppliers, customers and others.
- Do not accept proprietary information from third parties unless such information is subject to a

written confidentiality agreement prepared by the CEO.

While team members must remain alert to the competitive environment and seek information with respect to the Company's markets and its competitors, team members must do so only by means that are lawful and ethical. Team members must never participate in illegal or improper acquisition of another's proprietary information. If team members are approached with offers of such information, or with any information believed to have originated illegally or improperly, they must immediately refer the matter to the CEO.

10.21 Payments to Government Personnel

The Company prohibits giving anything of value, directly or indirectly, to officials of governments or political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials.

10.22 Waivers of the Code of Business Conduct and Ethics

Any waiver of this Code for executive officers or directors may be made only by the CEO.

10.23 Reporting any Illegal or Unethical Behavior

Team members are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. All team members should report violations of laws, regulations, rules, or this Code. It is the Company's policy not to allow retaliation for reports of misconduct by others made in good faith by team members. Team members are expected to cooperate in internal investigations of misconduct.

If you believe you have been retaliated against or have witnessed retaliation, you have a responsibility to report it to the management or to use the other reporting avenues available to you.

Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense that may result in disciplinary action, up to and including termination.

10.24 Compliance Standards and Procedure

10.24.1 Interpretation

The Human Resources Department (HRD) is responsible for giving guidance on interpreting and applying the Code when questions arise. Any questions should be addressed in writing to the HRD.

10.24.2 Corporate Governance and Accountability

The Company is committed to high standards of corporate governance. The Board is accountable to shareholders and others for the Company's activities and is responsible for the effectiveness of corporate governance practices within the Company. The Directors believe the Company complies with all of the recommendations contained in all applicable regulations.

10.24.3 Reports of Non-Compliance

All suspected instances of violations of the law or improper conduct in the Company should be reported to either Whistle Blower ID i.e. whistle.blower@arabiancentres.com or to call the Contact Centre at 92 000 262.

Any employee, officer or director who is concerned that a team member has violated or may violate any law or Code standard may report this concern to his supervisor, HRM, IAD or and CEO. Failure to make such a report is a violation of these Code standards and may be subject to disciplinary action up to and including termination. Team members have a right, and at times a legal obligation, to call the Company's attention to situations in which the law or the Code standards have been breached. Those who choose to identify themselves are assured that they will not suffer disciplinary or retaliatory action. Confidentiality will be maintained to the extent possible in light of the Company's duty to fully investigate any report of improper conduct. Upon receipt of a concern, the HR and IA will initiate an appropriate investigation and resolution of the matter. The IA may handle specific issues himself or may select an appropriate individual to gather needed information and evaluate situations. Anyone violating the Code may be subject to disciplinary action up to and including termination of employment. In special cases, the Company may be obligated to refer violations to appropriate law enforcement officials.

10.24.4 Request for Exception

While some standards in the Code require strict application, others do allow exceptions. For example, minor conflicts of interest may be resolved by disclosing the conflict to all interested parties. Team members who believe they merit an exception should first contact their immediate supervisors. If an immediate supervisor agrees that an exception is warranted, he or she may forward a request for exception to the CEO, who shall be responsible for reviewing and approving it or disapproving it.

However, if the request for exception relates to the CEO, then such a request for exception shall be forwarded to the MD, who shall be responsible for reviewing and approving it or disapproving it.

10.24.5 Non-Exclusivity

While the Code standards are extensive, they are by no means exhaustive. Nothing expressed or implied in the Code can represent all the policies and procedures the Company believes its team members should follow.

If it is suspected that a violation of the law or the Code has taken place or may take place, the following guidelines should be adhered to:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is these individual's responsibility to help solve problems.
- Seek help from Company resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question, you can send your notification through the channels identified in section (10.24.3), or discuss it with the HRM, IAD or CEO.
- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.

10.25 ACKNOWLEDGMENT AND DISCLOSURE

10.25.1 Disclosure by directors, senior executives and employees

All directors, senior executives and employees are required to disclose of interests held in companies doing business or seeking to do business with the company or competitors of the company.

The Company will require all new joiners and grades 6 + employees to sign the Acknowledgment and Disclosure statement to attest that they:

1. Fully understand the Code and will abide by it while they are under the employ of the organization;
2. Will ensure the Code is understood by those they manage;
3. Will provide advice and guidance on interpreting the Code;
4. Will uphold and promote the requirements of the Code;
5. Will individually sign their acceptance of the Code each year.

The Code will be reviewed on an annual basis and resubmitted to team members.





Policy Regarding the Management of Conflicts of Interests

11. Policy Regarding the Management of Conflicts of Interests

11.1 General Policy

Board members, senior executives and shareholders are prohibited from having conflicts of interest with the Company, except with prior General Assembly consent, to be renewed each year. A “conflict of interest” generally occurs when the private interest of a Board member, a Managing Director or a shareholder interferes in any way, or even appears to interfere, with the interests of the Company as a whole; or when the capacity of a Board member, or Managing Director to take a decision objectively and effectively is affected by a personal interest. Conflicts of interest also arise when an immediate family member of a Board member, a Managing Director or a shareholder receives personal benefits as a result of his or her position at the Company.

11.2 Executive Measures

- A Board member shall not, without prior annually renewed General Assembly consent, have any interest (whether direct or indirect) in the Company’s business and contracts. A Board member shall notify the Board of Directors of any personal interest he/she may have in the business and contracts conducted on behalf of the Company, and such notification shall be entered in the meeting minutes. A Board member who is an interested party shall not be entitled to vote on the resolution to be adopted in this regard. The Chairman of the Board of Directors shall notify the General Assembly, when convened, of the activities and contracts in respect of which a Board member may have a personal interest, and shall attach to such notification a special report prepared by the Company’s auditor.

- A Board member shall not, without prior annually renewed General Assembly consent, participate in any activity which may likely compete with the activities of the Company, or engage in commerce related to that of the Company. Otherwise, the Company may request compensation or consider that the operations thereby undertaken by said member for his/ her own account are actually for the Company’s account.

- The Company shall not grant cash loans of any type to any of its Board members without prior General Assembly consent, or guarantee any loans entered into by a Board member with third parties.

- Board members shall not disclose any Company’s secrets they came across through their membership on the Board to any Company shareholder or third party, unless such disclosure is made during the meetings of the General Assembly. Otherwise, the concerned Board member shall be dismissed and liable for compensation.

- The Auditor may not participate in the establishment of the Company, or be a member of its Board of Directors, or carry out technical or administrative works for the Company, even in the context of a consultancy. The Auditor may not be a partner of one of the Company’s founders, Board members, employees or fourth degree relatives. Any act contrary to the provisions of this paragraph shall be deemed null and void, and in such case, the violator shall be required to refund any amounts received from the Company to the Ministry of Finance and National Economy.

- The Company shall be bound by any action undertaken by the Board of Directors, within the limits of its competence, and shall be liable for any damage arising from Board members’ illegal activities in the management of the Company.

