The Chairman of Authority's Board of Directors' Decision No. (7 R.M) of 2016 Concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies

The Chairman of the Board of Directors of the Securities & Commodities Authority
Having considered
The Federal Law No. (10) of 1980 concerning the Central Bank, the Monetary System, and the Regulation of Banking Profession, as amended,
And the Civil Transactions Law issued by Federal Law No. (5) of 1985,
Federal Law No. (4) of 2000 concerning the Emirates Securities and Commodities Authority and Market, as amended,
Federal Law No. (12) of 2014 concerning Auditing Profession,
Federal Law No. (2) of 2015 concerning Commercial Companies,
And the Federal Decree No. (65) of 2014 concerning the Composition of the Council of Ministers of the United Arab Emirates, as amended,
And the Council of Ministers' Resolution No. (12) of 2000 concerning the Regulation for the Listing of Securities and Commodities, as amended,
The Council of Ministers' Resolution No. (13) of 2000 concerning the Internal By-Law of the Securities and Commodities Authority, as amended,
The Council of Ministers' Resolution No. (324/11 and / 23 M) of 2014 concerning the Restructuring of the Board of Directors of the Securities and Commodities Authority,
The Authority's Board of Directors' Decision No. (3) of 2000 Concerning Regulation for Disclosure and Transparency,
The Authority's Board of Directors' Decision No. (7) of 2002 concerning the Listing of Foreign Companies,
The Authority's Board of Directors' Decision No (43/R) of 2008 Concerning Dual Listing,
The Authority's Board of Directors' Decision No. (25) of 2015 concerning the Registration of Auditors of Public Shareholding Companies and Mutual Funds,
the approval of the Board of Directors,
and according to the public interest,

has decided the following:
[1]

Article (1)
Definitions [2][3]

The following words and expressions shall have the meanings assigned thereto hereunder unless the context indicates otherwise:

State:United Arab Emirates

Companies Law: Federal Law No. (2) of 2015 concerning Commercial Companies.

Law:Federal Law No. (4) of 2000 concerning the Emirates Securities & Commodities Authority and Market, as amended.

Government: Federal government or one of the governments of the member Emirates of the Union, and any authority, body, council, institution, entity or governmental company, wholly-owned, directly or indirectly, by any of them.

Authority :The Securities and Commodities Authority.

MarketSecurities:Securities Market licensed in the State by the Authority.

Company: The public shareholding company listed on the Market.

Board of Directors: Board of Directors of the Company.

Senior Executive Management: The executive management of the Company, including: The Director General, the Executive Director, Chief Executive Officer, and the Managing Director delegated by the Board of Directors to manage the Company, and their deputies.

Director of the Company: The Managing Director, Chief Executive Officer, Executive Director or General Manager of the Company appointed by the Board of Directors*

Member of the Board of Directors: A natural person or a representative of a legal person, who is a member of the Board of Directors.

Material Information: Any information, event, decision or fact that may directly or indirectly affect the price or trading movement or volume of the security or may have an effect on the investor's decision, including but not limited to, information or decisions related to the following:

1.Distribution of profits.

2.Increasing or decreasing the capital.

3.Changing in the Company's Board of Directors or its senior executive management.

4.Changing of the Company's activity or objective.

5.Acquisitions or mergers processes.

6.Restructuring, voluntary liquidation or bankruptcy of a Company or Mother, Subsidiary, Sister or Affiliate Company.
7.Credit rating report and any updates thereto.
8.Significant changes in the company's assets if it reaches 5% or more of its capital.
9.Financial contracts and obligations concluded or cancelled by the company once it reaches 5% or more of its capital.
10. Issuance of bonds or sukuk and any change thereto.
11. Transactions and dealings with the related parties.
12. The Company, one of its branches or the Mother, Subsidiary, Sister or Affiliate Company suspends its activity.
13. Any judicial lawsuit in which the company, any of its board members or senior executive management is a party ex officio.
The Board may determine any other information, decisions, events or facts to be material
[4].

Stakeholders: Any person who has an interest with the Company, such as the shareholders, employees, creditors, suppliers, and potential investors..
The Mother Company: A legal person who owns enough shares to make decisions in the general assemblies of another company..
Subsidiary Company: The company, owned by another company by more than 50% of its capital, or is under full control of that company regarding the appointment of the Board of Directors.
Sister Company: A company that belongs to the same group to whom another company belongs.
Affiliate Company:The company owned by another company by more than 25% and less than 50% of its capital.
Cumulative Voting: Where each shareholder has a number of votes equal to the number of shares owned by him so that he may vote for one candidate for the membership of the Board of Directors or divide the same among the selected candidates, provided that the number of votes he gives to the candidates he chooses shall not exceed the number of votes in his possession.
Related Parties: The Chairman and members of the Board of Directors of the Company, members of the Senior Executive Management of the Company, employees of the Company, and the companies in which any of such persons holds 30% or more of its capital, as well as subsidiaries or sister companies or affiliate companies.
Transactions:Dealings, contracts, or agreements entered into by the public shareholding company listed on the Market, and which do not fall within the main activity of the Company or that includes preferential conditions which the Company does not usually grant to parties dealing with it, or any other transactions specified by the Authority from time to time by resolutions, instructions, or circulars it issues.
Executive Member of the Board: A member who holds a position in the Company

or receives a monthly or annual salary from the Company*
Non- Executive Member of the Board of Directors: The member who is not employed by the company, and does not receive a salary from the Company; the remuneration received for being a Member of the Board of Directors shall not be considered as a salary.
Independent Member of the Board of Directors: A member who has no relationship with the Company, any of its Senior Executive Management persons, auditor, Mother company, subsidiaries, sister company, or affiliate company that could lead to financial or moral benefit which may affect his decisions. The member of the Board of Directors forfeits his independence in the cases included in this Decision..
Relatives: Father, mother, brother, sister, children, spouse, father-in-law, mother-in-law, and children of the spouse.
Compliance Officer: The person who is appointed by the Company to ensure its compliance as well as the compliance of its staff with the provisions of the law, and the regulations and decisions issued pursuant thereto, as well as to the company’s internal policies and procedures.
Corporate Governance: A set of controls and rules that ensures institutional discipline in relationships and management in the Company in accordance with international standards and methods through identifying the responsibilities and duties of the members of the Board of Directors and the Senior Executive Management of the Company, taking into account the protection of the rights of shareholders and Stakeholders.
Listing Rules: Listing controls and requirements specified by the law, regulations, and resolutions issued pursuant thereto, as well as the internal by-laws of the Market.
Disclosure rules: The controls and requirements of disclosure specified by the law, regulations, and resolutions issued pursuant thereto, as well as the internal by-laws of the Market.
Compensation:The amounts received by employees or workers of the Company or its Board of Directors from the Company, such as salaries, bonuses, attendance allowance, transportation allowance, and any other allowances or benefits under any other label.

Article (2)

Scope of Resolution Application and Effect

Taking into account the provisions of the Companies Law and the Federal Law No. (10/1992) concerning Evidence in Civil and Commercial Transactions, and Federal Law No. (11/1992) concerning Civil Procedures, this Decision shall be

applied as follows:
A.The provisions of Chapters I and III of this Decision "Institutional Discipline Standards" and "General Provisions" shall be applied to all local public shareholding companies listed on the Market, the chairmen and members of their Boards of Directors, managers, and auditors to whom the provisions of the Companies Law apply.
B.The provisions of Chapter II of this Decision "Corporate Governance" shall be applied to local public shareholding companies listed on the Market, the chairmen and members of their Boards of Directors, managers, and auditors except banks, finance companies, financial investment companies, money changers, and monetary intermediaries who are subject to the supervision of the Central Bank.
C.The provisions of this Decision shall not be applied to foreign companies listed on the Market.

