



Corporate Governance Regulations

May 2022

These Regulations shall come into effect from the date of approval by the General Assembly



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Introduction

1. Introduction

The Board of Directors (the “Board”) of Alujain Company (“**Alujain**” or the “**Company**”) shall be responsible for supervising and managing the company’s affairs and shall take all major decisions relating to its policies. This document, in addition to the company's Articles of Association and Bylaws, and the charters of the committees of the board of directors, provides the authority and best practices of governance in the company.

The Company will publish the governance regulations, the regulations of the board committees, and the code of conduct and ethics on the company's website to be accessed and viewed by shareholders, and it will provide the opportunity to obtain these documents in writing upon request.

The Board of Directors shall review these guidelines and other aspects of governance of the Company from time to time and shall make such changes as it deems necessary at its discretion and to the extent required by applicable laws from regulators.

1.1 Purpose:

This document serves as Alujain's Corporate Governance Regulations and provides guidelines for effective corporate governance in order to enhance shareholder investment value over the long term.

The Corporate Governance Regulations have been developed in line with the Companies Law and Corporate Governance Regulations issued by the Capital Market Authority. Some corporate governance guidelines were taken into account when developing this document to ensure that Alujain Company has an effective governance structure in line with the requirements of the Capital Market Authority.



1.2 Governance Mission:

The company seeks to achieve the highest standards of ethical behavior and to report results and information accurately and transparently in full and strict compliance with the laws, rules and regulations governing the Company's business.

The Board of Directors selects the company's senior leadership, defines its goals, and sets strategies that direct the company's ongoing activities to achieve these goals. The Board of Directors determines the future of the company and works to protect its assets and reputation. It will take into account how its decisions relate to the company's shareholders and its organizational framework. Board members must also apply skills And due diligence when exercising their duties towards the company, committed to applying the utmost means of commitment and honesty. The members of the board of directors shall be responsible to the company's shareholders for their performance of the company's affairs, and the general assembly of shareholders may dismiss them from the board of directors.

The system of checks and balances followed by the company aims to find a delicate balance between the interests of the various stakeholders in the organization (shareholders, management, employees, customers, suppliers and society as a whole). As such, corporate governance is not limited to legal issues, compliance with rules and regulations, or risk management, but rather includes all corporate affairs and responsibilities.

The use of the term “governance” literally means applying the concept in its broadest sense to the direction and management of the company and the creation of value for its shareholders. For others, corporate governance simply means implementing control systems to prevent conflicts of interest and improper behaviour.

1.3 Components of this Document:

This document provides a framework for effective corporate governance in an effort to enhance long-term shareholder value. This framework addresses several key management issues and principles, and is divided into the following sections:

- **Guidelines for the General Assembly and Shareholders:** These guidelines discuss the purpose, responsibilities and operations of the General Assembly of the company's shareholders.
- **Company Board Guidelines:** The Guidelines discuss several key governance issues and principles including board responsibilities, board member qualifications, board member responsibilities, board structure and operations, board



committees, communication and dealing with management advisors, board member remuneration and compensation, and board performance evaluation management, and relations with shareholders.

- **Policies, Standards and Procedures for Membership in the Board of Directors:** The development of clear and specific criteria for membership in the Board of Directors is being discussed.
- **Audit Committee Regulations:** This regulation discusses the objective of the audit committee that is appointed by the General Assembly, its responsibilities, structure, and operations carried out by the committee.
- **Charter of the Nominations and Remuneration Committee:** This Charter discusses the objective of the Nominations and Remuneration Committee of the Board of Directors, its responsibilities, structure, and operations carried out by the committee.
- **Charter of the remuneration of the members of the Board of Directors, its Committees and Executive Management:** The remuneration of members of the Board of Directors and committees emanating from the Board and the remuneration of the executive management are discussed.
- **Code of Conduct and Ethics:** Policies relating to the legal and ethical standards of behavior that must be complied with by its executives and employees while performing their duties and responsibilities on behalf of the members of the Board of Directors of Alujain Company are discussed.
- **Disclosure:** This section discusses the disclosure requirements that the company must perform in accordance with applicable laws, rules and regulations.
- **Conflict of interest:** This section discusses issues related to conflict of interest between members of the Board of Directors and officials of the company who act based on the internal information.

1.4 Benefits and Advantages of Good Governance:

Commitment to the principles and controls of governance leads to the development, maintenance, monitoring and control of corporate structures and procedures to ensure accountability, transparency, integrity and responsibility and is an integral part of the decision-making process based on the principles and principles of governance.



That commitment to the principles of governance is not just to avoid material losses; The focus should not be on the negative effects resulting from non-compliance with the application of the principles of governance, but the benefits of governance should be the main concern of the company.

Companies that adopt a high level of transparency, accountability and fairness will have a strong and continuous drive to perform well and create value over the long term.

Companies practicing good corporate governance can reap various benefits such as:

- **:Reducing Risks**

- The effective oversight of the Board of Directors reduces the risk of mismanagement and fraud.
- Strong internal controls improve the accuracy of the financial statements.
- It inculcates a culture of compliance and compatibility.

- **Gaining Confidence in the Stock Market:**

- Enhancing the confidence of the financial market in the company based on the company's governance, which leads to an increase in the share price and / or a decrease in the cost of capital and access to a wider pool of capital.
- Good corporate governance attracts prominent investors and maintains shareholders' confidence in the company.

- **Improving Competitiveness:**

- A highly qualified board of directors can contribute value to the company's strategy and provide effective guidance to management.
- Strictly supervise talent management and succession processes for the executive management in the company to ensure the right people are available to fill the right positions at the right time.
- Accurate information derived from strong internal controls can also contribute to better management and operational decisions.

General Guidelines for the General Assembly and Shareholders

2. General Guidelines for the General Assembly and Shareholders:

2.1 Purpose:



We will discuss below the general guidelines for the General Assembly and Shareholders:

2.2 General Rights of Shareholders

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

- To obtain his/her portion of the net profits which are to be distributed in cash or through the issuance of shares;
- To obtain his/her share of the Company's assets upon liquidation;
- To attend the General or Special Shareholders Assemblies, take part in their deliberations and vote on their decisions;
- To take actions towards his/her shares;
- To monitor the Board business and decisions and raise a liability claim against any other member;
- To enquire and request the information related to the Company and its operations without prejudice to the interests of the Company or breach of the Companies Law and the Capital Market Law and their implementing regulations;
- Preemptive rights to subscribe for new shares issued in exchange for cash unless otherwise specified in the Company's bylaws or when the Extraordinary General Assembly suspends the pre-emptive rights are per Article (129) of the company's law.
- To nominate and elect the Board members.

2.3 Facilitating Shareholders Rights and Information Access:

2.3.1 The company's articles of association, its internal bylaws, as well as its internal policies and procedures must include what achieves the shareholders' exercise of their legal and regulatory rights.

2.3.2 The Company shall make available to the shareholder complete, clear, accurate and nonmisleading information to enable him/her to properly exercise his/her rights. Such information shall be provided at the proper times and shall be updated regularly and presented to shareholders. In addition, the Company shall apply effective way to communicate with its shareholders, and there should be no preference between one shareholder or another in providing this information.

**2.4 Communication with Shareholders:**

- 1- The Board shall ensure communication between the Company and the shareholders based on the common understanding of the strategic objectives and interests of the Company.
- 2- The chairman of the Board and the Chief Executive Officer shall inform the remaining Board members of the opinions of the shareholders and discuss these opinions with them.
- 3- No shareholder may intervene in the operations of the Board or the work of the Executive Management of the Company unless he/she is a member of its Board or works in its executive management; or unless his/her intervention is through the General Assembly according to its powers.

2.5 Shareholders' Rights Related to the Ordinary General Assemblies:

- 2.5.1 The annual Ordinary General Assembly shall convene at least once within the six months following the end of the Company's financial year.
- 2.5.2 The General and Special Shareholders' Assemblies shall convene upon an invitation from the Board in accordance with the situations stated in the Companies Law and its implementing regulations and the Company's bylaws. The Board shall invite the Ordinary General Assembly to convene within 30 days from the date of the external auditor request, the audit committee or a number of shareholders holding shares equal to at least (10%) of the company's shares that have voting rights. The external auditor may invite the Ordinary General Assembly to convene if the Board does not invite the assembly within thirty days from the date of the external auditor's request.
- 2.5.3 Shareholders shall be granted the opportunity to effectively participate and vote in the General Assembly Meetings and access the rules regulating the meetings, voting procedures through the notices of the ordinary meeting mentioned above.
- 2.5.4 The Board shall work on facilitating the participation of the largest number of shareholders in the meetings of the General Assembly, including choosing the appropriate place and time of such meeting.
- 2.5.5 When preparing the General Assembly's agenda, the Board shall take into consideration the matters that the shareholders wish to list; shareholders holding no less than (10%) of the Company's shares that have voting rights are entitled to add one or more items to the agenda upon its preparation.
- 2.5.6 Shareholders have the right to discuss any item on the agenda at the meeting, as well as direct questions to the Board of Directors and the external auditor during the meeting. The Board and the external auditor must answer



these questions unless their answers affect the interest of the company. The Board shall separate each of the matters listed in the agenda of the General Assembly meeting as an independent item, and not combine significantly different matters under one item, and not combine the businesses and contracts in which any Board member has a direct or indirect interest under one item, for the purpose of obtaining the shareholders' vote for the item as a whole.