- The members of the Board of Directors shall be jointly liable vis-a-vis the Company, the shareholders or any third parties, for damages caused by their mismanagement of the Company’s affairs, or their violation of the provisions of the Companies’ Law, the Company’s bylaws, or this policy, and any provision to the contrary shall be deemed null and void.

- All members of the Board of Directors shall be responsible for errors resulting from a decision taken unanimously. Members who raised objections to a decision taken by a majority of Board members shall not be liable therefor, once they have proven their objection in the meeting minutes. Failure to attend a meeting in which a decision was taken shall not be considered as reason for exempting the absent member from liability, unless said member can prove that he was not aware of the decision taken or was unable to object thereto after being informed thereof.

- The Company may file a liability lawsuit against the members of the Board of Directors for errors resulting in damages to all shareholders. The Ordinary General Assembly shall decide to file such lawsuit and appoint the person acting on behalf of the Company in that regard. If the Company is adjudicated bankrupt, the bankruptcy trustee shall then be competent to file the lawsuit, and if the Company is terminated, then the liquidator shall be competent to file the lawsuit, with the approval of the Ordinary

General Assembly.

- Except in cases of fraud and forgery, the Company's liability lawsuit shall be terminated when the Ordinary General Assembly agrees to discharge Board members from liability. In all cases, such lawsuits shall not be heard five years after the date of the end of the fiscal year in which the malicious act took place, or three years after the termination of the Board member's term, whichever comes later.

- When the Board commits an error that causes harm to a shareholder, then said shareholder may file a liability lawsuit on behalf of the Company against members of the Board of Directors, and provided that the Company retains its right to file said lawsuit. The shareholder shall notify the Company of his intention to file a lawsuit. If a shareholder files a lawsuit, he may be compensated only to the extent of damages suffered.

- Shareholders representing at least 5% of the capital may request that the competent judicial authorities investigate the Company if they identify any suspicious behavior on the part of the Board members or the auditors in managing the Company's affairs. The competent judicial authority may order an investigation of the Company's management at the complainants' expense, after hearing the statements of the administrators and auditors in a special session; and if necessary, it may request a guarantee from the complainants. If the complaint is proven valid, the competent judicial authority may order such provisional measures as it deems necessary, and ask the General Assembly to take the necessary decisions in that regard. In cases of absolute necessity, it may also remove the members of the Board of Directors and the auditors.

- Upon contracting or dealing with a related party. This shall include informing the CMA and the public of such contracting or dealing, without any delay, if such contract or deal equals or exceeds 1% of total Company revenues, as stated in the latest audited annual financial statements.

Competing with the Company

Subject to the provisions of Article 72 of the Companies' Law, if a Board member wishes to engage in a business that may compete with the Company or any of its activities, the following shall be observed:

- Notifying the Board of the competing businesses he/she desires to engage in and recording such notification in the minutes of the Board meeting.
- The concerned member shall not vote on the relevant Board and General Assembly decision.
- The Chairman of the Board shall inform the Ordinary General Assembly, once convened, of the competing businesses that the member of the Board is engaged in.
- Obtaining prior Ordinary General Assembly consent for the member to engage in the competing business, provided that such consent is annually renewed.

The following shall be deemed a participation in any business that may compete with the Company or any of its activities:

- The Board member establishing a company or a sole proprietorship, or him holding a controlling shareholding in a Company or any other entity engaged in business activities that are similar to the activities of the Company or its group.
- Accepting membership on the Board of a company or entity that competes with the Company or its group; or managing the affairs of a competing sole proprietorship or any competing company of any form.
- The Board member acting as an overt or covert commercial agent or any equivalent function, for another company or entity competing with the Company or its group.

Nonrenewal of the authorization

If the General Assembly refuses to renew the authorization granted pursuant to Articles (71) and (72) of the Companies' Law and Article (46) of the Corporate Governance Regulations, the member of the Board shall resign within a period specified by the General Assembly; otherwise, his/her membership in the Board shall be deemed terminated, unless he/she decides to withdraw from such contract, transaction or competing venture or regularize his/her situation in accordance with the Companies' Law and its Implementing Regulations prior to the end of the period set by the General Assembly.





Policy for Trading on Insider Information

12. Policy for Trading on Insider Information

12.1 Introduction

The aim of this policy is to regulate and define rules relating to:

- Mechanisms regarding the trading of Company shares by members of the Board of Directors and employees of the Company and its subsidiaries.
- Confidentiality of the Company's insider information.
- Compliance with the requirements of Article 50 of the Capital Market Law relating to trading based on insider information in particular, and efforts to attain best international standards in this regard.

Anyone who violates these regulations shall be held personally accountable and liable for any such breach or violation, including the possibility of facing criminal penalties. We take our commitment seriously, as well as the commitment of our shareholders and employees, in order to prevent any violations resulting from trading activities by anyone aware of the Company's secrets. Taking into account the severe sanctions that may be imposed on the violator in person, and on us as a company, we have developed and approved this policy in order to regulate any dealings by insiders, and to serve as a reference for everyone to ensure strict compliance with our obligation. Any violation of this Policy or any other of the Company's policies may subject any of the Company's employees to disciplinary actions, including termination.

Without prejudice to any regulatory requirements in this regard, the Company's Board members and employees must understand the Company's trading policy on the basis of insider information, in order to avoid violations and enhance the Company's effective role in applying transparency to its members and employees.

If you have any questions regarding this Policy or applicable laws, please contact us by e-mail: investor.relations@arabiancentres.com.

12.2 Definitions

An insider specifically means any person who is:

- A member of the Board of Directors, an executive, or any other employee of the Company.
- Someone who obtains information about internal secrets through a family relationship and / or through a relative, including anyone related to the person who obtained the information.
- Someone who obtains insider information through a business relationship, including access to information:
 - Through the Company.
 - From anyone who has a business relationship with someone who holds the information;
 - From anyone who is a business partner of the person who obtained the information.
- Someone who obtains insider information through a contractual relationship, including obtaining information:
 - Through the Company.
 - From anyone who has a contractual relationship with someone who holds the information.
- Insider information specifically means information obtained by an informed person, which is not available to the general public, which has not been made public and which an ordinary person considering the nature and content of such information, would realize that the release and availability thereof would have a material effect on the price or value of the security to which this information relates.
- Such information includes, but is not limited to the Company's periodic financial results, dividends to be announced, business plans or expectations, any plan for a major expansion, a new Security, a new debt or a Security buyback, news about an anticipated merger, a merger or acquisition, the acquisition or sale of significant investments, high risk exposure relative to actual or threatened

legal proceedings, imminent bankruptcy or cash liquidity problems, changes in senior management, gaining a major client, changes in earnings estimates, early termination of an important concession contract, changes in the Company's forecasts, any change in the Company's policies, plans or operations.

• Among actions considered to be types of fraud prohibited by the Capital Market Law:

1. Any act or behavior meant to create a false or misleading impression that suggests the existence of active financial transactions contrary to the truth. Such acts and actions include but are not limited to:

a. Entering into securities related transactions that do not involve a real transfer of ownership of such securities.

b. Entering one or orders for the purchase of a particular security with the prior knowledge that similar orders or orders of magnitude, price and timing have been or will be entered by one or more other parties for the same security.

c. Entering one or orders to sell a particular security with the prior knowledge that orders or orders similar in size, price and timing have been or will be entered by one or more other parties for the same security.