Chapter 1
Institutional Discipline Standards
Article (3)
The Formation of the Board of Directors

A.. The management of the Company shall be undertaken by a Board of Directors. The Company's Articles of Association shall determine the method of formation of the Board of Directors, the number of its members, and the term of its membership.
B.The general assembly elects the Board of Directors members by secret cumulative voting.
C.If the Government owns (5%) or more of the Company's capital, it may appoint persons to represent it in the Board of Directors with the same proportion to the number of the Board members and with a minimum of at least one member if the ratio required to appoint a member exceeds that ratio. The Government shall lose its right in voting on the ratio for which its board members are appointed, however, if it has a leftover ratio that does not entitle it to appoint another member, it may use that percentage in voting.
D.Taking into account the conventions and treaties entered into by the State, the Chairman and the majority of the Board of Directors must hold the nationality of the State.

Article (3 /bis)

The Company's Certificate of Incorporation shall be published along with its

Memorandum of Association and its Articles of Association and any amendments thereto in the Online Bulletin posted on the Authority website.
[5]

Article (4)
Chairman of the Board of Directors

A.The Board of Directors shall elect by secret ballot from among its members a Chairman and Deputy Chairman. The Deputy Chairman shall substitute the Chairman during the Chairman’s absence or if he he is unable to attend.
B.The Chairman of the Board shall not hold the position of company's manager, and/or Managing Director or any other executive position in the Company.
C.The Board of Directors shall be entitled to elect from among its members a Managing Director for the management, and the Board shall determine its responsibilities and remuneration.
D.The Board of Directors shall establish from among its members one or more committees and grant such committee some of its powers or entrust it with monitoring the Company’s affairs and the implementation of the Board’s resolutions.

Article (5)
Board of Directors’ Meeting

1.The Board of Directors shall meet (4) four times a year, unless the Company's Articles of Association provides otherwise.
2.The meeting shall be based on a written invitation from the Chairman of the Board, or upon the written request of at least two members of the Board unless the Company's Articles of Association provides otherwise. The invitation shall be sent not less than one week prior to the specified date together with the agenda. Each member has the right to add to the agenda any matter he deems necessary for discussion in the meeting.
3.In case of a Board of Directors meeting being held to consider inviting the general assembly, the meeting of the Board of Directors should be held at least thirty days before the date of any meeting of the general assembly, and the immediate disclosure to shareholders as per a detailed notice to the Market and on the website of the Company directly after the conclusion of the Board’s meeting declaring its resolutions and the date of publication of the general assembly’s invitation and the meeting’s detailed agenda. The notice shall include the following: "Clarification concerning those who have the right to attend the general assembly meeting or authorizing someone to attend other than the

members of the Board of Directors pursuant to a written delegation and the eligibility of the shareholder to discuss the topics listed in the agenda of the general assembly and to ask questions of members of the Board of Directors and auditors, and the quorum required for the validity of the general assembly meeting and the resolutions of such meeting."
4.The meetings of the Board of Directors shall be held in the Company's headquarter unless the Board of Directors considers otherwise. The meeting shall be valid only after inviting all the members and the attendance of the majority of the members in person.
5.The company shall appoint a secretary to the Board of Directors who is not a member of the Board of Directors.
6.A member of the Board of Directors shall not delegate another member of the Board of Directors to attend in his place unless the Company's Articles of Association allow that, provided that the delegated member shall only represent one other member.
7.Voting by correspondence is not allowed, and a delegated member shall vote on behalf of the absent member in accordance with the delegation.
8.The Board of Directors resolutions shall be issued by the majority of votes of those members and representatives present at the meeting. In the case of parity, the Chairman shall have a casting vote.

Article (6)
Participation in the Board of Directors Meeting Via Modern Technology

The following controls shall be considered in relation to participation in the meetings of the Board of Directors via modern technology:
A.The Company's Articles of Association shall allow participation in the meetings via audio and/or audio-video modern technology.
B.The Company shall have the electronic equipment needed, and this equipment shall be tested before the meetings.
C.The secretary of the meetings of the Board of Directors shall coordinate and ensure the following:
Contacting all members to make sure they attend the meeting either in person or through this mechanism.
The member who intends to attend via this mechanism shall notify the secretary of the Board of Directors sufficiently in advance of the meeting and sign for the use of that mechanism in the meeting.
All documents shall be sent before the meeting to all members.
D.The Minutes of Board of Directors Meeting shall be recorded and saved.
E.Each member of the Board of Directors as well as the secretary shall introduce

himself at the beginning of the meeting (for recording purposes).
F.At the beginning of the meeting, the users of this mechanism shall confirm the following:
Clear audio of the rest of the members present in person.
Receiving all the documents and agenda for the meeting.
Determining the type of device used in the mechanism.
G.A member of the Board of Directors shall mention his name in case he desires to speak during the meeting when making an intervention, comment, or vote.
H.A member of the Board of Directors shall be in a position that allows him to speak loud and clear. In case of a bad connection or interruption during the meeting, the secretary shall repeat what has been said during the interruption period. In case of voting, the secretary shall repeat the speech again to insure that all members have heard what has been said before voting.
I.The secretary shall prepare the minutes, sign it, and send a copy to each of the Board members to review and sign.
J.The resolutions issued in the Board of Directors' meeting held via audio and/or audio-video modern technology means are valid and enforceable if approved by the majority of the Board members present in person or by attending through any of these means.

Article (7)
Board of Directors Decisions by passing

Conditions and procedures for the issuance of the Board of Directors resolutions by passing are as follows:
A.The majority approval of the members of the Board of Directors that the situation calling for the issuance of the decision by passing is an emergency.
B.Handing over the decision in writing to the members of the Board of Directors for approval accompanied by all the necessary documents for review.
C.Written consent shall be decided by the majority on any of the passing resolutions of the Board of Directors, provided that it shall be reviewed in the subsequent meeting of the Board of Directors to record the resolutions in the minutes. However, passing resolutions are enforceable when signed by the majority of the Board members.
D.The passing decision is not considered a meeting, hence the minimum number of meetings of the Board of Directors stated in the Articles of Association of the Company shall be maintained.

Article (8)
Minutes of the Board of Directors Meetings

A.It shall be recorded in the minutes of the Board of Directors or its committees the details of matters considered and the resolutions that have been made, including any reservations of members or dissenting views expressed. These minutes of meetings shall be signed by the members who attend the meeting as well as the secretary of the meeting. In case one of the members refuses to sign, his objection shall be recorded in the minutes together with the reasons for objection, if given, and a copy of the minutes shall be sent to members to keep them.
B.The minutes of meetings of the Board of Directors and its committees shall be kept by the secretary of the Board of Directors.
C.The secretary prepares the minutes of the Board of Directors meetings and the following controls shall be maintained when writing them:
1. Specifying the date of invitation to all members of the Board of Directors to the meeting, the method of summoning, the place of meeting, and the start and end time of the meeting.
2.Confirming the attendance of the present members.
3.Confirming the delegation for the absent member, in case of delegation by one of the Board of Directors members to another member, and confirming that the Company's Articles of Association allows that.
4. Recording the absent members and justifications for non-attendance, "if any."
5.Recording the following phrase: "Signatories to these minutes are responsible for the veracity of the data contained therein" at the end of each minutes before the signing of the members.

Article (9)
Delegation of Administration

A.The Board of Directors may delegate its Chairman or one of its members or Senior Executive Management in some of the administrative issues in which the Board has the power to make decisions. In this case, the delegation shall be in writing and detailing the delegated powers, especially with regard to cases in which the Senior Executive Management needs to obtain prior approval from the Board of Directors before making any decisions or entering into any commitments on behalf of the Company. A list of tasks and functions which the Board of Directors performs shall be written, as well as those delegated to Senior Executive Management, and those tasks and functions shall be reviewed periodically.
B.Each delegation shall be specific with regard to its subject, delegated persons, and the limits of their powers and in the duration, and that includes the date of presenting its results to the Board of Directors.