2.5.7 All matters that will be discussed at the meeting will be supported by sufficient information to enable the shareholders to take the right action related to the discussed item. Therefore, the shareholders shall be allowed through the Company's website and the Exchange's website, when the invitation for the convention of the General Assembly is published, to obtain the information related to the items of the General Assembly's agenda, particularly the reports of the Board and the external auditor, the financial statements and the audit committee's report in order to enable them to make an informed decision in this regard. The Company shall update this information in case the General Assembly's agenda was amended.

2.5.8 The minutes of the meetings shall be made available to the shareholders, and a copy shall be sent to the Capital Market Authority.

2.5.9 The Information on Tadawul website shall be updated immediately to reflect the results of the General Assembly.

2.6 General Guidelines of the Ordinary General Assembly:

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

2.6.2 Shareholders are entitled to discuss matters listed in the agenda of the General Assembly;

2.6.3 Shareholders are entitled to attend the Annual Ordinary Assembly;

2.6.4 Shareholders' General Assembly provide individuals with the opportunity to meet and communicate with the Board of Directors to develop a better understanding of the company's operations and expectations.

2.6.5 The minutes of each meeting of the General Assembly are kept, which show the names of the current shareholders or representatives, the number of shares owned by each shareholder, whether he attended in person



or by proxy, the number of votes allocated, the decisions taken, the number of votes for and against, and a comprehensive summary of the discussion. that took place at the meeting.

2.6.6 After each meeting of the General Assembly, the minutes will be kept at a special register signed by the Chairman of the Board of Directors and the secretary of the meeting.

2.6.7 The meeting of the Ordinary General Assembly shall discuss and deal with all matters related to the company, with the exception of matters that fall within the scope of competence of the Extraordinary General Assembly. The following are some of the duties and responsibilities of the Ordinary General Assembly:

- Election and dismissal of the members of the Board of Directors.
- Reviewing and discussing the Board of Directors' report on the company's activities and performance.
- Voting on the external auditor's report.
- Reviewing and discussing the annual financial statements of the company.
- Approving the distribution of profits to shareholders (Dividends).
- Approving the appointment of the independent external auditor and his fees.
- Licensing a board member to have a direct or indirect interest in the business and contracts that are made for the company's account, in accordance with the provisions of the Companies Law and its Implementing Regulations.
- Licensing the participation of a member of the Board of Directors in any business that may compete with the company, or to compete with the company in one of its branches of activity, in accordance with the provisions of the Companies Law and its implementing regulations.
- Monitoring the compliance of the members of the Board of Directors with the provisions of the Companies Law and its Implementing Regulations and other relevant laws and the Company's basic system, examining any damage arising from their violation of these provisions or their mismanagement of the company's affairs, determining the responsibility arising



from that, and taking what it deems appropriate in this regard in accordance with the Companies Law and its implementing regulations.

- Approving the sale of more than (50%) of the company's assets, whether in a single transaction or several transactions within twelve months from the date of the first transaction, and in the event that the sale of these assets includes what falls within the terms of reference of the Extraordinary General Assembly, then the approval of the Extraordinary General Assembly must be obtained regular on it.

2.6.8 The decisions of the Ordinary General Assembly shall be adopted by the majority of the shares represented in the meeting:

2.7 Extraordinary General Meeting:

2.7.1 The Extraordinary General Assembly shall be held whenever necessary, and at times determined by the Board of Directors.

2.7.2 The following are some of the duties and responsibilities of the Extraordinary General Assembly:

- Making amendments to the company's articles of association.
- Unusual transactions, including the sale of the company and mergers and acquisitions.
- Making adjustments to the company's capital structure.
- Any corporate changes that reduce ownership rights or impair shareholder interests.

2.7.3 The Extraordinary General Assembly is also entitled to adopt its decisions on matters that fall primarily within the competence of the Ordinary General Assembly.

2.7.4 The decisions of the Extraordinary General Assembly are adopted by a two-thirds majority of the votes of the shares represented in the meeting. But if the decision relates to an increase or decrease in the capital, extension of the term of the company, dissolution of the company before the expiry of the term specified in its internal



regulations, or the merger of the company with another company or institution, it will not be valid unless it is approved by a majority of three quarters or more of the shares represented. At the meeting.

2.8 Shareholders and Voting Rights:

- 2.8.1 Every shareholder has the right to participate and vote in the meetings of the General Assembly, and the company must avoid any action that would hinder this right to vote. On the contrary, the company must facilitate the rights of shareholders to vote.
- 2.8.2 The cumulative voting technique should be used when voting to elect the members of the Board of Directors.
- 2.8.3 A shareholder may authorize any other shareholder who is not a member of the Board of Directors or an employee of the company, by virtue of a written power of attorney, to attend the General Assembly meeting on his behalf.
- 2.8.4 Meetings may be held remotely through modern technology, after obtaining the approval of the competent authorities.

2.9 Shareholders' Rights in Dividends:

- 2.9.1 The Board of Directors shall establish a clear policy regarding the distribution of profits that balances the interests of the company and the interests of the shareholders, and the Board of Directors must clearly inform the shareholders of this policy in the meetings of the General Assembly, and it must be included in the annual report of the Board of Directors.
- 2.9.2 The general assembly should announce the proposed dividends and the date of their payment. Shareholders registered in the Securities Depository Center have the right to receive dividends, whether in cash or bonus shares, at the end of trading on the day of the general assembly.



General Guidelines for the Board of Directors

3. General Guidelines for the Board of Directors:

3.1 Purpose:

The main responsibility of the Board of Directors is to provide effective management of the company's affairs for the benefit of its shareholders and to balance the interests of its customers, employees, suppliers and society. The Board of Directors may rely on the honesty and integrity of the company's senior executives, its external advisors and the external auditor.

3.2 Key Roles of the Board of Directors:

The following tasks are recurring general activities carried out by the Board of Directors within the fulfillment of its responsibilities, and a list of these functions is established with the understanding that the Board of Directors may deviate from this governance as appropriate, given the circumstances:

3.2.1 Leadership and Direction:

- Developing the vision and values of the company and ensure that they are achieved and supported.
- Ensuring the achievement of positive results for the company.
- Ensuring accountability and clear communication within the company and monitor the company's activities.
- Creating a positive atmosphere that enhances the constructive challenge facing the company.
- Regularly reviewing the composition of the Board of Directors, its performance and succession plans.
- Appointing the Chairman of the Board of Directors and removing him if necessary.

3.2.2 Approving the strategic direction and objectives of the company and monitoring its implementation:



- Developing the main strategic objectives.
- Developing business plans, providing constructive challenge and ensuring their effectiveness.
- Approving the annual work plan, estimated budgets for each of the revenues and capital expenditures, and the financial strategy that supports the achievement of the company's objectives.
- Preparing a framework for approving policies and plans and reviewing them regularly to achieve their objectives.
- Ensuring that all assets are managed efficiently and effectively, and capital is used correctly, in order to maintain the continuity and sustainability of the company and its assets in the long term.
- Overseeing major capital expenditures, acquisitions and divestitures.
- Setting the performance objectives that must be achieved and supervise their implementation and the performance of the company as a whole.
- Reviewing and approving the organizational and functional structure of the company on a periodic basis.

3.2.3 Risk Management:

- Developing a framework for identifying, managing, reviewing and supervising risks, including the accepted level and size of risks
- Identifying the main risks involved in the company's business and ensure the application of appropriate systems to deal with those risks.
- Contributing to the review and evaluation of strategic risks and receive periodic reports on these risks and emerging risks.
- Ensuring a positive culture of dealing with opportunities, threats and uncertainties throughout the company.



- Setting the policies and decisions related to all matters that may lead to the emergence of financial risks or other risks to the company, or that raise material issues in principle.
- The Board of Directors states in the strategy document that they are able to proactively identify risks and understand the significant risks that the company faces while achieving its objectives through its strategies and business plans.

3.2.4 Establishing, monitoring and controlling the internal control framework effectively:

- Developing a written policy covering conflicts of interest between members of the Board of Directors, executive management and shareholders, including any misuse of the company's assets and any misconduct resulting from making deals and transactions with related parties.
- Ensuring the adequacy of the company's financial and accounting systems, including the financial reporting systems.
- Ensuring the application of internal controls related to risk management through the general identification of important risks facing the company and presenting them transparently.
- Continuous communication with the Audit Committee and the external auditor to ensure the effectiveness of control procedures in the company.
- Annual and regular reviews of the effectiveness of the company's internal control.