2. Individually or collectively influence the price of a particular Tadawul traded security by conducting a series of transactions therein that would result in the appearance of active actual or virtual trades, or cause a rise or fall in the price of said security in order to attract others and urge them into buying or selling said securities, as the case may be.

3. Individually or collectively conduct a series of purchase or sale transactions, or both, in a Tadawul traded security in order to stabilize or maintain the price level thereof in violation of the rules established by the CMA for market safety and investor protection.

12.3 Policy

• Any person who receives insider information by virtue of a family, business or contractual relationship, is not allowed to directly or indirectly trade in the securities to which this information relates or to disclose such information to another person in the expectation that this other person will trade that security.

• It is prohibited for any person to buy or sell a security on the basis of information obtained from an informed person knowing that this person has violated rules pertaining to the disclosure of insider information relating to the security as set out in paragraph (a) of Article (50) of the Capital Market Law.

12.4 Prohibiting the Disclosure of Insider Information

• An insider is prohibited from disclosing any insider information to another person, when he knows or should know that such other person may be trading in securities related to insider information.

• A non-insider shall not disclose insider information obtained from an insider to another person, when he knows or should know that such other person to whom information is being disclosed may be trading in securities related to insider information.

12.5 Prohibiting Trading on the Basis of Insider Information

• An insider is prohibited from trading on the basis of insider information.

• A non-insider is prohibited from trading on the basis of insider information if he obtains such information from another person and knows or should know that it is insider information.

12.6 Prohibiting Transactions Undertaken by Members of the Board of Directors and Senior Executives

Members of the Board of Directors, senior executives or any person related to any of them may not deal in any Company securities during the following periods:

1. During the fifteen (15) calendar days preceding the end of the financial quarter and until the date of the announcement and publication of the Company's preliminary results, post audit;
2. During the thirty (30) calendar days preceding the end of the financial year until the date of the announcement of the Company's annual results.

This ban shall not apply to those exercising their right to subscribe to, and sell, priority rights.

When a member of the Board of Directors or any senior executive tenders his resignation during any of the foregoing holding periods, such period (where applicable) shall apply to that resigning member or senior executive, and to any person related to any of them.

12.7 Prohibiting False Statements

Members of the Board of Directors and employees of the Company shall not, whether orally or in writing, make any false statements regarding a material fact, or omit to make statements required of them under the relevant laws and regulations.

12.8 Rumors

Members of the Board of Directors and employees of the Company are prohibited from disseminating, directly or indirectly, any false statement regarding a material event or opinion with a view to influencing the price or value of a security or for other fraudulent objectives. Such prohibition applies to the promotion of a statement made by the person himself, or by another person.

12.9 False Statements

1. A person shall be deemed to have made a false statement regarding a material fact in any of the following cases:
 - a. If he makes a false or inaccurate statement regarding any of its material elements.
 - b. If he arranges for another person to make a false or inaccurate statement regarding any of its material elements.
 - c. If he makes a statement containing incorrect information about a material fact.
 - d. If he arranges for another person to make a statement containing incorrect information about a material fact.
 - e. If he omits to mention a material fact when making a statement.
2. A material fact is any information relating to a security which, if known to the investor, would have materially affected the price or value of the security bought or sold by him.

12.10 Penalties for Violations

- Any member of the Board of Directors or senior executive who violates the requirements of the Capital Market Law, the registration and listing rules, the relevant laws, the Market Conduct Regulations or other related regulations and instructions, shall be subject to penalties imposed by the CMA and / or the Company.

- Any proven violation of this policy may result in employment termination under Section 80 of the Labor Law, without an end of service indemnity nor a monetary and / or non-monetary compensation for damages. Other penalties shall also be imposed under the Civil Code, the CMA regulations, the registration and listing rules or other applicable law.

12.11 Reporting Policy Violation

Any employee who is aware of a violation of this Policy by a fellow employee or an insider (as defined above) shall report said violation via e-mail: whistle.blower@arabiancentres.com.





Shareholders Guide

13. Shareholders Guide

13.1 Shareholders General Rights

Company Shareholders shall be entitled to all the rights associated with all shares, in particular the following:

1. The right to a share of distributable profits.
2. The right to a share of the Company's assets upon liquidation thereof.
3. The right to attend meetings of the General Assembly, participate in deliberations and vote on the relevant resolutions.
4. The right to dispose of shares.
5. The right to monitor the activity of the Board of Directors and to file liability actions against members of the Board of Directors.
6. The right to inquire and obtain information, without prejudicing the Company's interests, and in a way that does not infringe upon the Capital Market Law and the Implementing Rules thereof.
7. The right to participate in taking resolutions pertaining to material changes in the Company, after due review, such as:
 - (a) Amending the Company's bylaws or the Company's other similar corporate documents.
 - (b) Approving the issuance of additional shares.
 - (c) Extraordinary transactions, including the transfer of all or a major part of the assets.
8. The right to effectively participate in and vote at meetings of the General Assembly and be provided with the relevant rules, including voting procedures governing meetings of the General Assembly:
 - (a) Shareholders shall sufficiently and in due course be provided with the information relating to Ordinary General Assembly meeting dates, place and agenda, in addition to full and appropriate information relating to subjects to be approved thereat.
 - (b) Shareholders shall be allowed to address questions to the Board of Directors, including those affecting the external audit, adding missing items to the agenda of General Assembly meetings and proposing resolutions, as permissible under the law.
9. The right to participate in adopting important resolutions affecting the Company's governance, such as nominating and electing members of the Board of Directors.

13.2 Facilitating Shareholders' Exercise of their Rights and Access to Information

All information enabling Shareholders to properly exercise their rights shall be made available in a comprehensive and accurate manner. The information shall regularly be provided and updated within the prescribed time limits. The Company shall utilize the most effective means to communicate with Shareholders, and information so provided to Shareholders shall involve no conflict, contradiction or prejudice.

13.3 Shareholders' Rights in Relation to the General Assembly

1. The Saudi Companies' Law differentiates between the Shareholders Ordinary and Extraordinary Assembly meetings. The Law requires that at least one Ordinary Meeting of the General Assembly be convened once a year so that the date of so convening the General Assembly shall be no later than six (6) months as of the end of the Company's financial year.

Meetings of the Ordinary or Extraordinary General Assembly of Shareholders shall be convened upon a call by the Board of Directors, pursuant to the controls provided for under the Companies' Law and the Implementing Rules thereof as well as the Company's bylaws. The Board of Directors shall call for a meeting of the Ordinary General Assembly if it is so requested by the Auditor, the Audit Committee or a number of shareholders holding at least five percent (5%) of the Company's capital. If the Board of Directors fails to so call for a meeting, then the Auditor may issue such call within thirty (30) days as of the date the Auditor requested the meeting. An announcement of the time, place and agenda of the General Assembly Meeting

shall be announced at least ten (10) days in advance. The call shall be published on the Company's website and in a daily newspaper circulated in the area where the Company's head office is located. In addition, the Company may address an invitation for holding meetings of the General Assembly of Shareholders by way of modern technological means. However, it may be deemed sufficient to address invitations to all shareholders, within the time set above, by way of registered letters. A copy of the invitation and the agenda shall be sent to the Ministry within the period set for publication. The Company may amend the agenda of the General Assembly during the period between the publication of the announcement referred to above and the time of holding the General Assembly.