Article (10)
Vacancy of the Board Member Position

A.Taking into account the provisions of Article (143) of the Companies Law, if a position of a Board member becomes vacant, the Board of Directors shall appoint a member in the vacant position, and this appointment shall be submitted to the general assembly at its first meeting to approve the appointment or to appoint another unless the Company's Articles of Association states otherwise, and the new member shall complete the period of his predecessor.
B.If vacancies amounted to a quarter of the Board members, the rest of the Board members shall invite the general assembly to convene within thirty (30) days from the date of the last seat being vacated to elect who will fill those positions.
C.If the Board member is a representative of the Government, or any legal person in the membership of the Board of Directors as per a letter issued by the represented body, this body may change its representative in the Board of Directors as per an official written letter directed to the Company in this regard, and the new member shall complete the term of his predecessor.
C.The position of the Board member is considered vacant in any of the following cases:
1.If he dies, becomes incapacitated or becomes disabled in a way that does not allow him to fulfill his duties as a member of the Board of Directors.
2.If he is convicted of any crime involving his honesty and integrity.
3.If he declares his bankruptcy or ceased to pay his commercial debts, even if it is not accompanied by declaring his bankruptcy.
4.If he resigns from his position as per a written notice sent to the Company in this regard.
5.If a decision of his dismissal was issued by the general assembly.
6.If a Board member is absent from the Board meetings for three consecutive sessions or five intermittent sessions during the term of the Board of Directors without an excuse acceptable to the Board.
7.If his membership is contrary to the provisions of the Companies Law.

Article (11)
Obligations of a Member of the Board of Directors

A member of the Board of Directors shall abide by the following:
A.Maintain the interests of the Company, exert the care of a prudent professional person, and to perform all actions that are compatible with the purposes of the

Company.
B.Act with honesty and sincerity, take into account the interests of the Company and its shareholders, exert the best effort possible, and comply with the provisions of the laws, regulations, and resolutions in force, as well as the Company's Articles of Association and internal by-laws.
C.Upon obtaining membership of the Board of Directors, the member shall disclose any direct or indirect work that constitutes a competition to the Company, and the names of companies and public institutions he works for or serves as a member of the boards of directors therein, and other important commitments, and shall specify the allotted time for them as well as any change as soon as it happens.
D.Allocate sufficient time to carry out his responsibilities, including preparing for the meetings of the Board of Directors and its committees, and be keen to attend them.

Article (12)
Register of Insiders [6]

The Board of Directors of the Company shall issue written rules regarding the transactions of the Company's Board of Directors and employees in the securities issued by the Company or its Parent Company or its subsidiaries or sister companies; and mandate one of the Company's departments, one of the internal committees or a special committee to perform the following:
a.Prepare a special and comprehensive register for all insiders, including persons who may be considered as temporary insiders who are entitled or have access to the Company's internal information prior to publication. The register also includes the prior and subsequent disclosures of the insiders.
b.Manage, monitor and supervise the transactions of insiders and their ownerships and keep a special register therefor.
c.Notify the Authority and the Market of the updated list of insiders at the beginning of each financial year and of any amendments thereto during the financial year.
d.Submit a copy of the insiders record to the Authority upon its request.
e.Comply with any other requirements as determined by the Authority.*

Article (13)
Confidentiality of Data and Information

The Board of Directors shall consider the following:
A.Take all measures to accurately maintain strict confidentiality of the Company's data and information in a way that ensures it is not exploited.
B.Develop effective contractual arrangements that require, the other parties who have access to internal data and information related to the Company and its

customers, to maintain the confidentiality of such data and information, and not misuse or transfer it, or cause it to be transferred directly or indirectly to other parties.

C.Every insider shall sign formal declarations that confirm his knowledge of his possession of internal data and information regarding the Company and its customers, and that he shall bear all the legal consequences in case of leaking such information or data or giving advice on the basis of the information in his possession, and his commitment to notify the Company of any trade carried out on the securities of the Mother Company or the Subsidiary Company before and after those trades.

Article (14)
Conflict of Interests

A.If a member of the Board of Directors or a person who represents a body in the Board of Directors has a joint interest or a conflict of interest with the Company in a deal or transaction submitted to the Board of Directors for a resolution, he must inform the Board of Directors and record that in the minutes. Furthermore, he shall not participate in the voting on the decision relating to the deal or transaction.

B.If the member of the Board of Directors fails to inform the Board in accordance with the provision of item (a) of this article, the company or any of its shareholders may resort to the competent court to invalidate the contract or order the Member who acted in contravention of these provisions to return to the Company any profit or benefit obtained as a result of entering into this contract.

C.The Company shall maintain a special register for conflicts of interests in which the cases are recorded in details together with the measures taken in this regard.

Article (15)
Transactions With Related Parties

A.A Company shall not enter into transactions with Related Parties without the consent of the Board of Directors in cases where the value of the transaction does not exceed (5%) of the Company's capital, and with the approval of the general assembly where such percentage threshold is exceeded. The Company is not allowed to enter into transactions that exceed (5%) of the issued capital unless the transaction has evaluated by an assessor accredited by the Authority. The Related Party who has an interest in the transaction shall not participate in voting in terms of the decision taken by the Board of Directors or the general assembly in respect of this transaction.

B.In the event of a significant change to the terms of the transaction after approval, another approval must be obtained from the Board of Directors or the general assembly, as the case may be. The deal which exceeds (5%) of the

issued capital shall be re-evaluated and its conditions shall be reviewed before its conclusion by an assessor accredited by the Authority at the Company's expense.

C.The following shall be liable for damages to the Company if transactions with the Related Parties are concluded in contravention of Clause (a) of this article or if it is proven that the transaction or the deal is unfair or involves a conflict of interests and incurs damages to the shareholders:

1.The Related Party with whom the transaction was entered into.

D.The Board of Directors if the decision was issued by consensus. However, if the decision was issued by the majority, dissenting directors shall not be held liable in the event that they have recorded their objection in the minutes. If one of the members did not attend the meeting in which the decision was issued, he is still responsible for the decision unless he proves that he was unaware of the decision or was aware of it but could not object thereto.

Article (16)
Related Parties Record

A.The Company shall maintain a register for Related Parties where the names of such parties shall be recorded together with their transactions, in details, and actions taken in relation thereto.

B.The Company shall provide documents of the transactions with Related Parties and the nature of those transactions, size, and details of each transaction, and shall inform the shareholders of such transactions in the general assembly.

Article (17)
Company's Disclosure of related Parties' Transactions

In case of entering into transactions with Related Parties, the Company's Chairman shall provide the Authority with a notice which includes the data and information of the Related Party, the details of the deal or transaction, the nature and the benefit of the involvement of the Related Party in the deal, together with a written confirmation that the terms of the transaction or the deal with the Related Party are fair, reasonable, and in favor of the Company's shareholders .

Article (18)
Related Party Disclosure

A.Prior to entering into a transaction between a Related Party and the Company, the Mother Company, or the Affiliate Company reaching the limit stipulated in this Decision, the Related Party shall disclose immediately in writing, addressed to

the Board of Directors, the nature of the deal, conditions and all substantial information about his share or his stake in the two contracting companies and his interest or benefit, which the Board of Directors is required to immediately disclose to the Authority and the Market.
B.The details of the deal referred to in paragraph (a) of this article, together with the conditions and conflict of interests of Related Party shall be listed in the annual financial statements submitted to the general assembly, and this data shall be published on the website of the Market and the Company.

Article (19)
Access to Transactions Concluded With related Parties

In the event the Company enters into transactions with Related Parties, the shareholder who owns (5%) or more of the Company shares is entitled to the following:
A.Review the Company's records and any documents relating to those transactions.
B.Filing a lawsuit before the competent court regarding the transactions with Related Parties to compel the parties of the deal to provide all information and documents relating to those transactions, whether directly to prove the facts set out in the case or relevant to it or to lead to the discovery of information that will help in the detection of the facts.
C.If it is proven to the competent civil court that the deal is unfair or involves a conflict of interests and causes harm to the rest of the shareholders, the court may cancel the deal and oblige the Related Party to render the profit or benefit gained to the Company, in addition to compensation if harm is proven against the Company.

Article (20)
Obtaining the Opinion of an External Consultant

The Board of Directors and its committees, upon a decision issued by the majority of the attending members, may ask for an external consultant's opinion regarding any issues relating to the Company at its expense, taking into consideration the management of conflicts of interest.