3.2.5 Performance Monitoring:

- Regularly review and monitor performance with regard to plans, budgets, controls and decisions.
- Obtaining and taking into account performance information regarding customer and stakeholder feedback and benchmarking against similar organizations and activities.

3.2.6 Preparing reports on the company's performance:



- Obtain assurance that business affairs are conducted lawfully and in accordance with specified and generally accepted standards of reporting, performance, and integrity.
- Ensure that the company complies with all relevant regulatory requirements.

3.2.7 Commitment:

- Providing the required time and commitment to attend meetings.
- Reading documents in advance and evaluating information provided by corporate management.
- Making effective contributions to the decision-making process.

3.2.8 Corporate Governance:

The Board of Directors shall establish a governance system for the company, provided that it does not conflict with the laws and regulations issued by the Ministry of Commerce and Investment, the Capital Market Authority and other regulatory authorities, and the articles of association of the company, in addition to developing and amending them when necessary.

3.2.9 The role of the board of directors to act as representatives of the company:

- Promote the company's position at key events and other meetings, and establish constructive, high-quality relationships with key current and potential partners and stakeholders, internal and external, as appropriate.
- Monitor and protect the company's reputation and work to enhance it.

3.2.10 Executive and Administrative Arrangements:

- Ensuring the CEO of the company and / or the managing director and dismissing him if necessary, and approving his salary, the benefits granted to him and the conditions of his work.
- Ensures that the Board of Directors is informed when hiring other senior staff.



- Ensuring that appropriate policies and systems are in place for recruiting, remunerating, rewarding, developing and retaining employees.
- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including potential misuse of corporate assets and any misconduct resulting from deals and transactions with related parties.
- Developing policies related to the evaluation of the company's senior management and ensure that there are appropriate policies for the evaluation of other employees by senior management.
- Evaluating the general performance of the Board of Directors and their efficiency through the Nominations and Remunerations Committee.
- Reviewing succession plans and management development programs for senior management.

3.2.11 Preparing Reports:

- Ensuring the integrity of the company's financial and accounting reporting system, including auditing, independent auditing, and appropriate control systems in place, especially risk control systems, financial control, and compliance with the law.
- Overseeing the disclosure and communications process.
- Approving the company's annual and quarterly financial results before publishing them.
- The Board of Directors plays its oversight role to investigate any issue presented to them with full access to all records, files, facilities and company employees and the ability to appoint external consultants as needed and bear the expenses that the company will pay for this purpose, and the Board of Directors may meet with any official or employee in the company , or an external legal counsel to the Company or the external auditor of the Company to meet with the Board of Directors or any committee of the Board, and the Board of Directors shall have discretion to ensure that such communication does not distract the business operations of the Company and that the CEO shall be provided with a copy of any communications or written correspondence.



3.2.12 Membership of the Board of Directors:

The Board of Directors shall set clear and explicit policies, standards and procedures for the membership of the Board of Directors and implement them after obtaining the approval of the General Assembly of Shareholders.

3.2.13 Stakeholders:

The Board of Directors shall set a written policy regarding the stakeholders in the company to protect their rights. In particular, this policy should include:

- A mechanism to compensate stakeholders in case of breach of their legal and statutory rights as stipulated in laws and contracts.
- A mechanism for settling disputes or complaints that may arise between the company and its stakeholders.
- Appropriate mechanisms for establishing strong relationships with suppliers and customers and ensuring confidentiality of relevant information with the company.
- Develop principles of professional conduct for the company's management and employees in line with professional and ethical standards that should serve as guidelines for the relationship with stakeholders. The Governing Council should also put in place a mechanism for monitoring implementation of those principles and standards.

3.2.14 Compliance:

The Board of Directors shall establish policies and procedures that ensure compliance with laws and regulations and disclosure of important information to shareholders, regulators and other stakeholders.



3.3 Responsibilities of the Board of Directors:

- 3.3.1 Subject to the powers specified by the Law for the General Assembly of Shareholders, the Board of Directors enjoys full powers and authorities in the management of the company, and the final responsibility of the company rests with the Board of Directors even if it establishes committees or delegates some of its powers and authorities to a third party, and the Board should avoid General mandates or mandates without a specific time frame.
- 3.3.2 Determine the responsibilities of the board of directors in the company's articles of association and its internal regulations.
- 3.3.3 The Board of Directors must fulfill its responsibilities and duties with the application of professional and serious care and due diligence, and its decisions must be based on sufficient information from the executive management of the company or any other reliable source.
- 3.3.4 A member of the Board of Directors represents all shareholders, and must adhere to what is in the interest of the company and not just the group of shareholders he represents or the group of shareholders who voted for him.
- 3.3.5 The Board of Directors should establish committees and take decisions by delegating them to the executive management of the company and specifying the time frame for those delegations. The Board of Directors should set items that reserve the board's powers and the right to make decisions. The executive management should submit periodic reports to the Board of Directors on approved activities.
- 3.3.6 The Board of Directors must ensure that the necessary procedures are put in place to assist in guiding the new members of the Board of Directors with regard to the company's operations, especially the financial and legal aspects, and training should be provided to them if necessary.



3.3.7 The Board of Directors must ensure that the information provided about the company is sufficient for all Board members in general and for non-executive Board members in particular to enable them to perform their duties and responsibilities in a sound manner.

3.3.8 The Board may not:

- Involve the company in loans of more than three years.
- Sell or mortgage the company's property, if any.

The board may carry out the above-mentioned activities only if they are authorized and mentioned in the company's articles of association, but if they are not, they must obtain the approval of the general assembly of shareholders, unless these activities fall within the normal scope of the company's business.

Policies, Standards and Procedures of the Board Membership

4. Policies, Standards and Procedures of the Board Membership:

Introduction:

These policies aim to set clear and specific criteria and procedures for membership in the Board of Directors of Alujain Company, in implementation of the provisions of Paragraph (3) of Article 21 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority under Resolution No. (8-16-2017) dated 16/08/1438 AH corresponding to 13/02/2017 AD, amended by the decision of the Capital Market Authority Board No. (8-5-2023) dated 25/06/1444 AH corresponding to 18/01/2023 AD.

4.1 Composition of the Board of Directors:

The following shall be taken into consideration when composing the Board:



4.1.1 The number of members of the Board of Directors is seven according to the Articles of Association of the company.

4.1.2 That the majority of its members be non-executive members.

4.1.3 The number of its independent members shall not be less than three.

4.2 Appointment of the members of the Board of Directors

4.2.1 The General Assembly shall elect the members of the Board of Directors for a period of four years, and they may be re-elected unless the company's articles of association stipulate otherwise.

4.2.2 It is stipulated that a member of the Board of Directors should not be a member of five joint-stock companies listed in the Market at the same time.

4.2.3 The company's management shall notify the Authority of the names of the Board members and description of their memberships within five business days from the commencement date of the Board term or from the date of their appointment, whichever is shorter, as well as any changes that may affect their membership within five business days from the occurrence of such changes.

4.3 Conditions for the Membership of the Board:

4.3.1 **Ability to lead:** He/she shall enjoy leadership skills which enable him/her to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values.

4.3.2 **Competency:** He/she shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training.



- 4.3.3 **Ability to guide:** He/she shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements and developments related to the job. He/she shall also be able to provide strategic guidance and long-term planning and have a clear future vision.
- 4.3.4 **Financial knowledge:** He/she shall have the ability to read and understand financial statements and reports.
- 4.3.5 **Physical fitness:** He/she shall not suffer from any health issue that may hinder him/her from performing his/her duties and responsibilities.

The General Assembly shall take into account, when electing members to the Board, the recommendations of the nomination committee and the availability of the personal and professional capabilities required to perform their duties effectively pursuant to this Article.

4.4 Membership Procedures:

- 4.4.1 The Nominations and Remunerations Committee (NRC) shall coordinates with the executive management of the company to announce the opening of nominations for membership of the Board of Directors of the company in accordance with the Companies Law and the Corporate Governance Regulations.
- 4.4.2 The Nominations and Remuneration Committee shall recommend the BoDs regarding nomination for membership of the Board in accordance with the policies and criteria mentioned above.
- 4.4.3 Anyone wishes to be nominated for the membership of the Board of Directors of the company shall announce his desire by notification to the management of the Company in accordance with the periods and dates stipulated in the laws, bylaws, circulars and decisions in force, and his application must be accompanied by an introduction to the candidate in terms of his CV, qualifications, and practical experience.
- 4.4.4 Any nominee who is a previous board member of Joint stock company shall state the names and dates of the boards in which he/she was a member.