2. Shareholders shall be given a chance to effectively participate and vote at the meetings of the General Assembly. Meetings of the Shareholders General Assembly may be held, and shareholders may participate in the deliberations thereof and vote on the resolutions by way of modern technological means, pursuant to the controls and regulatory procedures issued in implementation of the Companies' Law. Shareholders shall be informed of the rules governing the meetings and the voting procedures.

3. Arrangements shall be implemented as necessary to facilitate participation by the largest possible number of shareholders at the General Assembly, including, inter alia, observing the suitability of the place and time of the proposed meeting.

4. When preparing the agenda of a meeting of the General Assembly, the Board of Directors shall take into account the subjects desired to be listed in the agenda by shareholders. Any shareholder may add one or more items to the agenda when preparing the same.

5. A Shareholder shall be entitled to discuss the subjects listed in the agenda of the General Assembly, and may address relevant questions to the members of the Board of Directors and the external Auditor. The Board of Directors and the external Auditor shall answer the questions so addressed by the Shareholders in such a manner that does not adversely affect the Company's interests.

6. The subjects raised at a meeting of the General Assembly shall be supported with proper and sufficient information so as to enable Shareholders to adopt proper resolutions.

7. Each Shareholder shall have the right to attend meetings of the General Assembly in person, or, by virtue of a written proxy to be certified by the Chamber of Commerce and Industry or a local bank, may appoint another shareholder to represent him, provided that the latter not be a member of the Board of Directors or an officer of the Company.

a) The original certified power of attorney shall be delivered to the Company at least three (3) days prior to the date set for holding the meeting of the General Assembly (to be delivered at: Investors Relations Department, P.O. 341904 Riyadh 11333, Fax: +966 11 825 2323, Electronic mail: investor.relations@arabiancentres.com).

b) Each shareholder, or his proxy, desirous of attending a meeting of the General Assembly, shall produce his Identity Card and the documents proving ownership of shares, provided that such shareholder or his proxy shall be present (at the place of the meeting) at least one (1) hour prior to the commencement of the Assembly's deliberations in order to complete the registration procedures.

8. A meeting of the General Assembly shall be quorate if attended by shareholders representing at least one half (1/2) of the Company's capital. In the absence of such quorum, the Chairman of the Assembly shall resort to one of the following two options:

a) Hold a second meeting one (1) hour after the period set for the first meeting, provided that the invitation for the first meeting shall include a statement that it is possible to so hold such meeting.

b) Address an invitation to hold a second meeting within the thirty (30) days following the date of the previous meeting. Such invitation shall be announced in the manner provided for under Article Thirty (30) hereof.

In all cases, the second meeting shall be valid regardless of the number shares represented thereat.

9. A meeting of the Extraordinary General Assembly shall be quorate only if attended by shareholders representing at least one-half (1/2) of the capital. In the absence of such quorum, the Chairman of the Assembly shall resort to one of the following two options:

- a) Hold a second meeting one (1) hour after the period set for the first meeting, provided that the invitation for the first meeting shall include a statement that it is possible to so hold such meeting.
- b) Address an invitation to hold a second meeting, under the same controls provided for under Article Thirty (30) hereof.

In all cases, the second meeting shall be quorate if attended by shareholders representing at least one-half (1/2) of the capital.

If the required quorum cannot be reached during the second meeting, then an invitation shall be sent for a third meeting, to be held under the same controls provided for under Article Thirty (30) hereof. The third meeting shall be deemed validly convened, regardless of the number of shares represented thereat, and after obtaining the approval of the concerned authority.

10. Meetings of the Extraordinary General Assembly shall be held for amending the Company's Bylaws, except for the following amendments:

- a) Depriving the shareholders of any of their basic rights, as shareholders in the Company, particularly the following:
 - Obtain a share of the profits to be distributed, whether such distribution is in the form of cash or through the issuance of free shares for persons other than employees of the Company and its affiliates.
 - Obtain a share of the Company's assets upon liquidation.
 - Attend meetings of the Ordinary or Extraordinary General Assembly, participate in the deliberations thereof and vote on the resolutions to be adopted thereby.
 - Dispose of their shares in accordance with the law.
 - Request access to Company books and documents, oversee the activities of the Board of Directors, initiate liability actions against Board and dispute the validity of resolutions taken by Ordinary and Extraordinary meetings of the General Assembly.
 - Enjoy pre-emptive rights to subscribe for new shares to be issued against cash contributions, unless the Company's bylaws provide otherwise.
- b) Amendments resulting in increasing the financial liabilities of any shareholder, unless all shareholders agree otherwise.
- c) Transfer the Company's head office from the Kingdom of Saudi Arabia to anywhere outside the Kingdom.
- d) To change the Company's nationality.

11. Shareholders should be given access to the minutes of General Assembly meetings. Under the law, the Company shall provide the concerned authorities with a copy of meeting minutes within a period of ten (10) days as of the date of holding any shareholder meeting.

12. Tadawul shall be immediately notified of the results arising from a meeting of the General Assembly.

13.4 Voting Rights

1. Voting is a basic shareholder right. Therefore, a shareholder shall not be deprived therefrom, in anyway whatsoever. The Company shall avoid taking actions that may obstruct benefitting from said voting rights and instead seek to enable shareholders and facilitate their exercise of such rights.
2. As regards the voting by the General Assembly for nominating members of the Board of Directors, the Company shall approve and apply the cumulative voting method.
3. A shareholder may nominate and appoint in writing any other shareholder as his representative to a meeting of the General Assembly, provided that such representative shall not be a member of the

Board of Directors or an officer of the Company.

4. Investors representing legal persons and acting on behalf of others, such as investment funds, shall disclose, in their annual reports, the voting policies applied by them, the actual voting and the way they deal with any substantial conflict of interests that may affect the exercise of the basic rights relating to their respective investments.

13.5 Rights of Shareholders in Respect of Distributable Dividends

1. The Board of Directors shall lay down a clear policy regarding share dividends, in a way realizing the interests of both the shareholders and the Company. Shareholders shall be informed of such policies during meetings of the General Assembly, and this shall be indicated in the Board of Directors' report.

2. The General Assembly shall approve the profits proposed to be distributed and the date of such distribution. Entitlement to the profits, whether in the form of cash or shares to be granted to shareholders registered in the records of the Securities Depository Center, shall be upon the close of trading on the day of the General Assembly meeting.

13.6 Profit Distribution Policy

The general policy for the distribution of the Company's annual net profits, after deduction of all general expenditures and other costs, pursuant to the provisions of the Company's bylaws, shall be as follows:

1. Ten percent (10%) of the net profit shall be set aside to form the statutory reserve. However, the Ordinary General Assembly may discontinue such setting aside when said reserve totals thirty percent (30%) of the capital.