Article (21)
Remuneration of the Chairman and Members of the Board of Directors

A.Remuneration of the Chairman and members of the Board of Directors is made

up of a percentage of the net profit not exceeding 10% of the fiscal year profits. The Company may also pay expenses, fees, additional bonuses, a monthly salary as decided by the Board of Directors to any of its members if this member works in any committee, makes special efforts, or additional work to serve the Company in addition to his regular duties as a member of the Board of Directors. Attendance allowance may not be paid to the Chairman or a Board member for attending the Board meetings.

B.The fines imposed on the Company due to contraventions by the Board of Directors of the Companies Law or the Articles of Association of the Company during the ending financial year shall be deducted from the remuneration of the Board of Directors. The general assembly may not deduct such fines if it finds that such fines are not due to omission or error by the Board of Directors.

Article (22)
Dismissal of a Board or Executive Management Member, or removing Him of His Position

a.The General Assembly may remove the Chairman of the Board, any Board member or all members of the Board of Directors, in which case the General Assembly shall delegate whom it considers appropriate for the Chair of the General Assembly meeting, take action to open the door for nomination and invite the General Assembly to elect new members of the Board of Directors to replace those who were removed. Re-nomination of the removed members shall not take place prior to the elapse of three years from the date of removal.

b.In the event of a court judgment is issued proving that the Chairman or any member of the Board of Directors of the Company or any of its executive directors has made trades or transactions involving a conflict of interests, he shall be removed from his position and his nomination for the chair or membership of the Board of Directors shall not accepted. He shall not also perform any tasks in the executive management in any joint stock company except after the elapse of at least three years from the date of its removal. Article (145) Of the Companies Law shall apply to the appointment of the new position of the Board of Directors; and if all the members of the Board of Directors have been removed, then the Authority or its delegated representative shall manage the Company until the General Assembly convene a meeting.

[7]

Article (23)
General Assembly Meeting

A.The general assembly of the Company shall be held in the location specified in the Company's Articles of Association, and each shareholder has the right to attend the meetings of the general assembly and shall have the votes equal to the number of shares in his possession. A person who has the right to attend the general assembly may delegate someone from other than the members of the Board of Directors to attend on his behalf as per a written delegation. A delegated person for a number of shareholders should not have more than (5%) of the Company's issued capital after gaining that delegation. Persons lacking legal capacity and are incompetent must be represented by their legal representatives.

B.A legal person shall have the right to delegate his representatives or those in charge of his administration as per a decision issued from the Board of Directors or any similar body, to represent him at the meetings of the general assembly of the company, and the delegated person shall have the powers prescribed in the delegation decision.

C.The owner of the share, who is registered in the day preceding the meeting of the general assembly of the Company, has the right to vote in the general assembly of the Company.

D. Subject to the provisions of Article (183) of the Companies Law, a shareholder may vote electronically in the General Assembly meetings of the Company in accordance with the mechanism adopted by the Market, where the Company' shares are listed, and approved by the Authority. In such case, the following requirements shall be satisfied:

1.The Company's Articles of Association shall allow the use of electronic voting in the General Assembly meetings.

2.The shareholder must sign a prior declaration before the meeting confirming his written consent to follow the electronic voting mechanism and prove his attendance in the meeting and his full knowledge of how to use such mechanism and the consequent limitation of his electronic voting on the agenda items of the General Assembly before the beginning of the meeting, and that he cannot discuss the agenda items or vote in the event of adding new items to the agenda of the General Assembly; and confirming his adherence to all the controls issued by the Market in this regard.

3.The Chairman of the meeting shall explain the number of shares participating in the meeting by electronic voting, whose attendance has been confirmed in the register of shareholders when announcing that the quorum for the meeting has been realized.

4.The vote collector, upon voting on the resolutions of the General Assembly, shall indicate the number of votes cast through electronic voting on each

resolution of the General Assembly.
5.Any other requirements as determined by the Authority. [8]

Article (24)
The Invitation to the General Assembly Meeting

a.The Board of Directors shall invite the General Assembly to convene within the four months following the end of the financial year, as well as whenever required.
b.Except for the General Assembly meeting postponed for lack of quorum in accordance with Article (183) of the Companies Law, subject to the approval of the Authority, the invitation for convening the General Assembly meeting shall be sent out to all shareholders according to the following controls:
1.Announce the General Assembly invitation before the date set for the meeting in accordance with the provisions of Article (172) of the Companies Law.
2.Publish the announcement of the invitation to the meeting in two local daily newspapers circulated in Arabic.
3.Notify the shareholders by registered letters or by sending phone SMS and e-mail (if any) as provided for in the Article of Association.
4.Notify the Authority and the competent authority with a copy of the invitation papers prior to publication.
c.The announcement of the invitation to the meeting shall include the agenda, place, date and time of the first meeting and the second meeting in the event the quorum for the validity of the first meeting is not met, a statement of the right holder to attend the meeting indicating the permissible delegation of a person of the right holder's choice under a special proxy in writing, the right of the shareholder to discuss the items of the agenda of the General Assembly and to ask questions to the Board of Directors and the auditor, the quorum required for the validity of both General Assembly meetings and the decisions issued therein, and a statement of the right holders to dividends, if any.
d.Adherence to any other requirements as determined by the Authority.
[9]

Article (25)
The Record of the Minutes of Meetings of the General Assembly

A.The Company shall write down the general assembly Meeting in minutes, taking into account the following:

B.The minutes of meeting of the general assembly shall include the names of the shareholders present in person or those represented, the number of the shares held by them, in person or by proxy, the votes held by them, the decisions passed, the number of the votes for or against such decisions and an adequate summary of the discussions at the meeting. Minutes are recorded regularly after each meeting in a special record signed by the Chairman, secretary, votes collector, and auditor.

C.The minutes shall be free of all blanks, margins, omissions, or additions.

A.In maintaining the record of minutes of meetings of the general assembly the following shall be considered:

1.The record pages shall be in sequential order.

2.The record of minutes of meetings of the general assembly shall be kept in the Company headquarter.

Article (26)
Duration of the General Assembly's Delegation to the Board of Directors

A.In the case of a special resolution issued by the general assembly to increase the Company's capital or the issuance of bonds or Sukuk, the term of the delegation granted to the Board of Directors shall be one year from the date of issuance of the special resolution in order to issue a decision from the Board of Directors of the date and mechanism of implementing the resolution through one or several issuances or a program. The delegation issued for the Board of Directors shall expire after one year, and the special resolution which was issued in this regard shall be considered void ab initio.

B.Notwithstanding the provisions above, previous resolutions issued by shareholders who own not less than 75% of the Company's capital at a meeting of shareholders that was held before enacting the provisions of the Companies Law to issue bonds or sukuk valid and effective as if they were taken by a special resolution by the shareholders of the concerned Company after enacting the Companies Law and without the need to issue a new special resolution or commit to the periods specified above or in article (230) of the Companies Law, provided that the general assembly of the Company has not canceled the resolution of delegation granted to the Board of Directors.

Article (27)
General Assembly Meeting Arrangements

1.Suitable arrangements and procedures shall be prepared to hold the general assembly meeting, including the choice of place and time in order to help and encourage the presence of the largest possible number of shareholders.
2.The invitation shall include the time and place of meeting, and the general assembly agenda shall be attached therewith, including all topics that will be discussed during the meeting in details and clearly, together with any documents or attachments related to those topics.
3.The date and place of the meeting of the general assembly shall be declared on the Company's website.

Article (28)
Listing an Item in the General Assembly Agenda

First: During the General Assembly Meeting:
A.The listing application shall be submitted by a number of shareholders representing 10% of the listed Company's capital.
B.The new item shall be clear and specific and shall not contradict the provisions of the Companies Law or the resolutions and regulations issued for its implementation.
C.The listing application shall be in writing and signed by its applicant.
D.The listing application shall be submitted to the Chairman of the general assembly meeting before starting the discussion of the agenda.
E.The Chairman of the meeting is committed to approving the listing of the item, and in case of rejection, the applicants have the right to request a presentation to the general assembly to consider the listing of the item or not before starting the discussion of the general assembly agenda. The listing shall be granted by the majority of the shareholders represented at the meeting.
Second: Before the General Assembly Meeting and after the publication of the invitation:
Shareholders who own (5%) of the Company's shares shall have the right to submit an application to the Authority to list an item or additional items in the general assembly agenda within five working days from the date of the Company's invitation to the general assembly.