- 4.4.5 Any nominee who has served as a board member in the company shall enclose with the nomination notice a statement from the company management on the last session in which he/she was a board member including the following:
- A) The number of Board meetings held during each year of the session,
 - B) The number of meetings attended by the member, and the percentage of his/her attendance of the total meetings.
 - C) The committees in which the member participated, the number of meetings held by each of these committees during each year of the session, the number of meetings attended and the attendance percentage of the total number of meetings.
 - D) The status of membership must be clarified, ie if the member is an executive member, a non-executive member, or an independent member.
 - E) The nature of membership must be clarified, i.e. if the member is a candidate in his personal capacity or if he is a representative of a legal person.
- 4.4.6 The Nominations and Remunerations Committee, in coordination with the executive management of the company, shall provide the Capital Market Authority with the CVs of the candidates for the membership of the Board of Directors of the company according to the form of the CV of the candidate for the membership of the Board of Directors of a joint-stock company listed in the Saudi Stock Exchange.
- 4.4.7 The Nominations and Remunerations Committee must respond to any comments received from the competent authorities about any candidate.
- 4.4.8 Voting in the General Assembly is limited to the nominees fulfilling the aforementioned policies, standards and procedures.

4.5 The Candidate's disclosure of the conflict of interest

A person who desires to nominate himself/herself for the membership of the Board shall disclose to the Board or the General Assembly any cases of conflicts of interest, including:

- A) Having direct or indirect interest in the contracts and businesses entered into for the benefit of the Company.
- B) Engaging in business that may compete with the Company or any of its activities.

Operations of the Board of Directors

5. Operations of the Board of Directors:



5.1 Separation of the roles of the Chairman of the Board of Directors from the Chief Executive Officer:

The Chairman of the Board of Directors plays a decentralized role in ensuring the effectiveness of corporate governance in his capacity as Chairman of the Board of Directors and is responsible for the efficient and effective implementation of the Board of Directors' duties. The separation of the roles of the Chairman of the Board of Directors and the Chief Executive Officer is a way to ensure an appropriate balance of power, increase accountability and increase the ability of the Board of Directors to take action. It makes its decisions independently and thus leads to achieving a balance between authority, functions and control. The separation of roles aims to maintain the efficiency of the role of the Chairman of the Board of Directors in monitoring the operations of the Board. It is clear that this function could be compromised if the Chairman of the Board of Directors simultaneously exercises the functions of the Chief Executive Officer.

5.2 Role of the Chairman of the Board:

5.2.1 The Chairman of the Board shall be responsible for leading the Board of Directors and ensuring that it successfully performs all of its responsibilities for the company as a whole, and should expect the Chairman to carry out the following responsibilities:

- Ensuring that the Board of Directors provides the necessary leadership and vision for the company.
- Ensuring that the Board of Directors participates in defining the objectives, strategies and policies of the company.
- Ensuring that there is adequate monitoring to pursue the achievement of the company's goals and objectives.
- Ensuring that there is sufficient control to follow up on the achievement of the company's goals and objectives.
- Directing Board discussions to use time effectively to address important issues facing the company.
- Ensuring that managers are empowered and encouraged to play their due role in meetings.
- Ensuring that sufficient opportunities are provided to members of the Board of Directors to express their opinions.
- Ensuring that Board members are provided with adequate and timely information.
- Ensuring that the Board committees carry out their responsibilities to achieve the company's goals and strategies.



- Participating in the continuous development of the Board as a whole and the members of the Board of Directors individually through the Nominations and Remunerations Committee.
- Monitoring the company's governance regulations.
- Calling for a meeting of the Board of Directors when needed.

5.2.2 The Board of Directors, on the basis of terms of reference, achievements and track record, selects the Chairman of the Board.

5.2.3 The Chairman of the Board is also responsible for establishing a good business relationship between the Board of Directors and the Chief Executive Officer. To facilitate this relationship, the Chairman of the Board is expected to:

- To be the main point of contact between the Board of Directors and the CEO.
- Keeping the Chief Executive Officer fully informed of the major issues pertaining to all matters that may be of interest to the members of the Board of Directors.
- Conducting a regular review, with the CEO and other members of senior management, of the progress of initiatives and of significant issues facing the company.
- Providing feedback to the CEO.
- Participating in the evaluation of the CEO.
- Participation, through the Nominations and Remuneration Committee, in the annual process of the Board of Directors and evaluation of the members of the Board of Directors.

5.3 Direction of the CEO and Continuous Learning:

5.3.1 The Nominations and Remuneration Committee of the Board of Directors provides a program to guide the new members of the Board of Directors, which includes a presentation by senior management regarding the company's strategic plans, financial and accounting affairs, risk management, compliance programs, operations, its code of conduct and ethics, its management structure, and its policies and practices. In addition, each new board member is



provided with a set of preliminary information that includes a copy of the company's memorandum of association and articles of association, and extracts from relevant policies. , executive summary of the corporate plan and other appropriate information.

5.3.2 The Nominations and Remuneration Committee of the Board of Directors shall provide continuing education programs for all members of the Board of Directors, and all members of the Board of Directors shall participate in the guidance and continuing education programs, and the Chairman of the Board of Directors shall be responsible for providing the continuing education program for the members of the Board of Directors, and shall All members of the Board of Directors hereby receive periodic informational guidance materials and/or meetings on topics that help them carry out their duties, and all members of the Board of Directors are encouraged to participate in appropriate continuing education programs at the company's expense to help them carry out their duties and responsibilities.

5.4 Role of the Chief Executive Officer:

5-4-1 Developing integrated strategic and commercial plans that improve the company's share in the market and the profitability of its existing or new businesses, in coordination with the executive management team.

5-4-2 Conducting a strategic review of the company's performance on a regular basis to determine whether the company is achieving its short- and long-term goals (whether financial or non-financial) as determined by the Board of Directors.

5-4-3 Reviewing the operating results of the company and the joint ventures, comparing them with their specific objectives, and following them up to ensure that appropriate measures are taken to correct any unsatisfactory results.

5-4-4 Providing the necessary communication between the Board of Directors and the executive management team.

5-4-5 Providing the Board of Directors and its Chairman with sufficient information to carry out their responsibilities.

5-4-6 Assisting the Board of Directors in determining the strategic direction of the company to increase revenues and profitability.



5-4-7 Providing advice, guidance and authorization to the executive management team to implement the main plans and procedures, in accordance with the applicable policies.

5-4-8 Establishing and maintaining an effective system of communications throughout the organization to ensure knowledge and understanding of the responsibilities, powers and responsibilities of all line managers.

5-4-9 Representing the company before its major clients, government agencies, joint venture partners, financial groups and the public.

5-4-10 Participating in the company's business development activities with high-level clients and enhance the company's name and brand image.

5.5 Secretary of the Board of Directors:

5-5-1 The Board of Directors shall appoint a secretary from among its members or from outside and determine his duties, powers and fees.

5-5-2 The Secretary shall have the following roles and responsibilities:

- Ensuring that Board procedures are followed and monitored regularly.
- Following the implementation of the decisions of the Board of Directors and submitting reports to the Chairman and Members on any difficulties encountered.
- Supporting the Chairman and members of the Board of Directors with information on their responsibilities.
- Preparing and distributing minutes of board meetings.
- Ensuring a good flow of information within the Board of Directors and between the Board of Directors and the Executive Management.
- Carrying out any other role assigned to him by the Chairman of the Board.



5.6 Board Meetings:

5-6-1 The executive management of the company is delegated to the Chief Executive Officer, and the Board of Directors reserves the powers related to strategic issues, general policies, the company's capital structure, the declaration of dividends, and other major issues affecting the company.

It is not necessary for the members of the Board of Directors to take every decision in the meeting of the Board of Directors, and the members of the Board of Directors may not necessarily need to meet together in one place to take decisions, and the meetings may be held remotely via modern technology.

5-6-2 The passing decision signed by at least the majority of the members of the Board of Directors is considered a valid and legal decision by the members of the Board of Directors, as if it had taken place in a meeting of the Board of Directors that was duly constituted, and the Secretary of the Board of Directors must send notifications of the Board meetings to all Members of the Board of Directors, and the annual reports should include a statement of the number of Board meetings held during the period covered by the report, and the number of meetings attended by the member of the Board of Directors Asala Wakala and which he did not attend.

5-6-3 Absence from the meetings of the Board of Directors does not relieve the members of the Board of Directors from their duties towards the company with regard to matters that have been considered and decided upon unless the absent member has reservations about them.

5-6-4 The Chairman of the Board of Directors presides over the meetings of the Board and is responsible for coordinating the general management and performance of the Board. In his absence, he delegates the Vice-Chairman of the Board to manage the meeting.

5-6-5 Notices of the invitation to the meeting should be prepared in Arabic and sent to the members of the Board of Directors by e-mail or by mail to the address shown to the member of the Board. In urgent cases, a date other than the above mentioned is set for the invitation to the meeting, to be the date Final to notify the members of the Board of the date, time and place of the meeting.



5-6-6 The minutes of the meeting should be prepared in detail and should include the discussions and deliberations including any vote or decision reached. Minutes of meetings should be kept in a safe place and in an easy-to-reference manner.