2. Under a recommendation by the Board of Directors, and with the consent of the Ordinary General Assembly, the Company may set aside a percentage of net profits in order to form an additional reserve to be allocated for supporting the Company's financial position.

3. After that, another payment, equal to five percent (5%) of the paid-up capital, may be made to shareholders.

4. After the foregoing, there shall be allocated a percentage not to exceed five percent (5%) of the balance as compensation for members of the Board of Directors, within the limits provided for under the Company's bylaws or the instructions issued in that regard.

5. The balance, thereafter, shall be distributed to shareholders as an additional share of the profits, or shall be carried forward to the following years as may be approved by the General Assembly.

"After obtaining annually renewed consent from the Ordinary General Assembly, the Board of Directors may distribute interim dividends to the Company's shareholders on a semi-annual or quarterly basis, in accordance with the controls set by the competent authority."





**Company's Social
Contribution Policy**

14. Company's Social Contribution Policy

Out of Arabian Centres' keenness to support social values and beliefs, and in recognition of the importance of cooperation and integration with the Company's internal and external circumstances, through its contribution to social services; and in keeping with Company's Board of Directors and Executive Management's belief in the importance of improving the practice of social responsibility and improving and developing such culture in order to support public interest; the Company is therefore committed to developing an organizational strategy and policy to monitor and ensure compliance with social and international standards in this regard.

14.1 Pillars of the Company's Social Contribution Policy

14.1.1 Hiring and Training

Invest in the community through rendering assistance and support to the Citizens Development and Training Programs, and to forthwith adopt the instructions of the Ministry of Labor and Social Development in connection with hiring women and preparing the proper environment for that purpose.

14.1.2 Educational Activities and Conferences

Contribute in sponsoring the educational and vocational activities through participation in conferences and other activities, in addition to the Career Day for introducing citizens to the work market.

14.1.3 Appropriate Employee Environment

Provide an ideal work environment for employees, in line with international standards and professional rules, and as may be suitable for the future ambitions of the Company, while in particular focusing on the following issues:

- Comprehensive health insurance for the employees.
- Applying an organizational mechanism to provide loans to the employees in need.
- Provide an appropriate environment for performing work duties.

14.1.4 Health Care Campaigns and Activities

Periodically participate in blood donation campaigns, organized by several health institutions, including King Faisal Specialist Hospital.

14.1.5 Environmental Protection

Safeguard the environment and the resources thereof, as well as give differential advantage to contracting with suppliers providing environmentally safe products.

14.1.6 Cooperation with Governmental and Civil Organizations

Provide all possible assistance and support to the governmental and civil organizations for improving Islamic and social values and concepts.

14.1.7 Assisting Cooperative and Charitable Associations

To extend in kind and cash support and assistance to cooperatives and charities.

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	Rating					
	N/A	1	2	3	4	5
<p>1- Strategy Development</p> <p>All Board members support and debate the Company's strategy and values, enabling them to set the tone from the top.</p>						
<p>2- Strategy</p> <p>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.</p>						
<p>3- Managing Board meetings and discussions</p> <p>Board meetings encourage a high quality of debate with robust and probing discussions.</p>						
<p>4- Managing Internal Board relationships</p> <p>Board members make decisions objectively and collaboratively in the best interests of the Company and feel collectively responsible for achieving organizational success.</p>						
<p>5- Managing the Board's relationships with others</p> <p>The Board communicates effectively with all of the Company's stakeholders and seeks their feedback.</p>						
<p>6- Board members' own skills</p> <p>Board members recognize the role which they and each of their colleagues is expected to play and have the appropriate skills and experience for that role.</p>						
<p>7- Reaction to events</p> <p>The Board responds positively and constructively to events in order to enable effective decisions and implementation and to encourage transparency.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
8- Chairman The Chairman's leadership style and tone promotes effective decision-making, constructive debate and ensures that the Board works as a team.						
9- Chairman, MD and CEO relationship The Chairman, MD and CEO work well together and their different skills and experience complement each other.						
10- Attendance and contribution at meetings All Board members attend and actively contribute at meetings.						
11- Open channels of communication The Board has open channels of communication with executive management and others.						
12- Risk 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- Charter The terms of reference for the Board are appropriate, with clearly defined roles and responsibilities, ensuring that the right issues are being addressed.						
15- Board Committees The Board's committees are properly constituted, perform their delegated roles and report back clearly and fully to the Board.						
16- Board Secretary The Board Secretary acts as an appropriate conduit for the provision of information to the Board and support to the Chairperson and the non- executive Board members.						
17- Non-Executive Board members Non-executive Board members contribute effectively to the development of strategy and the monitoring of the performance of management, providing both support and challenge.						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>18- Meetings and Timeliness of information</p> <p>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.</p>						
<p>19- Agenda items</p> <p>The Board agenda covers all matters of importance to the Company, is prioritized and includes consideration of corporate reputation, its enhancement and the risks surrounding it.</p>						
<p>20- Annual General Meeting</p> <p>The Company makes best use of its Annual General Assembly meeting.</p>						
<p>21- External Stakeholders</p> <p>The Board has defined its external stakeholders and ensures that the Company has the right level of contact with them.</p>						
<p>22- Risk management</p> <p>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.</p>						
<p>23- Induction and Training</p> <p>Board members receive proper induction on appointment and ongoing training is available to meet development needs.</p>						
<p>24- Succession planning</p> <p>There is appropriate succession planning for key Board members and senior executives.</p>						
<p>25- Performance evaluation</p> <p>Board members are individually subject to an annual performance evaluation.</p>						

Appendix (2) - Board Candidate Resume Form

Candidate's resume form for Board membership of a joint stock company listed on the Saudi Stock Exchange (Tadawul)

Instructions to fill the Form

1. The Form shall be completed by the candidate /apointee / representative of a legal entity (member), for the board of directors membership of a joint stock company listed on the Saudi Stock Exchange (Tadawul).
2. The member should send the form to the Company.
3. The Company will send the form attached with the electronic form (#3) to CMA through their portal website as soon as the Company obtain the approval from the competent authorities or before 3 working days at least from the General Assembly Meeting.

Data of the Joint Stock Company for which Board Nomination is Sought

Name of the Company	
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Activity of the Company	
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Type and Nature of Membership

Type of Membership	Executive	Non-Executive
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Nature of Membership	Natural Person	Representing Legal Entity
		Name of legal Entity

Date of Appointment	Date of Appointment: / /	Current Board term ending date: / /
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Personal Info of Board Member

Full Name	
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Nationality		Date of Birth		Place of work	
-------------	--	---------------	--	---------------	--

Job Title	Mailing Address	Office Landline Number	
		Mobile Number	
		Fax Number	

Personal ID number	
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Number of shares owned by the member in the company	
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Number of shares owned in the company by the legal entity being represented by the board member	
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Educational Qualifications

S.No.	Certificate Type	Major	Graduation Date	University
1				
2				
3				
4				
5				

Previous Experience					
Duration of Experience		Field of Experience			

Current membership on the Boards of Directors of other joint stock companies (listed or non-listed) or any other company, whatever its legal form or the committees emanating from it.

