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HunaKhidma

بِكُلِّ لُغَاتِ الْعَالَمِ
تَرْجُمة مَعْتَمَدَة

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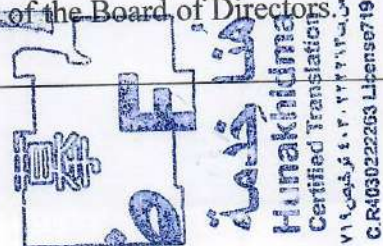
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Update of the Governance Regulations - Red Sea International Company

The Paragraph Before Amendment	The Paragraph After Amendment (Proposed Amendments in Red)
<p>Article One: Purpose These regulations aim to determine the rules by which the company is managed. The regulations also determine the rights and duties of the participants in the company, including members of the board of directors, members of the committees emanating from the board of directors, and shareholders. The regulations also determine the rules and procedures for making decisions to implement and monitor the company's work in a manner that achieves the company's strategic objectives.</p>	<p>Article One: Purpose These regulations aim to determine the rules by which the company is managed. The regulations also determine the rights and duties of the participants in the company, including members of the board of directors, members of the committees emanating from the board of directors, and shareholders. The regulations also determine the rules and procedures for making decisions to implement and monitor the company's work in a manner that achieves the company's strategic objectives.</p>
<p>Article Two: Board of Directors Formation of the Board of Directors Taking into account the provisions of the Companies Law and the relevant regulations issued by the Capital Market Authority, the company's bylaws, the Board of Directors membership policy, and the Board of Directors' work regulations, the following must be taken into account:</p> <ul style="list-style-type: none"> • The majority of the Board of Directors members must be non-executive members. • The number of independent Board members must not be less than three (3) members or one-third of the Board members, whichever is greater. • A Board member must not be a member of the Board of Directors of five joint-stock companies at the same time. • An independent Board member must be able to exercise his duties, express his opinions, and vote on decisions objectively and impartially in a manner that helps the Board of Directors make sound decisions that achieve the interests of the company and shareholders. • The Board of Directors must conduct a periodic assessment to verify the independence of the independent members of the Board of Directors. 	<p>Article Two: Board of Directors Formation of the Board of Directors Taking into account the provisions of the Companies Law and the relevant regulations issued by the Capital Market Authority, the company's bylaws, the Board of Directors membership policy, and the Board of Directors' work regulations, the following must be taken into account:</p> <ul style="list-style-type: none"> • The majority of the Board of Directors members must be non-executive members. • The number of independent Board of Directors members must not be less than two (2) members or one-third of the Board members, whichever is greater. • A Board member must not be a Board member of five joint stock companies listed in the Kingdom at the same time. • An independent Board member must be able to exercise his duties, express his opinions, and vote on decisions objectively and impartially in a manner that helps the Board of Directors make sound decisions that achieve the interests of the company and shareholders. • The Board of Directors must conduct a periodic assessment to verify the independence of the independent members of the Board of Directors. <p>Powers of the Chairman and Members of the Board of Directors</p>


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topics shall be discussed through Board of Directors or committee meetings.

Article Three: Mandatory Committees According to the Corporate Governance Regulations

Audit Committee

A committee called the Audit Committee shall be formed by a decision of the company's general assembly, in accordance with what is stipulated in the Audit Committee's work regulations, taking into account the mechanisms for forming the committee, its powers, authorities and responsibilities.

Nominations and Remunerations Committee

A committee called the Nominations and Remunerations Committee shall be formed by a decision of the Board of Directors, consisting of at least three members and a maximum of five members, including an independent board member, taking into account the mechanisms for forming the committee, its powers, authorities and responsibilities.

Article Three: Mandatory Committees According to the Corporate Governance Regulations

Audit Committee

A committee called the Audit Committee shall be formed by a decision of the company's Board of Directors in accordance with the applicable regulations and rules and as stipulated in the Audit Committee's Bylaws, taking into account the mechanisms for forming the committee, its powers, authorities, responsibilities, rules for selecting its members, their term of membership, and their remunerations.

Nominations and Remunerations Committee

A committee called the Nominations and Remunerations Committee shall be formed by a decision of the Board of Directors from outside the executive members of the Board of Directors, in accordance with the applicable regulations and rules, consisting of at least three members and a maximum of five members, including an independent board member, taking into account the mechanisms for forming the committee, its powers, authorities, responsibilities, rules for selecting its members, their term of membership, and their remunerations.