5.7 Presentation and Board Materials:

5-7-1 Important information and data must be distributed in writing to the members of the Board to understand the company's business before the Board meeting, and the management must do its best to ensure that this material is as comprehensive as possible and provides the necessary information.

5-7-2 The Board of Directors should be provided with sufficient information to fully exercise its administrative functions. This information may come from a variety of sources, including reports of management, personal control, comparison of performance with established plans, studies, reports of securities analysts and their articles in various publications about the company.

5.8 Presence and Meeting:

5-8-1 Members of the Board of Directors are expected to attend the General Assembly meetings of shareholders, Board of Directors meetings, and meetings of committees and sub-committees in which they serve, and to spend the necessary time and meet frequently as necessary to fulfill their responsibilities, including pre-meeting preparation.

5-8-2 The Board of Directors meets at least four times a year.

5-8-3 All members of the Board of Directors must attend at least half of the meetings of the Board of Directors during the company's financial year.

5-8-4 The Chairman of the Board of Directors and the Vice-Chairman of the Board of Directors may invite one or more members of the senior management of the company or persons from outside the company when needed to attend the periodic meetings of the Board of Directors, and the meeting may include other members and employees from time to time as necessary under the circumstances the list.



5.9 Quorum for Board meetings:

5-9-1 The meeting of the Board of Directors shall not be valid unless attended by four members, at least three original members, and a member of the Board of Directors may authorize a member to attend the meeting of the Board of Directors on his behalf.

5.10 Minutes of the Board Meetings:

5-10-1 Any decision issued by the Board of Directors shall be recorded in the minutes of the meeting, and these minutes shall be entered in a special register signed by the Chairman of the Board of Directors and the Secretary of the Board.

5-10-2 The meetings of the Board of Directors are recorded by numbering the minutes of the meetings, which reflect the course of procedures in each meeting of the Board of Directors, and include the names of the persons present at the meeting of the Board of Directors, the agenda of the meeting, the approved decisions, all issues and opinions accurately, and the number of votes given for a specific decision and dissenting opinions, and the minutes are considered effective after the expiry of a week from sending them to the members.

5.11 Holding Board of Directors meetings:

5-11-1 The Chairman of the Board of Directors determines the degree of formality required for each meeting of the Board of Directors while preserving the rules and ethics of the Board of Directors meetings. In any case, the following general rules apply:

- The Chairman of the Board ensures that all members are listened to.
- The Chairman also retains sufficient control to ensure recognition of the Chairman's authority to acknowledge a degree of formality when progress is required.
- The Chairman shall understand the decisions correctly and to record them well.



- The Chairman shall finalize the decisions and discussions, with a reasonable formal decision recording the conclusions reached.

5.12 Frequency of board meetings:

5.12.1 The Board shall meet formally at least once every three months to fulfill its responsibilities.

5.13 Staff succession and administrative development plan:

5.13.1 The Board shall also, in the effective execution of its responsibilities, oversee succession planning and administrative development. Accordingly, the following guidelines must be adhered to:

- The Chief Executive Officer prepares an annual report on succession planning and administrative development to be presented to the Board of Directors.
- In addition, the recommendation of the Chairman of the Board of Directors and the CEO's recommendation for their respective successors should be available at all times, in the event that either of them becomes unforeseen.
- The Board Nominations and Remuneration Committee assists the Board in selecting and evaluating potential candidates for executive director positions, including the CEO position, and oversees the development of succession plans for executive directors.
- The Chief Executive Officer shall also, at all times, have written confidential procedures for relinquishing, in a timely manner, his responsibilities in the event of any sudden incapacity or sudden departure, including his recommendations for long-term succession arrangements. The Chairman reviews this procedure periodically with the Nominations and Remunerations Committee.
- The Nominations and Remuneration Committee may request the CEO's recommendations and evaluation of his potential successors to senior management positions.

5.14 Communication and dealing with management consultants and independent consultants:



5.14.1 The Board of Directors, when carrying out its oversight role, has the authority to investigate any case brought before it with full access to all books, records, facilities and employees of the company, and the ability to deal permanently with an external lawyer, external auditor or external consultants.

5.14.2 The Board of Directors may contact any executive director or employee of the company or any of its subsidiaries, the company's external legal advisor and the company's external auditor to meet with the Board of Directors or any of the committees affiliated to the Board of Directors. The board of directors must also use discretion to ensure that such communication does not distract from the company's business operations and that any written communication is copied to the CEO.

5.15 Evaluation of Board Members:

5-15-1 The Board of Directors conducts an annual self-assessment to determine whether the Board and its committees are operating effectively. The Nominations and Remuneration Committee of the Board supervises the annual self-evaluation of the Board of Directors, which includes an evaluation of the performance and commitment of each member of the Board of Directors to the tasks of the Board. This evaluation shall be an important factor in determining the term of membership of the members of the Board of Directors, as well as the skills and qualities required in potential candidates for membership of the Board of Directors.

5.16 Evaluation of the CEO:

5.16.1 The Board of Directors shall review the evaluation of the Chief Executive Officer submitted by the Nominations Committee on his performance in comparison to the objectives set by the Board (including business results, strategy achievement, etc.).

5.16.2 The criteria for evaluating the CEO should be in line with the long-term interest of the company and the shareholders.



5.16.3 The CEO is evaluated against the achievement of the targets given to him, and the CEO's overall motivation should be based on his performance.

5.17 Relationships with Shareholders:

5-17-1 The Board of Directors shall develop, supervise and participate in the shareholder relations programme.

5-17-2 The Board of Directors shall treat all shareholders equally in terms of access to information.

5-17-3 The Chairman of the Board of Directors maintains sufficient contact information with the founding and major shareholders of the company to understand their problems and concerns and ensure that the opinions of the shareholders are transmitted to the Board of Directors as a whole. Nothing in these guidelines should be taken to override the general requirements of the Act on Equivalent Treatment of Shareholders in Access to Information.

5-17-4 The Chairman, Chief Executive Officer and other authorized directors and investor relations shall engage in dialogue with representatives of institutional shareholders and others regarding long-term business strategies, financial performance and corporate governance in order to mutually understand the objectives.

5-17-5 The company operates a structured investor relations program based on official announcements and publications related to important events and financial results in accordance with applicable laws, rules and regulations.

5-17-6 The company shall appoint an official for public and shareholder relations who will be responsible for providing information and answering inquiries from officials of the Capital Market Authority, shareholders and other regulatory authorities.

5-17-7 The company's information, including the interim and complete financial results, and other major announcements will also be published on the Tadawul website and the company's website.

5.18 Committees of the Board of Directors:

1-18-5 The Board of Directors should establish the following committees to assist it in carrying out its oversight responsibilities:

1. Audit Committee.



2. The Nominations and Remunerations Committee.

5-18-2 The committees of the Board of Directors are formed by the Board of Directors, which clarifies the duties, duration and powers of each committee, and the manner in which the Board monitors its activities. Each committee informs the Board of Directors of its activities, results or decisions in full transparency. The Board shall follow up the activities of these committees on a regular basis to ensure the proper implementation of the activities entrusted to these committees. The Board approves the internal bylaws of all committees affiliated to the Board of Directors, except for the Bylaws of the Audit Committee approved by the General Assembly.

5-18-3 A sufficient number of non-executive board members shall be appointed to committees related to activities that may involve conflict of interest, such as ensuring the integrity of financial and non-financial reports, reviewing deals concluded by related parties, nomination for board membership, and appointment of board members. Executive management, determining their wages and bonuses.

5-18-4 Other committees may be established from time to time pursuant to the affirmative vote of the majority of the members of the Board of Directors.

5-18-5 The objective of each committee and the purpose of its formation, powers and responsibilities shall be stated in the committee's bylaws.

5-18-6 The Board of Directors appoints committee members based on the recommendation of the Nominations and Remuneration Committee, and the Board may dismiss them at its discretion, except for the Audit Committee whose members are appointed and dismissed through the General Assembly.

5-18-7 Committee members are committed to independence, experience and other conditions to the extent required by applicable laws, rules and regulations.

5-18-8 No member other than the members of the Committee shall be entitled to attend the meeting of the Committee, but other members may attend the meeting of the Committee upon invitation from the Committee.

Code of Ethics and Conduct

6. Code of Ethics and Conduct



6.1: Purpose

The Code of Conduct and Ethics includes policies relating to the legal and ethical standards of conduct that members of the Board of Directors, executive officers and employees of Alujain Company “the Company” are expected to abide by while carrying out duties and responsibilities on behalf of the Company.

This regulation aims to focus the Board of Directors on areas of ethical risk, provide guidance to employees to help them identify and deal with ethical issues, provide mechanisms for reporting unethical behavior, and help promote a culture of honesty and accountability.

No regulation or policy can anticipate every situation that may arise, and the Company expects that each director and executive officer will act with honesty and integrity, exercise independent professional judgment, and refrain from wrongdoing in the performance of all duties and responsibilities on behalf of the Company.