S.No.	Company Name	Main Activity	Membership (Executive, Non-Executive, Independent)	Nature of Membership (Personal ,representing legal entity)	Membership Committees

a.) Is the member holding more than or equal to 5% of company's shares or shares of any other company in the group? If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Ownership %age

b.) Does the legal entity which is being represented by the member holding more than or equal to 5% of company's shares or shares of any other company in the group? If yes, then please specify details below:

Yes () No () Not Applicable ()

S.No.	Company Name	Ownership %age

c.) Has the member acted as senior executive of the company or any company of the group during last 2 years? If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Executive Position

d.) Is there any first degree relative of the member in Board of Directors of the company or any company within the group? If yes, then please specify details below:

Yes () No ()

S.No.	Relative Member Name (Full 4 Names)	Executive Position

e.) Is there any first degree relative of the member who is Senior Executive of the company or any company within the group? If yes, then please specify details below:

Yes () No ()

S.No.	Relative Executive Name (Full 4 Names)	Executive Position

f.) Is the member part of board of directors or board of managers in any company within the group? If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Executive Position

g.) Was the member an employee of any related party to the company or any company within the group such as Chartered Accountant or major supplier, or holding controlling interest of these parties during the last 2 years?

Yes () No ()

S.No.	Relative Executive Name (Full 4 names)	Related Party Name	Employment Type	Ownership %age

h.) Is the member free to manage the company?

Yes () No ()

i.) Does the member receive monthly or annual salary from the company?

Yes () No ()

j.) Does the member have any direct or indirect interest in the business or contracts of the company? If yes, then please specify details below:

Yes () No ()

S.No.	Business/Contract Nature	Duration of Business/Contract	Value of Business/Contract

k.) Does the legal entity, which is being represented by the member, have any direct or indirect interest in the business or contracts of the company? If yes, then please specify details below:

Yes () No () Not Applicable ()

S.No.	Business/Contract Nature	Duration of Business/Contract	Value of Business/Contract

l.) Is the member part of board of directors or board of managers in any entity that undertake any business or contracts with the company? If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Business/Contract Nature	Duration of Business/Contract	Value of Business/Contract

m.) Is the legal entity, which is being represented by the member, part of the board of director or board of management in any entity that undertake any business or contracts with the company? If yes, then please specify details below:

Yes () No () Not Applicable ()

S.No.	Company Name	Business/ Contract Nature	Duration of Business/Contract	Value of Business/Contract

n.) Does the member, own or partly own an entity that has a business or contracts with the company? If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Business/ Contract Nature	Duration of Business/Contract	Value of Business/Contract

o.) Does the legal entity, which is being represented by the member, own or partly own an entity that has a business or contracts with the company? If yes, then please specify details below:

Yes () No () Not Applicable ()

S.No.	Company Name	Business/ Contract Nature	Duration of Business/Contract	Value of Business/Contract

p.) Is the member a Senior Executive in any entity that understakes any business or contracts with the company? If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Business/ Contract Nature	Duration of Business/Contract	Value of Business/Contract

q.) Is the member currently engaged in a business where he/she competes with ACC or its subsidiaries, or conducting businesses in any of ACC's or its subsidiaries' activities. If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Business/ Contract Nature	Duration of Business/Contract	Value of Business/Contract

r.) Is the legal entity which is being represented by the member engaged in a business where it competes with ACC or its subsidiaries, or conducting businesses in any of ACC's or its subsidiaries' activities. If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Nature of Competing Business/Activity

s.) Is the member part of board of directors or board of managers of any entity which is engaged in a business where it competes with ACC or its subsidiaries, or conducting businesses in any of ACC's or its subsidiaries' activities. If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Nature of Competing Business/Activity

t.) Does the legal entity, which is being represented by the member, part of board of directors or board of managers of any entity which is engaged in a business where it competes with ACC or its subsidiaries, or conducting businesses in any of ACC's or its subsidiaries' activities. If yes, then please specify details below:

Yes () No () Not Applicable ()

S.No.	Company Name	Nature of Competing Business/Activity

u.) Does the member own or partly own any entity which is engaged in a business where it compete with ACC or its subsidiaries, or conducting businesses in any of ACC's or its subsidiaries' activities. If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Nature of Competing Business/Activity

v.) Does the entity, which is being represented by the member, owns or partly own any entity which is engaged in a business where it competes with ACC or its subsidiaries, or conducting businesses in any of ACC's or its subsidiaries' activities. If yes, then please specify details below:

Yes () No () Not Applicable ()

S.No.	Company Name	Nature of Competing Business/Activity

w.) Does the member acts as a senior executive in any entity which is engaged in a business where it competes with ACC or its subsidiaries, or conducting businesses in any of ACC's or its subsidiaries' activities. If yes, then please specify details below:

Yes () No ()

S.No.	Company Name	Nature of Competing Business/Activity

Note: The person nominated for Board membership shall be liable before the CMA for the validity of the data contained herein.

Candidate for Board membership

Name:

Signature:

Date:

Appendix (3): Personal Effectiveness of Board Members

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 the Board member being evaluated:

Behavior	Rating					
	N/A	1	2	3	4	5
1- Strategy Development The Board member has a clear understanding of the company's core business and participates in the development of strategic objectives.						
2- Performance Enabling The member ensures the availability of necessary financial and human resources allowing the company to achieve its objectives.						
3- Develop and apply values: The member supports the company's standards and values, which help him, from a senior position, participate in setting the overall direction.						
4- Exhibit courage and integrity: The member is prepared to be conciliatory, defiant, constructive and exemplary in moral matters.						
5- Attending Board meetings: The member regularly attends meetings.						
6- Proper Preparation: The member adequately prepares prior to meetings						
7- Effective participation: The member is actively involved in strong discussions during and between Board meetings.						
8- Participation of the Managing Director: The Managing Director clearly works to support the best interests of the company without any conflicts of interest with his other duties.						

Behavior	Rating					
	N/A	1	2	3	4	5
9- Personal Responsibility: The member shows personal responsibility to encourage the success of the work.						
10- Risk and control frameworks: The member's approach to assessing company risks is strong and constructive.						
11- Reaction to bad news: The reaction of the member is positive and based on the bad news, which encourages and opens contacts in a transparent manner.						
12- Understanding individual participation: The member understands the roles of the other Board members.						
13- Board member skills: The member has the appropriate skills and experience for his ascribed role						
14- Understanding the scope of work: The member makes an effort to understand the work at hand.						
15- Dedicates enough time for his role and responsibilities: The member devotes sufficient time to his or her role as Board member.						
16- Flexibility: The member expects to make changes and enhance the positive aspects of change for others.						
17- Personal Influence: The member seeks to influence, by understanding other people's views and negotiating / influencing as appropriate.						
18- Business acumen: The Member makes the right decisions and exercises good judgment in discussing Board meeting agenda items.						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>19- Professional development:</p> <p>The member bears responsibility for continuous professional development.</p>						
<p>20- Managing relations with Executive Management:</p> <p>The member has open channels of communication with executive management and with others whenever possible.</p>						
<p>21- Managing External Relations:</p> <p>The member is open to communications from major shareholders and other shareholders whenever doing so falls within his membership duties.</p>						
<p>22- Coordination with independent Board members:</p> <p>The Managing Director shall coordinate and consult with independent Board members whenever necessary.</p>						