Article (29)
Issuance of a Special Resolution

The general assembly shall issue a special resolution in the following cases:
a.Issuance of bonds or sukuk.
b.Offering voluntary contributions for the purpose of community service.
c.Dissolution or merger of the Company.
d.Sale of the project that the Company has implemented or disposal of it in any

other way.
e.In the event that the Company wishes to sell (51%) or more of its assets and whether the sale will be implemented through one transaction or a series of transactions, the sale must be concluded within a year of the date of concluding the first transaction.
f.Extension of the Company's term.
g.Amendment of the Memorandum of Association or Articles of Association.
h.Entering of a strategic partner.
i.Capitalization of cash debts.
j.Issuing an employee stock ownership plan .
k.In cases where the Companies Law requires issuance of a special resolution.

Article (30)
Implementation of the Resolutions of the General Assembly

The Chairman of the Board of Directors shall implement the resolutions of the general assembly, taking into account the following controls:
1.Disclosing to the Market the results of the general assembly meeting on the Company's website.
2.No objection by the Authority to the resolutions taken by the General Assembly.[10]
3.Implementing such decisions within fifteen days of the date of the meeting unless the nature of the decisions taken requires a longer period; for example, (increasing or decreasing the Company's capital or issuing bonds or sukuk).

Article (31)
Increasing the Company's Capital

Subject to the Companies Law, the Company shall obtain approval of its shareholders upon issuance of new shares subsequent to obtaining the Authority's approval, provided that companies subject to the supervision of the Central Bank shall obtain its approval as well.

Article (32)
Shareholders' Rights

a.All the shares issued by the Company within the same class of shares shall be equal in rights and obligations.
b.The shareholder shall be entitled to all the rights associated with the share according to the provisions of the Companies Law, particularly the following:
1.The right to obtain a share in the profits to be distributed.
2.The right to obtain a share in the Company's assets upon liquidation.
3.The right to attend meetings of the general assembly and participate in the discussions and vote on its decisions.
4.The right to dispose shares.
5.The right to review the Company's financial statements and reports, records, and documents.
c.A shareholder in the Company who files a lawsuit against the Company, Chairman of its Board, any Board member, or its executive management before a competent court shall have the right to obligate the defendant (s) to do the following:
1.Provide the information which the defendant has based his defense thereon before the court, the information that directly proves specific facts of the claim which the plaintiff shareholder has filed with the court, and any other information relevant to the claim subject.
2.Obligate the defendant to submit any documents or sets of documents relevant to the case, without limitation .[11]
d.A shareholder who files a liability lawsuit against the Board of Directors or any Board member shall be entitled to question the defendant and/or defendants and testimonies directly during the court sessions.

Article (33)
The Required Controls to Ensure Shareholders' Practice of their Rights

The Company's Articles of Association and internal by-laws shall include the required procedures and controls to ensure all the shareholders' practice of their rights, including:
a.Providing all the information that enables the shareholders to practice their rights duly and indiscriminately, including their awareness of the rules that govern general assembly meetings and voting procedures. Such information shall be complete and accurate and shall be provided and updated regularly on a timely basis, including any information with regard to the Company's proposals before voting in meetings, or any other information.
b.Providing an opportunity to all shareholders to participate effectively in the

deliberations of the general assembly meetings and vote on its resolutions. Shareholders shall have the right to discuss and raise questions regarding the listed topics in the agenda to the Board members and the auditor, and the Board of Directors or the auditor shall answer such questions to the extent that the interests of the Company are not compromised.

c.Avoiding imposition of any restrictions that may lead to prevent the shareholder from using his/her right of voting and facilitating shareholders' practice of such right.

d.Preventing imposition of any restrictions on free trading of the Company's shares in the Market.

Article (34)
Distribution of Profits

1.The right to share the profits, whether "cash dividends or bonus shares", shall be in accordance with the regulation for trading, clearance, settlements, transfer of ownership, and safekeeping of securities, as well as the resolutions issued by the Authority.

2.Each shareholder shall have an investor's number and a bank account number recorded at the Company.

3.The Company shall deposit cash dividends of the shareholders registered on the tenth day as of the day following the date of the general assembly or Board meeting in which such profits are decided to be distributed and in accordance with the mechanism approved by the Authority, provided that payment of the cash dividends due to the shareholders shall be within thirty days as of the date of issuance of the decision approving such dividends.

Article (35)
Investor Relations

The Company shall comply with the following controls:

A.Appointing an employee to undertake all the duties in relation to managing investor relations, such employee shall meet the following conditions:

1.Command of both spoken and written Arabic and English.

2.A university degree as well as practical experience in the fields of business, accounting, or investors public relations.

3.Familiarity with relevant legal and legislative requirements.

4.Full knowledge of the Company's activities and potential opportunities.

5.Ability to use various means of communication and possession of the skills of

communication with investors in securities.
6.Ability to deliver the Company's technical and financial information that may require a specialist to clarify and simplify to investors.
B.Creating a webpage for investors relations on the Company's website and updating and maintaining it regularly in compliance with international standards; such webpage shall include: data and means of communication with Investors Relations Department, like telephone number and email, all the reports relevant to financial results, whether archived or published, statements of the financial year including dates of publication of financial results statements, minutes of the general assembly meetings, and any other important events.
C.Publication of the information and data disclosed to the regulatory authorities, markets, or the public, on the Company's website; such information and data shall include, for example:
1.1.News, events, developments and material information of the Company.[12]
2.Annual and interim financial statements and reports of the Board of Directors for several past years.
3.Governance reports.
4.Shareholding structure and percentage of ownership.
5.Regularly updated general information on the Company's official website concerning its activities, business strategies, vision, and future plans.
6.Information on the price of the Company's share in terms of: the closing price, opening price, highest and lowest prices throughout the year, different values of the share, and some financial indicators.
7. Information about shareholders' pending dividends and the mechanism of collection of such dividends.
8.Contact information of investor relations employees and mechanism of submitting opinions, comments, and inquiries.
D.Formation of a committee comprised of senior employees in the event of a crisis; such committee shall design a plan for communication with investors and the media with regard to the practical steps the Company takes to face the crisis and shall designate an official spokesperson to undertake the said communication process in the name of the Company.
E.Publication of preliminary presentations clarifying the Company's financial status, strategies, and future expectations, at least once annually, provided that such presentations shall be updated after each disclosure of financial results (quarterly, half-annually).
F.Setting the required procedures for providing all the data and information for the investors relations employee, including Board of Directors decisions once issued as well as periodic and annual financial statements upon approval thereof by the Board, to enable the investor relations employee to implement his/her duties stipulated in this article.

Article (36)
Selection of the Auditor

1.The Board of Directors shall nominate one auditor or more upon the recommendation of the audit committee. The auditor shall be appointed, and its remuneration fixed, by a resolution of the general assembly of the Company.
2.Such auditor shall be recorded in the Authority's register of professional auditors.
3.The auditor shall be selected on criteria of efficiency, reputation and experience.
4.None of the employees of the auditing office may be appointed at the Company's Senior Executive Management before the lapse of two years at least as of the date of such employee's leaving the auditing of the Company's accounts.

Article (37)
Duties of the Auditor

a.The auditor shall practice the works assigned to him/her independently and unbiasedly.
b.The auditor shall supervise the Company's works, examine the Company's administrative and financial systems and internal auditing systems, give an opinion as to the effectiveness of such systems, and ensure their appropriateness for smooth flow of the Company's works and preservation of the Company's assets.
c.The auditor shall give an opinion concerning the correctness of the Company's financial statements and demand amendment where necessary.
d.The auditor shall verify the Company's ownership of its assets and legality of the Company's obligations.
e.The auditor shall attend the meetings of the general assembly and read his/her report to the shareholders and answer their questions and inquiries in relation to the final financial statements.
f.The auditor shall report to the Authority and the supervisory authorities any material violations or obstructions and their details.