6.2 Controls of the company's competition and conflict of interest

- 6.2.1 It is not permissible for a member of the Board of Directors or senior executives to have any direct or indirect interest in the business and contracts that are concluded for the account of the company except with a license from the Ordinary General Assembly and in accordance with the controls set by the competent authority, which is renewed annually. Public tenders are excluded from this restriction if the manager submits the best offer.
- 6.2.2 A member of the Board of Directors or senior executives must inform the Board of his direct or indirect interest in the transactions or contracts concluded for the company's account. This notification must be recorded in the minutes of the board meeting, and this member may not participate in voting on the decision that is issued in this regard, in voting on the decision that will be adopted in this regard, neither in the board of directors nor in the general assembly.
- 6.2.3 The Chairman of the Board shall inform the shareholders in the meeting of the General Assembly that he convenes of the transactions and contracts in which a member of the Board or a senior executive has a direct or indirect



interest in them. A special report from the auditor and the independent auditor shall be attached to this communication.

- 6.2.4 If a Board member fails to disclose his interest referred to in Paragraph (1) of this Article, the company or any stakeholder may claim before the competent judicial authority the invalidation of the contract or oblige the member to pay any profit or benefit that has accrued to him from that.
- 6.2.5 Responsibility for damages resulting from the works and contracts referred to in Paragraph (1) of this Article rests with the member who has interests in the work or contract, as well as the members of the Board of Directors, if those works and contracts were carried out in violation of the provisions of that paragraph, or if it was proven that they is unfair, or involves a conflict of interest and is detrimental to shareholders.
- 6.2.6 The members of the Board of Directors opposing the decision are exempted from responsibility if they explicitly prove their objection in the minutes of the meeting. Absence from attending the meeting in which the decision is issued is not considered a reason for exemption from liability unless it is proved that the absent member was not aware of the decision or was unable to object to it. After knowing it.
- 6.2.7 It is not permissible for a member of the Board of Directors or senior executives to participate in any business that would compete with the company, or to compete with the company in one of the branches of the activity it is engaged in; Otherwise, the company may demand appropriate compensation from him before the competent judicial authority, unless he obtained a license from the Ordinary General Assembly that allows him to do so, and in accordance with the controls set by the competent authority.
- 6.2.8 The managers may not disclose to the shareholders outside the meeting of the general assembly of the shareholders, or to third parties, the secrets of the company that may have come to their knowledge due to their management. Otherwise, they are often removed and held liable for damages.
- 6.2.9 The company shall not grant any cash loan to any of its members or provide a guarantee in respect of any loan entered into by a member of the Board with third parties, with the exception of banks and other credit companies.



6.2.10 The company shall disclose any transaction concluded between the company and any of its board members, executive officials or any related party, and notify the Capital Market Authority, and then publish it on the Tadawul website. This disclosure will be included in the annual report of the Board of Directors.

6.3 Corporate Opportunities

6.3.1 Managers, executive officers and workers are prohibited from:

- Taking for themselves personally opportunities that are discovered through the use of corporate property, information or functionality.
- Using corporate property, information or functionality for personal benefits.
- Competition with the company.

6.4 Confidential Information

6.4.1 Managers, executive employees and workers should maintain the confidentiality of the information assigned to them by the company or its clients, unless the disclosure is authorized or authorized by law, and “confidential information” includes all non-public information that may benefit competitors, or harm the company or its customers, if disclosed.

6.5 Fair Treatment:

6.5.1 Directors, executive officers and workers should endeavor to deal fairly with the Company, customers, suppliers, competitors and workers. No one should take advantage of anyone through manipulation, concealment, misuse of information, misrepresentation of material facts, or any other unfair practice.

6.6 Protecting and using the company's assets:



6.6.1 Managers, executive officers and workers should protect the company's assets and ensure that they are used efficiently. Theft and negligence have a direct impact on the company's profitability.

6.6.2 All company assets should be used for lawful and permissible business purposes.

6.7 Keeping records and preparing reports accurately

6.7.1 Managers, executive staff and workers should accurately reflect the company's transactions in its books, records, accounts and reports, and maintain an appropriate system of internal controls and disclosure controls to enhance compliance with the laws, rules and regulations applicable to the company.

6.7.2 It is prohibited to falsify any of the company's records. All reports, documents or communications authorized or legally mandated to be disclosed to the public should be complete, accurate and understandable.

6.7.3 The company shall keep all minutes, documents, reports and other documents at the company's headquarters for a period of not less than ten years, including the reports of the board of directors and the report of the audit committee. Without prejudice to this paragraph, the company shall, in the event of a lawsuit (including any existing lawsuit or extended its establishment) or a claim or any existing investigation procedures related to those minutes, documents, reports, or documents to be kept until the end of that lawsuit, claim, or existing investigation procedures.

6.8 Communications:

6.8.1 The company has a clear communication policy with its shareholders, employees and other stakeholders. The company is committed to open, transparent, impartial and timely information.

6.9 Compliance with laws, rules and regulations:

6.9.1 Directors and executive staff should comply with the laws, rules and regulations applicable to the Company.

6.10 Reporting illegal or unethical behavior



6.10.1 Managers, executive officers, and workers should encourage ethical behavior and should encourage employees to speak to supervisors, managers, or other employees when they are in doubt about the best course of action in a particular situation.

6.10.2 Managers, executive staff and workers should report violations of laws, rules, regulations or these regulations to the Corporate Affairs Officer or to the Chairman of the Nominations and Remuneration Committee of the Board. Violations will be investigated and necessary action will be taken by employees or members of the Board.

6.10.3 8-10-3 The Company will not allow retaliation for reports submitted in good faith.

6.11 **Insider trading:**

6.11.1 Members of the Board of Directors, audit committee, senior executives, or any person related to any of them are not allowed to deal in any securities of the issuer during the following periods:

- During the (15) calendar days preceding the end of the quarter of the fiscal year until the date of disclosing the interim financial statements of the issuer after examining them, which are required to be disclosed according to paragraph (a) of Article eighty-one of these rules.
- During the (30) calendar days preceding the end of the fiscal year until the date of disclosing the audited annual financial statements or the interim financial statements for the fourth quarter in case the issuer discloses them after examining them and fulfilling the requirements of Article 81 of these rules.

6.11.2 Exercising the right to subscribe to priority rights and selling them is excluded from the prohibition referred to in Paragraph (a) of this Article.

6.11.3 Termination of the membership of a member of the Board of Directors, the dismissal or termination of membership of any of the members of the audit committee, or the resignation of any of the senior executives from the issuer during any of the prohibition periods referred to in Paragraph (a) of this Article. This paragraph shall apply (where applicable). On that member or chief executive and any person related to any of them.



6.12 Sustainable Environmental Protection:

6.12.1 Managers, executive officers and workers should strive to preserve the environment for future generations by striking a balance between economic growth, continuous improvement of environmental performance and social responsibility.

6.13 Corporate Social Responsibility

6.13.1 Managers, executive officers and workers should follow a clear policy addressing employment practices, occupational health and safety, community involvement, as well as customer and supplier relationships.

6.14 Gifts and Donations:

6.14.1 Directors, executive officers, and workers are prohibited from offering, soliciting, or accepting gifts and donations related to company business, however, entertainment and gifts of paltry monetary value arising from ordinary corporate hospitality are acceptable.

6.14.2 Donations for political or social purposes are not permitted except within the limits of local laws and with complete transparency.

6.15 Amendments and Exemptions:

6.15.1 No amendments to the corporate governance regulations may be approved except by the Board and based on the recommendation of the Nominations and Remuneration Committee.

6.16 Liability:

6.16.1 Each director, executive officer or worker is responsible for knowledge of relevant laws and regulations, including this Code of Conduct and Ethics.



6.16.2 In all business situations in which the requirements of the law or this Code of Conduct and Ethics appear to be incomplete or unclear, each director, executive officer or employee shall exercise good judgment and common sense and, where appropriate, seek advice from the legal counsel of the Company or from The Company Board of Directors.

6.16.3 All directors, executive officers and workers are expected to adhere to this Code of Conduct and Ethics in its letter and content. Violations against this Code will not be tolerated.

6.16.4 Non-compliance may be subject to disciplinary consequences leading to termination of employment.

Disclosure

7. Disclosure

7.1 Purpose:

The company shall comply with the laws, rules and regulations related to disclosure, and all reports, documents or communications authorized or legally permitted to be disclosed to the public shall be complete, fair, accurate and understandable.

In order to ensure fair disclosure to all stakeholders at the same time, the Company refrains from disclosing any information specifically to financial analysts, financial institutions or other parties prior to disclosing the information in the Saudi stock market (“Tadawul” or “the Financial Market”) as a whole.

The company must meet the following disclosure or notification requirements.

7.2 Disclosure of major developments

7.2.1 The company shall notify the Capital Market Authority and the public without delay of any major developments in its field of activity that are not considered public knowledge and may have an impact on the company’s assets and liabilities, its financial position, or the general course of its business, which may:

- lead to significant movements in the price of listed securities.