Appendix (4): Evaluating the effectiveness of the Audit Committee

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	Rating					
	N/A	1	2	3	4	5
<p>1- Understanding key business objectives:</p> <p>All members of the Audit Committee have a good understanding of the various risks inherent to the company's business.</p>						
<p>2- Focus on appropriate topics:</p> <p>The Audit Committee focuses on the right questions and is effective in avoiding minute details.</p>						
<p>3- Interaction with external auditors:</p> <p>The Audit Committee communicates with external auditors regarding the scope of work, audit results and other important matters.</p>						
<p>4- Interaction with internal auditors:</p> <p>The Audit Committee appropriately oversees the work and results of internal auditors.</p>						
<p>5- Interaction with the Risk Management and Compliance Department:</p> <p>The Audit Committee appropriately oversees the work of the Risk Management and Compliance Department.</p>						
<p>6- Cooperation with other Board Committees (Nomination and Remuneration, Investment and Finance):</p> <p>The Audit Committee demonstrates an appropriate degree of cooperation and coordination with other Board committees.</p>						
<p>7- Understanding key financial issues:</p> <p>The Audit Committee has a good understanding of key financial issues, including income, significant accounting policies and complex transactions.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>8- Understanding the different levels of assurance:</p> <p>The Audit Committee understands the interaction between the various sources when they obtain assurances pertaining any of the company's relevant affairs.</p>						
<p>9- Enabling discussions:</p> <p>Audit Committee meetings encourage a high degree of positive discussion.</p>						
<p>10- Reaction to bad news:</p> <p>The Audit Committee responds positively and constructively to bad news in order to promote future transparency.</p>						
<p>11- Positivity of the Committee's Chairman</p> <p>The committee's chairman satisfactorily endeavors to encourage the holding of effective meetings with different administrative levels.</p>						
<p>12- Open and candid business relationship with the Managing Director:</p> <p>Members of the Audit Committee have a direct and positive relationship with the Managing Director.</p>						
<p>13- Open channels of communication:</p> <p>The Audit Committee has open channels of communication with Company officials, which facilitates the understanding and resolution of issues.</p>						
<p>14- Positive Impact:</p> <p>There is an appropriate balance between the oversight role of the Audit Committee and its role in strengthening corporate governance.</p>						
<p>15- Members with appropriate skills and experience:</p> <p>The Audit Committee consists of members with a combination of appropriate skills and experience, including financial expertise.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>16- Role Clarity:</p> <p>The Committee’s role is clearly defined vis-a-vis in the Board.</p>						
<p>17- Well-organized and appropriate annual agenda:</p> <p>The adoption of a well-organized annual agenda revolving around pertinent matters and focusing on relevant sectors.</p>						
<p>18- Adequate number of meetings and access to resources:</p> <p>The number and length of meetings and access to resources are sufficient to allow the Audit Committee to complete its duties.</p>						
<p>19- Important, appropriate and accurate information:</p> <p>The Audit Committee’s files are accurate, relevant and appropriate, and made available well in advance of meetings.</p>						
<p>20- Invite the right people to attend meetings:</p> <p>Executive management and others are called to attend meetings and discussions pertaining to specific topics whenever possible and appropriate.</p>						
<p>21- Meetings are held well in advance of Board meetings:</p> <p>The meetings of the Audit Committee are held well in advance of Board meetings, which permits the resolution of any raised issues.</p>						
<p>22- Meeting attendance and participation:</p> <p>All members of the Audit Committee attend and actively participate in meetings.</p>						
<p>23- Sufficient time and commitment level to fulfill responsibilities:</p> <p>All members of the Audit Committee have sufficient time and commitment level to fulfill their responsibilities.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>24- Ongoing education and training:</p> <p>Audit Committee members undergo ongoing personal development activities to update their skills and knowledge.</p>						
<p>25- Special role in the “whistle blower” policy:</p> <p>Informs the Audit Committee of the procedures established under the so-called “whistle-blower” policy to report violations, and carry out its specific role in that regard.</p>						
<p>26- Demonstrate responsibility in the Committee’s annual report:</p> <p>The Audit Committee bears full responsibility for the content of its annual report, and effectively manages decisions pertaining to disclosure cases contained therein.</p>						

Appendix (5): Evaluating the effectiveness of the Nomination and Remuneration Committee

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	Rating					
	N/A	1	2	3	4	5
<p>1- Understanding key business objectives:</p> <p>All members of the Nomination and Remuneration have a good understanding of the Company's business objectives and extended human resource programs, and adequately utilize said understanding during the Committee's discussions.</p>						
<p>2- Assess the potential outcomes of decisions:</p> <p>The Nomination and Remuneration Committee shall understand in detail all aspects of the Company's Nomination and Remuneration policies and assess the possible future outcomes of its decisions.</p>						
<p>3- Understanding potential risks:</p> <p>The Nomination and Remuneration Committee shall consider the behavioral impact of policies and the implementation thereof on Board members, in particular the Managing Director, Executive Management and other staff.</p>						
<p>4- Individual performance objectives and performance evaluation:</p> <p>Given the specific remuneration level, the Nomination and Remuneration Committee understands the basis for evaluating the performance of the Managing Director, Executive Management and other staff and their willingness to deal with rewards based on expected performance levels.</p>						
<p>5- Interaction with management:</p> <p>The Nominations and Remuneration Committee undertakes to develop nomination and remuneration policies, nomination and remuneration frameworks, as well as listen to management and submit proposals to the Board of Directors.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>6- Communication with external consultants:</p> <p>The Nomination and Remuneration Committee is effective in ensuring that it receives and understands the advice of the Human Resources Manager or independent external consultants.</p>						
<p>7- Focus on the different viewpoints of investors:</p> <p>The Nominations and Remuneration Committee consults with shareholders, expects feedback on the changes in the Nomination and Remuneration policy, and is cognizant of the investors' and other shareholders' concern for the Company in matters relating to the remuneration of Company senior executives.</p>						
<p>8- The Power of Dialogue:</p> <p>Meetings of the Nominations and Remuneration Committee are conducted in a manner that encourages dialogue, with all members actively involved in any debate.</p>						
<p>9- Ability to make decisions:</p> <p>The ability of the Nomination and Remuneration Committee to make decisions that may be undesirable and to present management with "bad news" if deemed necessary pursuant to Company or individual decisions and performance, or appropriate in the context of current best practice standards.</p>						
<p>10- Positivity of the Committee's Chairman:</p> <p>The Chairman of the Nominations and Remuneration Committee encourages the holding of effective meetings and the participation of all members thereat.</p>						
<p>11- Clear terms of reference:</p> <p>There are clear terms of reference utilized by the Nomination and Remuneration Committee, which determine the role of the Committee and its relationship with the Board as a whole, with the Nominations and Remuneration Committee committed to said specifications that it makes available to shareholders and other interested parties.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>12- Members with appropriate skills and experience:</p> <p>The Nomination and Remuneration Committee is composed of individuals with an appropriate degree of expertise and skills, including knowledge of the human resources and rewards structures that are commonly employed in similar companies, as well as the human resources and rewards framework employed by the Company.</p>						
<p>13- Ongoing Education and Training:</p> <p>Member of the Nomination and Remuneration Committee undergo ongoing personal development activities to update their skills and knowledge.</p>						
<p>14- Well-organized and appropriate annual agenda:</p> <p>Adoption of a structured annual agenda defining the timing of important decisions and actions required to be taken in order to allow members of the Nominations and Remuneration Committee to make such decisions.</p>						
<p>15- Number and timing of meetings:</p> <p>The number of meetings is sufficient to allow the Nominations and Remuneration Committee to fully carry out its duties. And that all members of the Nominations and Remuneration Committee were present at all meetings.</p>						
<p>16- Access to important, accurate and appropriate information:</p> <p>Provide the members of the Nominations and Remuneration Committee with complete, accurate and sufficient information before each meeting, allowing them to deliberate on the main issues and make decisions relating thereto.</p>						
<p>17- Communication with external consultants:</p> <p>The Nomination and Remuneration Committee has direct access to external consultants, irrespective of whether the latter were formally appointed, as well as access to important reports that may affect its relationship with management</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>18- Invite non-members to the Nominations and Remuneration Committee meetings:</p> <p>Executive Directors and non-members are invited to attend the Nominations and Remuneration Committee meetings to present important information or topics; though their attendance is not formally recorded.</p>						
<p>19- Responsibility for the annual report of the Nomination and Remuneration Committee:</p> <p>The Nomination and Remuneration Committee bears full responsibility for the content of the Annual Nomination and Remuneration Report and effectively manages decisions pertaining to disclosure cases contained therein.</p>						