Article (38)
Prohibitions of Auditors

The auditor shall not, while performing an audit/review of the Company's accounts, perform any additional technical, administrative or consultation

services or works in connection with its assumed duties that may affect its decisions and independence or any services or works that the Authority decides that an auditor shall not perform during the performing of an audit/review of the Company's accounts, in particular:

a.Any other accounting services or works in connection with accounting records and financial statements, excluding routine accounting services that may be rendered by the auditor to a Subsidiary Company of the Company which accounts are audited by the auditor, where the following conditions are met:

•The Subsidiary Company is not a material part of the Company which accounts are audited by the auditor.

•These services are clearly immaterial for the auditor and the Subsidiary Company.

•The auditor's provision of this service does not materially affect the financial statements of the Mother Company.

b.Design or develop of any information systems if they have a material effect on financial statements or relevant control systems.

c.Provision of any internal audit services or works pursuant to a subcontract.

d.Provision of any actuary services or works.

e.Provision of any assessment or valuation services or works of the Company during performing, or taking part in, the audit.

f.Provision of any administrative services or works or employment services for the Company's human resources in the financial management or administrative positions, starting from heads of divisions as well as senior or junior administrative or supervisory positions.

g.Provision of any brokerage in securities services or works.

h.Provision of any consultations.

i.Provision of any expertise services or works.

Article (39)

Consultancies and Works the Auditor Is Authorized to Perform

a.The auditor shall provide the following investment consultations:

•Assisting the client in preparing feasibility studies and strategic plans.

•Capital restructuring consultations.

•Auditing/ review service in relation to the companies that the customer intends to purchase.

b.In the cases mentioned in Clause (a), the audit committee shall verify that:

-Policies and procedures are in place to prevent the auditor's employees from making a decision in connection with the Company's management;

-The auditor's employees who provide the above mentioned services shall not participate in the audit process;

-The subject of service shall not be of value or effect on the financial statements

of the Company which accounts are audited by the auditor.
-The auditor may provide supporting expertise works in connection with a lawsuit before a court.

Chapter Two
Corporate Governance
Article (40)
Controls of Nomination for Board Membership

The Company shall comply with the following controls:
1.The Company's Articles of Association shall determine the method of formation of the Board of Directors, number of the Board members and term of membership. Candidates for Board membership shall be represented by female board members (at least 20%), the Company shall disclose the reasons in case no female is nominated; and shall also disclose the rate of female representation in the Board of Directors in its Annual Governance Report.
2.The Articles of Association shall determine Executive Board members, Non-Executive Board Members and Independent Board members; provided that at least one-third of Board members shall be Independent Board Members and a majority of Board members shall be Non-Executive Board Members who shall have the technical skills and experience required to serve the interests of the Company. In all cases, when selecting Non-Executive Board members of the Company, it shall be taken into consideration that a Board member shall be able to dedicate adequate time and effort to his/her role and that such role is not in conflict with his/her other interests. The Articles of Association shall also determine the percentage of female representation on the Board of Directors in case female candidates are nominated for membership within the period allocated for nomination and fulfill the requirements of membership.
3.Nomination for Board membership shall be declared and the Company shall announce that with the invitation to the general assembly and it shall comply with the following:
a.The nomination to membership of the Board of Directors shall remain open for a period of ten days at least from the date of the announcement;
b.The names and details of the candidates shall be published on the notice board situated in the Company and on the Company's website at least two days prior to the announced general assembly meeting of the Company;
c.After conclusion of the period allocated for nomination, a candidate shall not relinquish his/her nomination to another person;
d.To provide the Authority and the Market with a list of the names of the candidates on the day following expiration of the nomination period.

Article (41)

Terms of Nomination for Board Membership

A candidate nominated for Board membership shall meet the following requirements:

a.The candidate shall have at least five-years' experience in the field of the Company which he/she is nominated for its Board membership.

b.The candidate shall not have been previously sentenced to a criminal penalty or for an offense that involves a breach of honor or integrity unless his/her character has been vindicated.

c.The candidate shall not have been subject to a judgment of discharge or dismissal from the Board of Directors of any shareholding companies listed on the financial market during the year preceding nomination.

d.The candidate's civil record issued by the Authority shall be clear of administrative penalties.

e.The candidate shall not be subject to any lawsuits, reports, or prosecution investigations concerning any offense that involves a breach of honesty and integrity.

f.The candidate shall fulfill any other terms stipulated in the Companies Law or the Company's Articles of Association.

g.The following documents shall be submitted to the Company:

1.The candidate's CV including work experience, qualifications, and the Board seat applied for (Executive, Non-Executive, Independent);

2.An undertaking to comply with the provisions of the Companies Law and the decisions issued in implementation thereof and the Company's Articles of Association, and that the candidate will exert the due care of a prudent professional person during the performance of his/her duties;

3.A statement of the names of companies and corporations which the candidate works for or serves as a member of the boards of directors therein, as well as any other works the candidate performs directly or indirectly that constitutes competition to the Company;

4.In case of the legal person's representatives, an official letter from such legal person shall be submitted, containing names of his/her nominees for Board membership.

Article (42)

Duties of the Chairman of the Board of Directors

In particular, the Chairman of the Board of Directors shall assume the following duties and responsibilities:

1.Ensures that the Board of Directors acts efficiently, fulfills its responsibilities and discusses all its issues on a timely basis.

2. Develops and approve the agenda of each Board meeting, taking into consideration any issues that Board Members propose to be included in the agenda for the meeting. The Chairman of the Board of Directors may delegate this responsibility to a certain Board Member or the Board secretary under his own supervision.
3. Encourages all Board members to fully and efficiently participate in the Board of Directors in order to ensure that the Board of Directors acts in the best interests of the Company.
4.Adopts suitable procedures to ensure efficient communication with the shareholders and the efficient communication of their views to the Board of Directors.
5.Facilitates effective participation of Board members, specifically Non-Executive Board members and develop constructive relations between Executive Board members and Non-Executive Board members.

Article (43)
Duties of the Board of Directors

The Company's Articles of Association shall determine the duties and responsibilities of the Board of Directors, and the Board of Directors shall undertake the following:
1.Taking the necessary procedures to ensure compliance with applicable laws, regulations, and resolutions, as well as the requirements of the supervisory authorities;
2.Adopting the strategic approaches and main objectives of the Company and supervising implementation thereof. This includes:
a.Setting the Company's comprehensive strategy and main work plans and reviewing thereof constantly;
b.Setting risk management strategy and reviewing thereof constantly;
c.Specifying the best capital structure for the Company, its strategies, and financial objectives and approval of annual budgets;
d.Supervising the Company's main capital expenses and ownership and disposal of assets;
e.Setting performance objectives and monitoring implementation and the overall performance of the Company;
f.Conducting periodic reviews of the Company's organizational and occupational structures and adopting these structures.
3.Taking the necessary procedures to ensure efficient internal control of the work flow in the Company, including:
a.Setting a clear policy approved by the Board of Directors to ensure efficient