- In the event that the company has debt instruments, it leads to a significant movement in the price of its securities included in the list, or significantly affects its ability to fulfill its obligations.

7.2.2 The main developments referred to above that the Company is required to disclose include, but are not limited to:

- Purchase of long-term assets at a price equal to or greater than 10% of the company's existing net assets.
- Any debt outside the normal course of business, in an amount equal to or greater than 10% of the book value of the company's net assets.
- Any losses, equal to or greater than 10% of the book value of the company's assets.
- Any significant change in the company's production or trading environment including but not limited to the availability and accessibility of resources.
- Any changes in the appointments of senior executives of the company.
- Any significant legal actions (if the amount involved equals or exceeds 5% of the book value of the company's current net assets).
- Increase or decrease in the company's net assets equal to or greater than 10%.
- Increase or decrease in the company's total sales equal to or greater than 10%.
- Any transaction between the Company and a Connected Person (outside the Company's normal course of business).

7.2.3 The above-mentioned notification should be submitted at least two hours before the start of the first trading period on the Exchange after the development has occurred.

7.3 Disclosure of financial information



- 7.3.1 The Board of Directors approves the temporary and annual accounts and they are signed by a member authorized by the Board of Directors, the Chief Executive Officer and the Financial Director, based on the recommendation of the Audit Committee before issuance.
- 7.3.2 The temporary and annual accounts and the manager's report shall be deposited with the Capital Market Authority immediately upon approval by the Board of Directors.
- 7.3.3 The company shall announce, through electronic requests determined by the higher authorities, its temporary and annual accounts immediately upon approval by the Board of Directors, and this data shall not be published before announcing it in Tadawul.
- 7.3.4 The company shall provide the responsible parties in the financial market with its audited financial statements (which must be prepared and reviewed in accordance with international accounting standards) as soon as they are approved and within a period not exceeding (15) days after the end of its financial period.
- 7.3.5 The company shall provide the stock market entities with their annual financial statements (which must be prepared and reviewed in accordance with international accounting standards) as soon as they are approved and within a period not exceeding (40) days after the end of their financial period.
- 7.3.6 The company must announce to the shareholders a period not less than ten (10) days before the date of the annual meeting of the shareholders of the company.

7.4 Report of the Board of Directors:

- 7.4.1 The company should include with its annual financial accounts a report issued by the Board of Directors that includes a review of the company's operations during the past fiscal year and all relevant factors that affect the company's business carried out by the investor and that require evaluating the assets, liabilities and financial position of the company.



7.4.2 The report of the Board of Directors includes the following:

- The provisions implemented in this system as well as the provisions that were not implemented, and the justifications for not implementing them.
- Names of any joint stock company or joint venture companies in which a member of the company's board of directors works as a member of its board of directors.
- Formation of the Board of Directors and classification of its members as follows: member of the Executive Board, member of the Non-Executive Board, or an independent member of the Board.
- A brief description of the mandates and duties of the main committees of the Council, such as the Audit Committee and the Nominations and Remunerations Committee, indicating their names, the names of their chairmen, the names of their members, and the total number of meetings for each of them.
- Details of compensation and wages paid to each of the following:

Chairman of the Board of Directors and its members.

- The five senior executives who received the highest compensation and reward from the company, and the chief executive officer and chief financial officer are included if they are not among the top five.

- Any penalty or preventive restriction imposed by the Authority or any other supervisory, regulatory or judicial body on the company.
- The results of the annual review of the effectiveness of the company's internal control procedures.
- A description of the main activities of the company and its group, and in the event that two or more activities are described, a statement must be included on each of the activities of the capital turnover and the contribution to the commercial results attributed to it.
- A description of the company's important plans and decisions (including corporate restructuring, business expansion or cessation of operations), the company's future prospects and any risks facing the company.
- A summary of the company's assets and liabilities and the results of the company's business for the past five financial years.



- Geographical analysis of the company's capital turnover and the consolidated turnover of capital for its branches outside the Kingdom.
- An explanation of any material differences between the operating results for the previous year and the operating results for the previous year or any expectations announced by the company.
- An explanation of any departure from the accounting standards issued by the Saudi Organization for Certified Public Accountants.
- The name of each subsidiary, its principal business, principal country of operations, and country of incorporation.
- Details of issued shares and debt instruments for each subsidiary.
- A description of the company's earnings policy.
- A description of any interest in the voting share held by persons (other than company directors and executive officers and their spouses and minor children) who notify the company of their holdings, together with any change in such interests during the last fiscal year.
- A description of any interest, options and subscription rights of the company's managers, executive employees and their spouses, and minor children in the shares of the company or any of its subsidiaries or in its debt instruments, along with any change in these interests and rights during the past fiscal year.
- Information related to any loans to the company (whether repayable on demand or otherwise), and a statement of the company's total indebtedness and its group with any amounts paid by the company as repayment of loans during the year. In the event that there are no loans owed to the company, the company shall provide an appropriate statement.
- A description of the denominations and numbers of any convertible debt instruments, options, warrants, or similar rights issued or granted by the Company during the fiscal year, as well as the consideration the Company receives.
- A description of any transfer or subscription rights under any convertible debt instruments, options, 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 amount of such outstanding securities, distinguishing between those securities purchased by the Company and those purchased by its subsidiary.



- The number of board meetings held during the last fiscal year and the attendance record for each meeting.
- A comprehensive statement of all amounts received by the managers during the fiscal year such as salaries, profit share, attendance fees, expenses, and other entitlements, as well as all amounts received by the managers in their capacity as executives of the company.
- Information related to any contract to which the company is a party and in which a member of the board of directors, chief executive officer, financial manager, or any assistant is interested in the matter or has a material interest, and if there are no such contracts, the company must provide an appropriate statement to that effect.
- A description of any arrangements or agreement under which one of the directors or CEO of the company waives any compensation or remuneration.
- A description of any arrangements or agreements regarding the waiver of any right to dividends by one of the company's shareholders.
- A statement of the amount of payment due due to zakat, taxes, duties or other fees, with a brief description of them and the reasons for that.
- A statement of the value of any investments made or any other reserves established for the benefit of the company's employees.

Acknowledgments of the following:

- That the account records have been properly executed.
- The internal control system was executed on sound grounds and implemented effectively.
- That there is no doubt about the issuer's ability to continue its activity.

- If it is not possible to fulfill any of the above-mentioned data, the report must include a statement explaining the reasons for that.
- If the auditor's report on the relevant annual accounts is qualified, and the Capital Market Authority requires additional information, the director's report must include that information that was submitted to the Capital Market Authority.



- If the Board of Directors recommends changing the external auditor before the expiration of three consecutive fiscal years, the report issued by the Board must include an explanation of this recommendation and its reasons.

7.5 Government disclosure of the company

7.5.1 The company discloses material information about the policies and procedures of corporate management.

7.5.2 Specifically, the Company discloses the following:

- Division of power between shareholders, executive officers and directors
- Council nomination policies.
- Conflict of interest.
- Number of board meetings held annually.
- Corporate goals other than maximizing and demonstrating shareholder value.
- Voting system for shareholders.

7.6 Disclosure of corporate social responsibility policies:

7.6.1 The company shall disclose its policies and procedures related to corporate social responsibility with regard to employees, the local community and the environment at least once a year.

7.7 Notification related to capital:

7.9.1 The company shall notify the Capital Market Authority without delay of the following information:

- Any proposed change in the company's capital.
- Any significant change in the possession or identity of the persons holding more than 5% of the securities of the aforementioned company.
- Any decision to announce, recommend, or pay dividends or provide any other distributions to shareholders.



- Any decision not to advertise, recommend, or push that he would have been expected to announce, recommend, or push in the normal course of events.
- Any decisions calling for, repurchasing, withdrawing, replacing or proposing to buy any of the securities and their total amount.
- Any non-payment decision in respect of the listed debt instruments.
- Any change in the rights associated with any class of securities included in the list or in any securities in which the listed securities are transferable.

7.8 Miscellaneous

7.8.1 The company shall immediately notify the Capital Market Authority of the following:

- Any change in the company regarding internal laws or the location of its main office.
- Submitting any request, issuing any order, or setting a date for liquidation in relation to the company or any of its subsidiaries under the Companies Regulations, or initiating any procedures under the bankruptcy regulations.
- Issuance of a decision by the company, or any of its branches, that it will be dissolved or liquidated, or the occurrence of a circumstance or its termination for a period of time which may require the company to be in liquidation mode.

Issuance of any judgment, order or declaration issued by a competent court or judicial body, whether at first instance or upon appeal, which may adversely affect the company's use of any part of its assets whose total value represents an amount exceeding 5% of the book value of the company's net assets . or you become aware that the percentage of shares on the list that are in the hands of the public or the number of shareholders required by the CMA has fallen below the required levels.