Appendix (6): Evaluating the effectiveness of the Finance and Investment Committee

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	Rating					
	N/A	1	2	3	4	5
<p>1- Understanding key business objectives:</p> <p>All members of the Finance and Investment Committee have a good understanding of the Company's investment strategy and financing needs.</p>						
<p>2- Focus on appropriate topics:</p> <p>The Finance and Investment Committee effectively focuses on areas related to financing and investment.</p>						
<p>3- Assess the potential consequences associated with funding and investment decisions:</p> <p>The Finance and Investment Committee has a full understanding of all the different consequences and impacts that may arise from the Company's financing and investment decisions.</p>						
<p>4- Quality of interaction with Board committees (Audit Committee and Nomination and Remuneration Committee):</p> <p>The Finance and Investment Committee demonstrates an appropriate degree of cooperation with other Board committees.</p>						
<p>5- Dealing with the Company's dividend policy:</p> <p>The Finance and Investment Committee has a good understanding of the Company's dividend policy, its relation to the strategic investment plan and financing agreements.</p>						
<p>6- Enabling discussions:</p> <p>The meetings of the Finance and Investment Committee encourage effective and positive discussions.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>7- Reaction to bad news:</p> <p>The Finance and Investment Committee responds positively and constructively to bad news in order to promote future transparency.</p>						
<p>8- Positivity of the Committee's Chairman</p> <p>The Committee's chairman satisfactorily endeavors to encourage the holding of effective meetings with an appropriate level of participation in official external meetings.</p>						
<p>9- Open and candid business relationship with the Managing Director:</p> <p>Members of the Finance and Investment Committee have a direct and positive relationship with the Managing Director.</p>						
<p>10- Open channels of communication:</p> <p>The Finance and Investment Committee has open channels of communication with Company officials, which facilitates the understanding and resolution of issues.</p>						
<p>11- Reviewing the Company's Annual Budget:</p> <p>The Committee reviews the Company's annual budget, approves mid-level overruns, and reassigns operating expenses and capital expenditures.</p>						
<p>12- Approval of acquisitions, exit strategies from investments and joint ventures, and the development of projects:</p> <p>The Finance and Investment Committee plays a key role in approving acquisitions, exit strategies from investments and joint ventures, and the development of projects.</p>						
<p>13- Review of financial performance of projects / investments:</p> <p>The Finance and Investment Committee reviews the financial performance of the projects / investments in order to take the necessary corrective steps.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>14- Review / approval / adoption of financial agreements:</p> <p>The Finance and Investment Committee reviews and approves new financial agreements or amendments to existing agreements. The Committee reviews and approves large financial agreements in preparation for submission to the Board for approval.</p>						
<p>15- Review and approve capital increases:</p> <p>The Finance and Investment Committee reviews and approves capital increases in preparation for approval by the Board of Directors and the General Assembly.</p>						
<p>16- Members with appropriate skills and experience:</p> <p>The Finance and Investment Committee consists of members with a mix of skills and experience, including experience in investment plans, financing structures and financial management.</p>						
<p>17- The Committee espouses a clear role and responsibilities:</p> <p>The Finance and Investment Committee in relation to the commitment espouses a clear role and responsibilities with regard to its commitment to the Company's investment strategy and sources of funding.</p>						
<p>18- Well-organized and appropriate annual agenda:</p> <p>Adoption of a structured annual agenda for issues that must be addressed, with a focus on areas related to finance and investment.</p>						
<p>19- Adequate number of meetings and access to resources:</p> <p>The number and length of meetings and access to resources are sufficient to allow the finance and investment Committee to fully carry out its duties.</p>						
<p>20- Accurate, relevant and appropriate information:</p> <p>The Finance and Investment Committee's dossiers are accurate, relevant and appropriate and have been received well in advance of the meetings.</p>						

Behavior	Rating					
	N/A	1	2	3	4	5
<p>21- Attendance of meetings by the appropriate people:</p> <p>The executive management and other persons are requested to attend meetings and important topics whenever possible.</p>						
<p>22- Meetings held well in advance of Board meetings:</p> <p>Meetings of the Finance and Investment Committee are held well in advance of Board meetings, which allows for the resolution of raised issues.</p>						
<p>23- Attendance and participation in meetings:</p> <p>All members of the Finance and Investment Committee attend and effectively participate in meetings.</p>						
<p>24- Time and commitment to fulfill responsibilities:</p> <p>All members of the Finance and Investment Committee have sufficient time and the commitment required to fulfill their responsibilities.</p>						
<p>25- Ongoing Education and Training:</p> <p>Member of the Finance and Investment Committee undergo ongoing personal development activities to update their skills and knowledge.</p>						
<p>26- Responsible for the content of the Governance Committee's annual report:</p> <p>The Finance and Investment Committee bears full responsibility for the content of the Governance Committee's annual report and effectively manages decisions pertaining to disclosure cases contained therein.</p>						

Governance Policy and Manual (Issuance and Amendments)

Issue Number	Reviewed with the knowledge of the Audit Committee	Board Approval	General Assembly Approval	Delivered to the CMA
(1)	✓	20 September, 2017	06 December, 2017	-

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