internal control of the work flow in the Company;
b.Setting written and detailed regulations and procedures for internal control, which determines the duties and responsibilities in compliance with the policy approved by the Board of Directors and the general requirements and objectives stipulated in the applicable legislations, including this Decision.
4.Establishing an internal control department to follow up compliance with the applicable laws, regulations, and resolutions; requirements of the supervisory bodies; and the internal policy, regulations, and procedures set by the Board of Directors.
5.Setting written procedures to manage conflict of interests and deal with potential cases of such conflict for Board members, the Senior Executive Management, and shareholders, and setting the procedures to be taken in cases of misuse of the Company's assets and facilities or misconduct resulting from transactions with Related Parties.
6.Ensuring the soundness of administrative, financial, and accounting systems, including the systems related to preparation of financial reports.
7.Ensuring the use of appropriate regulatory systems for risk management by outlining potential risk and discussing it with transparency.
8.Setting clear and precise standards and procedures for Board membership and putting them in force subsequent to approval by the general assembly.
9.Setting a clearly defined delegation policy in the Company to determine delegated persons and the powers assigned to them.
10.Setting a policy that regulates the relationship with Stakeholders in the manner that ensures the Company's fulfillment of its obligations towards them, preserving their rights, providing them with required information, and establishing sound relations with them, and such policy shall cover the following aspects:
a.Mechanisms for indemnifying Stakeholders in the event of violation of their rights approved by laws and protected by contracts.
b.Mechanisms for settling complaints or disputes that may arise between the Company and Stakeholders.
c.Maintaining confidentiality of the information related to them.
d.The Company's policy towards the local community and environment.
11.Setting a code of conduct for the Board members, the staff, auditor, and persons assigned some of the Company's works.
12.Setting procedures to apply governance rules in the Company, review of such procedures, and assessment of compliance thereto on annual basis.
13.Establishing appropriate development programs for all members of the Board of Directors to develop and update their knowledge and skills, ensure effective involvement in the Board of Directors and ensure compliance with the requirement to implement any training or qualification programs as determined by the Authority or the Market.[13]
14.Familiarizing a newly appointed Board member with all the Company's departments and sections and providing him/her with all the information required to ensure correct understanding of the Company's activities and works and full

realization of his/her responsibilities, all that enables him/her to perform their duties duly in accordance with the applicable legislations, all other regulatory requirements, and the Company's policies in its field of business.
15.Setting procedures to prevent the insiders in the Company from using the confidential internal information to make tangible or intangible gains.
16.Setting a mechanism for receiving shareholders' complaints and proposals including their proposals to add particular issues in the general assembly's agenda in a manner that ensures studying such proposals and making the right decisions about them.
17. Adopting criteria for granting incentives, bonuses, and privileges to Board members and Senior Executive Management in a manner that serves the Company's interest and realizes its objectives.
18.Setting the Company's disclosure and transparency policy and following up its implementation in accordance with the requirements of the supervisory authorities and applicable legislations, such policy shall include the following:
a.Commitment to disclose periodic reports, Material Information, ownerships of insiders and their relatives of securities issued by the Company, Related Parties transactions with the Company, and the benefits of the Board members and Senior Executive Management.
b.Providing information to shareholders and investors precisely, clearly, and timely so as to enable them to make their decisions.
c.Using the Company's website to enhance disclosure and transparency.
19.Setting a clear policy for distribution of the Company's profits in a manner that serves the interests of both the shareholders and the Company, such policy shall be displayed to shareholders in the general assembly meeting and mentioned in the Board of Directors' report.

Article (44)
Duties of the Non-Executive Board members

The duties of Non-Executive Board members shall, in particular, include:
1.Effective participation in meetings of the Board of Directors to give an independent opinion in respect of all the issues brought before the Board of Directors, particularly the Company's strategy, general policy, and operational performance.
2.Observing the interests of the Company and its shareholders in the event of a conflict of interests.
3.Participation in the Board committees of the Company.
4.Follow-up of the Company's performance in order to achieve the agreed objectives and purposes and oversee performance reports.
5.Enabling the Board of Directors and different committees to benefit from their

skills, experiences, and various specializations and qualifications.

Article (45)
A Board Member's Loss of Independency

a.If the member or any of his/her first degree relatives is serving or has served in the senior executive management of the Company, the parent company or subsidiary company thereof during the last two years preceding the date of his nomination for the Board membership.
b. If the member or any of his/her first degree relatives has a direct or indirect interest in the contracts and projects engaged with the Company or its subsidiaries during the last two years and such deals have surpassed (5%) of the paid up capital of the Company or the amount of AED 5 million or its equivalent in a foreign currency, whichever is lower, unless the relationship is within the nature of the Company's business and without preferential conditions.
c.If the member has worked for the Company or its subsidiaries during the last two years preceding the date of his/her taking on the position of a member of the Board of Directors.
d.If the member works for or is a partner in a company that provides consulting work for the Company or any of its parent, subsidiary, sister or affiliate companies during the last two years.
e.If the member has any personal service contracts with the Company or any of its parent, subsidiary, sister or affiliate companies during the last two years.
f.If the member is directly linked to a non-profit entity that receives substantial funding from the Company or its subsidiaries.
g.If the member or a relative thereof is a partner or an employee of the Company's auditor, or if during the last two years prior to the date of his/her taking on the position of a member of the Board of Directors, the member was a partner or an employee thereof or with the auditors of the Company.
h.If the member and/or his/her minor children have a share of (10%) and more in the Company's capital.
i.The independence of a Board member is not affected solely by the cause that the Board member is an employee of the Parent Company or any of its subsidiaries if any of such companies is a government entity or the government or any of the government's subsidiaries owns at least (75%) of such companies.
[14]

Article (46)
Permanent Committees

a.The Board of Directors shall form permanent committees that shall directly be affiliated to it.

b.The Permanent Committees of the Board shall be the Nomination and Remuneration Committee and the Audit Committee. Such committees shall consist of at least three non-executive directors. At least two members of the Committee regardless of the number of its members shall be independent members, and shall be chaired by one of the independent members. The Chairman of the Board of Directors shall not be a member in any of these committees. The Board of Directors must select non-executive members in the committees which functions that may result in conflicts of interest situations such as ensuring the integrity of financial and non-financial reports and reviewing transactions made with stakeholder parties. [15]

c.Committees shall be formed according to the procedures set by the Board of Directors, such procedures shall determine the duties, term, and powers of the committee as well as the approach of the Board of Directors' control over those committees. The committee shall transparently make a report in writing to the Board of Directors, setting forth the procedures, results and, recommendations that the committee reaches. The Board of Directors shall follow up on the performance of these committees to ensure their fulfillment of the tasks commissioned to such committees.

Article (47)
The Nominations and Remunerations Committee

The Board of Directors shall form a permanent committee called the Nominations and Remunerations Committee. Such committee shall convene its meetings once annually or as required, and its duties shall be as follows:

1.Setting a policy for nomination of the Board and executive management membership with the aim of varying between the two genders in the Board and encouraging female nominees through offering privileges and training and motivational programs, and submitting a copy of such policy to the Authority and any amendments thereof;

2.Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations, as well as the provisions of this Decision;

3.Constantly verifying independence of independent Board members;

4.If the committee finds out that one of the members has lost independence, the committee shall bring the issue before the Board of Directors to inform the

member by a registered letter at his/her address registered at the Company, clarifying the reasons for the loss of independence; such member shall reply to the Board of Directors within fifteen days from the date of receiving notice thereof, and the Board of Directors shall issue a decision as to whether such member is independent or otherwise in its first meeting following reception of the Board member's reply or elapse of the period mentioned in the previous paragraph without replying;

5.Taking into consideration article (145) of the Companies Law, if the Board of Directors' decision of a member's loss of independence affects the minimum percentage of independent Board members, the Board shall appoint an independent member to replace such member in case the latter submits his/her resignation for losing independence; if such member refuses to submit his/her resignation, the Board of Directors shall bring the issue before the general assembly to issue the decision of approval of appointing another Board member or open the door for nomination to elect a new Board member;

6.Setting the policy for granting bonuses, privileges, incentives, and salaries to the Company's Board members and staff, reviewing such policy annually, and ensuring that the bonuses and privileges offered to the Senior Executive Management are reasonable and in line with the Company's performance;

7.Annual review of the skills required for Board membership and preparation of the required capabilities and qualifications for Board membership including the time a member shall need to allocate to do his/her duties as a Board member;

8.Review the Board of Directors structure and submitting recommendations regarding the changes that may be made;

9.Determining the Company's needs of qualifications at the Senior Executive Management and the staff levels and the criteria for selection thereof;

10.Setting the Company's human resources and training policy, monitoring implementation of such policy, and reviewing thereof on annual basis;

11.Any other matters determined by the Board of Directors.

Article (48)
Audit Committee

1.The Board of Directors shall form a permanent committee called the Audit Committee. All the committee members shall have knowledge in financial and accounting matters and one of them at least shall have practical experience in accounting or finance fields or shall have a university degree or professional certificate in accounting or finance or other relevant fields. One or more members may be appointed from outside the Company in case the available number of Non-Executive Board members is insufficient.