7.9 Submission of documents to the Capital Market Authority:

7.9.1 The company shall send a copy of the circulars sent to the shareholders and all documents related to the receipt, mergers, offers, notices of meetings, reports, announcements and other similar documents upon their issuance to the Capital Market Authority.



7.10 Wages and remunerations of board members and executive managers

7.10.1 The company or any of its subsidiaries, when paying the wages or compensation of the proposed manager or manager of the company, or any of the executive employees of the company, or any director or proposed manager of any of the subsidiaries, is keen on the following:

- Send full written details of any such proposed remuneration or compensation to all shareholders prior to the General Assembly of Shareholders at which the proposed remuneration or compensation is the subject of a vote.
- The company's shareholders agree in advance to the terms of remuneration or compensation at a general meeting in which the competent manager or executive employee does not vote on these conditions.

7.11 Notification of Substantial and Essential Contributions:

7.11.1 The person concerned with the following event must notify the company and the Capital Market Authority at the end of the trading day of the occurrence of any of the following events:

- Becoming the owner of or interested in 5% or more of any class of voting shares or convertible debt instrument.
- Ownership or interest of the above-mentioned person that increases or decreases by 1% or more of the company's shares or debt instruments.
- When the manager or chief executive officer of the company becomes an owner or interested in any rights in the shares or debt instruments of that company (or any of its subsidiaries).
- Ownership or interest of any director or executive officer in a company that is greater or less than 50% or more in the shares or debt instruments he owns in that company (or any of its subsidiaries), or by 1% or more in those shares or debt instruments The company (or any of its subsidiaries), whichever is less.

7.11.2 When calculating the total number of shares in which a person is interested, that person shall be deemed to be interested in any shares owned or controlled by any of the following persons:



- The spouse or minor child of that person
- The company controlled by that person (where that person holds 30% or more of the voting power or if the company or its directors are accustomed to acting in accordance with that person's directions).
- Any other persons with whom he agreed to work to obtain a share of the company's shares.

7.11.3 The notice referred to above shall be in accordance with a form prepared by the Capital Market Authority and include at least the following information:

- Names of persons who own or have the right to dispose of shares or debt instruments.
- Details of ownership or interest.
- Details of any loans or financial support a person has received from any other person.
- Ownership objective or interest.

7.11.4 In the event of a change in the previously disclosed ownership or interest objective, the concerned person must immediately notify the company and the Capital Market Authority of this change and may not dispose of any shares or debt instruments of that company until after the expiry of (10 days from the date of such notification).

7.11.5 Without prejudice to the provisions of this article, a person who has become an owner or interested in 10% or more of any class of voting shares or transferable debt instruments must not act without obtaining the approval of the Capital Market Authority.

Definitions

The following terms and conditions shall have the meanings assigned to them herein.

Term	Definition
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Cumulative Voting	A voting method for the selection of Board members that grants each shareholder the voting power proportionate to the number of shares he holds. He shall be entitled to vote for one candidate or to divide them among his chosen candidates without repeating these votes. This method increases the chances of minority shareholders to appoint their representatives to the board through the right to pool votes for one candidate.
Affiliate	A person who controls another person, or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Related Party	Subsidiaries of the company, except for companies wholly owned by the company. Major shareholders of the company. Board members and senior executives of the company. Board members of the company's affiliates. Board members and senior executives of the company's major shareholders. (Any relatives of the persons referred to in (1, 2, 3 or 5) above. Any other company or establishment controlled by any person referred to in 1, 2, 3, 5 or 6 above. For the purposes of Paragraph (6) of this definition, relatives mean the father, mother, husband, wife and children.
Board	The Board of Directors of Al-Lujain is responsible for directing and monitoring the company to achieve the interests of the shareholders fairly.
Board Committees	Committees appointed by the Board (eg Audit Committee, Nomination and Remuneration Committee, etc.)
CMA	The Authority incorporated under the “ Capital Market Law ” promulgated under the Royal Decree No. 30/M, dated 02/06/1424H, which shall have the authority to organize and develop the Saudi capital market, and it issues



	the necessary rules and regulations to implement the provisions of the Capital Market Law, which aim to create an appropriate investment environment.
CMA Law	The Law issued by Royal Decree No. 30 / M dated 2/6/1424 AH, its laws and instructions, and the guidelines for corporate management issued by the Capital Market Authority No. 1-212-2006 dated 10/1427 AH corresponding to 12/11/2006 Pursuant to the decision of the Board of Directors of the Capital Market No. 1-20-2008 dated 14/5/1429H corresponding to 19/5/2008
Companies Law	Means Saudi Companies Law issued by Royal Decree No. 6 / M on Jumada II 22, 1385 AH corresponding to July 20, 1965 AD, and amended on 28/01/1437 AH
Chairman	The Chairman of Alujain Corporation
Company	Alujain Corporation - Alujain – Company
Authorized officer	The president, director, senior executive officer, any primary shareholder of a company with securities accepted in the official list, or any partner (father, mother, wife, and children) of any such persons who meet this definition.
Control	The ability to influence the actions or decisions of another person, directly or indirectly, alone or with a relative or affiliate (a) holds 30% or more of the voting rights in the company, or (b) has the right to appoint 30% or more From the members of the Board of Directors: "The Financial Controller" shall be interpreted accordingly.
Controlling share	Any person or group of persons shall be treated as the owner of a majority stake when he owns alone or jointly with any of his relatives or associates, directly or indirectly, 5% or more of the category of voting shares of the issuer.
Director	In relation to a joint stock company, it includes a member of the board of directors or other executive officer who formulates and implements the strategic decisions of the company as delegated by the board. The members of the Board of Directors who are elected by the shareholders at their annual meeting.
Employee	It includes a director of a company or any other person acting under a service contract or contract for service, whose services are placed at the disposal and control of the company.



Tadawul	The Saudi Stock Exchange “Tadawul” including where the context allows any main committee, sub-committee, employee, servant or agent of any stock market function to be delegated for the time being, and “exchange” means any activity conducted through or about through the facilities it provides.
BoDs	A group of individuals who make the company's strategic decisions. The Board of Directors of the Joint Stock Company is its governing body.
Independent Member	<p>Means the member of the Board of Directors who enjoys complete independence. What contradicts independence, for example but not limited to, is any of the following:</p> <ol style="list-style-type: none"> 1. To be the owner of 5% or more of the company's shares, or of the shares of another company or its group, or is related to the one who owns this percentage. 2. To represent a legal person who owns 5% or more of the company's shares or the shares of another company in its group. 3. He is related to any of the members of the board of directors of the company or any other company of that company group. 4. To be related to any of the senior executives of the company or any other company of that company's group. 5. To be a member of the board of directors of another company from the group of the company that nominated him to be a member of its board. 6. That he works or was working as an employee during the past two years for the company or another company of its group, or that he is the owner of controlling shares in the company or a party dealing with the company or another company of its group as auditors and major suppliers Issued 7. To have a direct or indirect interest in the business and contracts that are concluded for the company's account.



	<p>8. To receive sums of money from the company in addition to the remuneration for membership of the Board of Directors or any of its committees, in excess of 200,000 riyals or more than (50%) of his remuneration in the previous year obtained for membership of the Board of Directors or any of its committees, whichever is less.</p> <p>9. To participate in a business that would compete with the company, or to trade in one of the branches of the activity practiced by the company.</p> <p>He must have spent more than nine years, consecutive or intermittent, as a member of the Board of Directors</p>
Financial Instruments	With respect to any type of securities, it means securities accepted for listing on the stock exchange, or securities subject to a request for admission to listing on the stock market, where the context permits.
Listing	Listing securities on the stock market or requesting listing on the stock market, where the context allows.
Non-Executive Member	A board member who does not have a full-time management position in the company, or who does not receive a monthly or annual salary.
Person	Any natural person or judicial person recognized under the laws of the Kingdom.
Relatives	Husband, wife, children, brothers and sisters, father and mother
Senior executives	Any person who manages and implements strategic decisions of the company, including (the president, general managers and their deputies).
Period	The interest of any company (wherever it may be) or any unincorporated body; The definition of "share" includes every instrument that has equity characteristics, including the Sokok.
General Assembly of Shareholders	The general assembly consisting of all shareholders that own shares in the company. Shareholders exercise their rights at the General Assembly meeting.
Contributor	Every natural or legal person who owns one or more shares of the company and has accordingly rights and obligations therein
affiliated company	It is a subsidiary of another company that you control.
Voting rights	All voting rights attributed to the shares of the company that can be exercised at a general meeting.



This policy shall be implemented and adhered to by the Company as of the date of its approval by the Board of Directors according to the authorization of the General Assembly of Shareholders on October 00, 2020 AD to approve any amendments to this bylaw. This policy also cancels, after its approval, any other reward policies that conflict with it. This policy is reviewed periodically - when needed - by the Nominations and Remunerations Committee, and any amendments proposed by the Committee are presented to the Board of Directors for approval.