

Conditions and Requirements Policy for the Nomination Board member of Saudi Home loans Company

Article (1): the purpose of the Policy:

The purpose of this Policy is to lay down clear for the nomination of Board member for the Saudi Home Loans Company (the Company), in execution of Section (22-3) of the Capital Markets Authority (CMA) Corporate Governance Regulations which provided that one of the basic functions of the Board of Directors shall lay down a clear Policy providing for the requirements and conditions for the Board membership which Policy shall be implemented after the approval of the Shareholders General Assembly.

This Policy had been enacted based on the requirements for nomination of Board membership issued by the Company law and Regulations of Ministry of Commerce & Industry, the CMA and Saudi Central Bank (SAMA) governance laws & regulations, and also on the Company Articles of Association, and the Finance Companies Control Law and Regulation.

Article (2): Policies and Requirements for Board membership:

- 1- The Board nominee shall have professional qualification and requested experience and suitable academic qualifications to enable him to perform his duties efficiently in contributing in the Company management and achieving its goals.
- 2- The Nominee shall not be a Board member in a competing Company.
- 3- He shall not be dismissed or forced to resign from the Board membership of a listed Company or from the membership of any other Company due to his negligence or mismanagement, or due not attending the Board or Board Committees meetings.
- 4- The Nominees shall not be convicted of any crime relating to honor or integrity, or declared bankrupted or made settlement with his creditors, or if he is not qualified for Board membership as per any other laws or regulations enforced in KSA.
- 5- The Nominee shall not hold Board membership in more than (5) listed Companies at the same time.
- 6- The Nominee shall possess good health and not subjected to any health issues that can prevent him from performing his duties and functions.
- 7- The Nominee shall comply with SAMA Principles of Corporate Governance and Section (11) of the Finance Companies Control Law.

Article (3): Procedure for Nomination for Board membership:

- 1- The Nomination & Remuneration Committee (NRC) shall coordinate with the Company management for the announcement of the nomination of Board membership as per the Companies Law and the Regulations issued from the Ministry of Commerce and Investment and the Corporate Governance Policies.

- 1- **Approved by the Board of Directors in its meeting held on 22nd Dec.2021 as recommended by the NRC**
- 2- **Approved by the General Assembly of the Company held on 22nd Dec. 2021.**

- 2- The NRC submit its recommendation to the Board of Directors for the Nominations of the Board members based on the requirements and standard above mentioned.
- 3- Any person who desired to nominate him self as a Board member of the Company shall manifested this by notifying the Company management as per timelines provided for in the Laws, Regulations and Instructions enforced in KSA, and this notification shall be accompanied with the nominee profile showing his C.V., qualifications, and experience in this regard.
- 4- The Nominee who previously occupied the Board membership of any listed company, must outlined the number and dates of such membership in these companies.
- 5- The Nominee who was a member in Board of Directors of Saudi Home Loans Company, he must submit with his nomination request statement from the Company management showing the below information of the last Board Term on which he was a member:
 - i- The number of the Board meetings held on each year of the Board Term.
 - ii- The number of meetings attended physically by the Board member and the percentage of his attendance for all Board meetings.
 - iii- The Board Committees in which he was a member, the number of meetings held by each Committee during its Term, the number of meetings attended by him and the percentage of his attendance of such meetings.
- 6- The Nominee shall state the type of his membership, whether Executive, non- Executive or Independent.
- 7- The Nominee shall state the nature of his membership whether he was nominated in his personal capacity or as a representative of legal entity.
- 8- The NRC in coordination with the Company management shall send copies of the Board members nomination documents and a list of the nominees to the Companies Department at the Ministry of Commerce and Investment.
- 9- The NRC in coordination with the Company management shall send to the CMA copies of the Board nominees C.V.s as per the "Form of Board Nominee for the Board membership a listed company"
- 10- The Company shall obtain SAMA none objection for the appointment of the Board nominee after satisfying the requirements outlined in the Finance Companies Control Law and its Implementing Regulations.
- 11- The NRC must execute any observation raised or pointed out by any competent Authority with regard to any Nominee.
- 12- The voting in the General Assembly shall be restricted on those Board Nominees who nominated them selves as per the above-mentioned requirements and standards.

Article (4): Policy review and Update:

The Board of Directors shall review this Policy on frequent basis on the NRC recommendations to ensure that its compliance with the Laws & Regulations, and shall further recommends to the General Assembly for approval.

- 1- **Approved by the Board of Directors in its meeting held on 22nd Dec.2021 as recommended by the NRC**
- 2- **Approved by the General Assembly of the Company held on 22nd Dec. 2021.**