2.The committee shall convene its meetings once every three months at least or as required.

3.Any former partner at the Company's auditing office shall not be a member in the Audit Committee for the period of one year as of the date of expiry of such partnership or any financial interest which he/she is involved in the auditing office, the latest of the two dates.
4.The Company shall provide the Audit Committee with sufficient resources to perform its duties, including a permission for the committee to seek assistance of experts whenever required.

Article (49)
Duties of the Audit Committee

The Audit Committee shall undertake the following duties:
1.Review the Company's financial and accounting policies and procedures.
2.Monitoring the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly) and review thereof as part of its normal work during the year, and the committee shall particularly focus on the following:
a.Any changes in accounting policies and practices;
b.Highlighting the aspects that are subject to the management's discretion;
c.Substantial amendments resulting from auditing;
d.Supposing continuity of the Company's business;
e.Commitment to the accounting standards approved by the Authority;
f.Commitment to the listing and disclosure rules and any other legal requirements related to preparation of financial reports.
3.Coordinating with the Company's Board of Directors, Senior Executive Management, and the financial manager or the manager doing such role in the Company, for the purpose of performing its duties.
4.Considering important and unusual clauses that are or shall be mentioned in such reports and accounts, the committee shall also pay the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor.
5.Submitting a recommendation to the Board of Directors respecting selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Audit Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Audit Committee recommendations and the reasons for the Board of Directors' rejection thereof.
6.Setting and implementing the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the committee deems necessary to take procedures in relation to, and submitting the committee's recommendations concerning the steps required to be taken;
7.Ensuring the auditor's fulfillment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company's Articles of Association, and following up and monitoring his/her independence.

8.Meeting with the Company's auditor without attendance of any of the personnel of the Senior Executive Management or representative thereof, at least once annually, and discussing with the auditor the nature and scope of the auditing process and its effectiveness according to the approved auditing standards.
9.Studying all that is related to the auditor's job, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up the Company's board of Directors response thereto and provision of the facilities required for performing the auditor's job.
10.Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.
11.Review and assessment of internal control and risk management systems in the Company.
12.Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control;
13.Considering the results of primary investigations in internal control issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of director's approval of such initiative.
14.Review of the auditor's assessment of internal control procedures and ensuring coordination between the internal and external auditors.
15.Ensuring availability of the resources required for the internal control department, and reviewing and monitoring the effectiveness of such department.
16.Studying internal control reports and following up the implementation of corrective measures for the comments arising from such reports.
17.Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.
18.Monitoring the extent to which the Company complies with the code of conduct;
19.Review of Related Party transactions with the Company, managing conflict of interests , and submitting recommendations concerning such transactions to the Board of Directors before concluding the contracts.
20.Ensuring implementation of code of conduct related to the committee's duties and powers assigned to it by the Board of Directors.
21.Submitting reports and recommendations to the Board of Directors concerning the above mentioned issues as stipulated in this article.
22.Considering any other issues determined by the Board of Directors.

Article (50)
Internal Control

The Company shall apply a precise internal control system that aims to develop an assessment of the Company's means and procedures of risk management, sound application of corporate governance rules, verifying the Company and its staff comply with applicable laws, regulations, and resolutions that govern the Company's operations as well as internal procedures and policies, and review of financial statements that is presented to the Company's Senior Executive Management and used for drafting financial statements.

1.After consultation with the Senior Executive Management, the Board of Directors shall issue the internal control system and such system shall be implemented by a competent department for internal control.

2.The Board of Directors shall determine the objectives, duties, and powers of the internal control department that shall enjoy adequate independence to perform its duties and shall directly report to the Board of Directors.

3.The Board of Directors shall appoint a director for the internal control department.

4.The Board of Directors shall conduct an annual review to ensure efficiency of the internal control system in the Company and any Subsidiary Company and disclose the results to shareholders through the Corporate Governance Annual Report.

5.The annual review shall specifically cover the following elements:

a.Key control elements, including control over financial affairs, operations, and risk management.

b.Changes that have taken place since the last annual review was conducted concerning the nature and extent of major risks and the Company's ability to respond to operational changes and changes in the external environment.

c.Scope and nature of ongoing control conducted by the Board of Directors regarding risks, internal control system, and internal auditor's duties.

d.The frequency of reporting to the Board of Directors and its committees the results of control operations to enable the Board of Directors to assess the status of the internal control system in the Company and the efficiency of risk management.

e.Detected failures and shortcomings of the control system or unexpected emergencies that have materially affected or may materially affect the performance or financial status of the Company.

f.Efficiency of the Company's operations regarding financial reporting and compliance with listing and disclosure rules.

g.Verifying all transactions whether they are conducted with Related Parties or involve a conflict of interests and ensure compliance with the procedures regulating such transactions.

Article (51)
Compliance Officer

The Company shall appoint a Compliance Officer who shall oversee the Company and its employees, compliance with applicable laws, regulations and resolutions issued in implementation thereof, as well as the Company's Articles of Association and resolutions of the general assembly and Board of Directors. A person may occupy the positions of Compliance Officer and director of the Company's internal control department at the same time.

Article (52)
Corporate Governance Report

1.The Company shall submit a Corporate Governance Report signed by the Chairman of the Board in accordance with the form prepared by the Authority and made available on the website of the Authority and the Market.

2.The Company's annual Corporate Governance Report shall include the following information:

A statement of the details and reasons for any compensations and allowances paid to any member of the Board of Directors and its sub committees for the financial year;

A statement of the Company's directors and the first and second lines according to the Company's organizational structure, their positions, appointment dates, details of the salaries and bonuses each member was paid, and any compensations they received from the Company and the grounds for such compensations;

Compensations granted to the Board members and all the members of the Company's staff including bonuses and any motivational programs relative to the securities issued or guaranteed by the Company.

3.The Board of Directors shall make this report available to all the shareholders before submitting a request to the Authority for approval of conducting the annual meeting of the general assembly.

Chapter Three
General Provisions
Article (53)
Breach of the Resolution

1.In case of breach any of the provisions stipulated in this Decision, the Authority may impose any of the following penalties:

a.Addressing a written warning to the Company and/or its Board members and/or directors and/or auditors;

b.A monetary fine that shall not exceed the maximum limit stipulated in the Companies Law;
c.Referral of the breach to the Public Prosecution
2.Any breach hereof shall be subject to the provisions of the Authority's Board of Directors' Decision No. (42) of 2015 concerning the Controls and Procedures of Conciliation in Offenses Relating to Public Shareholding Companies

Article (54)
Repeal of Conflicting Provisions

Any resolution, circular, or controls in conflict with the provisions of this Decision shall be repealed.

Article (55)
Publication and Enforcement of the Decision

This Decision shall be published in the Official Gazette and shall come into effect as of the day following the date of its publication.

Eng. Sultan Bin Saeed Al-Mansouri
Chairman of the Board
Issued in Abu Dhabi, on April 28th 2016

- [1] - Regards The Chairman of Authority
- [2] - The defenation of (Derector of the company) has been amended according to Chairman of the Authority Board of Directors Decision No (3\R.M) of 2019
- [3] - The defenation (Executive Member of the Board) has been amended according Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [4] - The definition of (material information) has been amended according to Decision No. 33/R.M of 2019 and effect on 1/12/2019

- [5] - A new article with the number (3 /bis) shall be added according to the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [6] - Article (12) has been amended according the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [7] - Article (22) has been amended according the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [8] - A new clause numbered (d) shall be added to Article (23) according the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [9] - Article (24) has been amended according to the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [10] - Clause (2) of Article (30) has been amended according to the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [11] - Clause (c) of Article (32) has been amended according to the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [12] - Clause (C/ 1) of Article (35) has been amended according to Decision No. 33/R.M of 2019 and effect on 1/12/2019
- [13] - Clause (13) of Article (43) has been amended according to the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [14] - Article (45) has been amended according to the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019
- [15] - Clause (b) of Article (46) has been amended according to the Chairman of the Authority Board of Directors Decision No. (3 / R.M) of 2019