Article Four: Company Committees

Formation of Committees

The Board of Directors of the Company shall form committees emanating from the Board of Directors in accordance with the following:

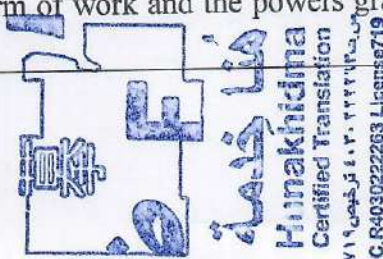
- The company's needs, circumstances and conditions that enable it to perform its duties effectively.
- The formation of committees shall be in accordance with procedures established by the Board of Directors, including specifying the mission of each committee, its term of work and the powers granted to it.

Article Four: Board of Directors Committees

Formation of Committees

The Board of Directors of the Company shall form committees emanating from the Board of Directors in accordance with the following:

- The applicable systems and regulations for listed companies
- The company's needs, circumstances and conditions that enable it to perform its duties effectively.
- The formation of committees shall be in accordance with procedures established by the Board of Directors, including specifying the mission of each



- Each committee shall be responsible for its work before the Board of Directors, without prejudice to the Board's responsibility for such work and powers.
- The number of committee members shall not be less than three members and not more than five members.
- The heads of committees or their representatives from the members must attend the general assemblies to answer shareholders' inquiries.
- The company shall notify the Capital Market Authority of the names of the committee members and their membership descriptions within the period specified by the system from the date of their appointment or any changes that occur thereto from the date of the change.

Committee Membership

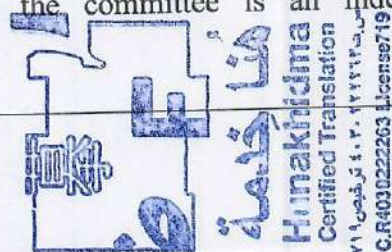
- A sufficient number of non-executive board members must be appointed to committees concerned with tasks that may result in conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing related party transactions, nomination for board membership, appointing senior executives, and determining remuneration. Members and chairmen of these committees shall adhere to the principles of honesty, loyalty, care and concern for the interests of the company and shareholders and prioritizing them over their personal interests.
- The board of directors may appoint one or more external members to any of its committees, provided that they have experience in the field, or approve external members nominated by this committee, taking into account the provisions of the Audit Committee in the Corporate Governance Regulations.
- When forming the Nominations and Remunerations Committee, the company shall ensure that its members are independent board members, and non-executive members may be used, provided that the chairman of the committee is an independent member.
- The chairman of the board of directors may not be a member of the Audit Committee, but may participate in membership of other committees,

committee, its work system, its term of work and the powers granted to it.

- Each committee shall be responsible for its work before the Board of Directors, without prejudice to the Board's responsibility for such work and powers.
- The number of committee members shall not be less than three members and not more than five members.
- The heads of committees or their representatives from the members must attend the general assemblies to answer shareholders' inquiries.
- The company shall notify the Capital Market Authority of the names of the committee members and their membership descriptions within 5 business days from the date of their appointment or any changes that occur thereto from the date of the change.

Committee Membership

- A sufficient number of non-executive board members must be appointed to committees concerned with tasks that may result in conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing related party transactions, nomination for board membership, appointing senior executives, and determining remuneration. Members and chairmen of these committees shall adhere to the principles of honesty, loyalty, care and concern for the interests of the company and shareholders and prioritizing them over their personal interests.
- The board of directors may appoint one or more external members to any of its committees, provided that they have experience in the field, or approve external members nominated by this committee, taking into account the provisions of the Audit Committee in the Corporate Governance Regulations.
- When forming the Nominations and Remuneration Committee, the company shall ensure that its members are independent board members, and non-executive members may be used, provided that the chairman of the committee is an independent member.



provided that he does not hold the position of chairman of the Nominations and Remunerations Committee.

Study of topics

- The committees shall study the topics that they are specialized in or that are referred to them by the Board of Directors and submit their recommendations to the Board of Directors to make a decision on them, or make a decision if authorized by the Board.

- The Board of Directors' committees may seek the assistance of any experts and specialists they deem necessary from within or outside the company, provided that this is included in the minutes of the committee meeting, along with the name of the invited person and his relationship with the company.

- The Board, within the limits of its jurisdiction, may authorize one or more of its members, committees, or others to carry out a specific task or tasks.

Committee meetings

- The validity of committee meetings requires the attendance of half or the majority of its members, whichever is greater, and its decisions shall be issued by a majority vote of those present. In the event of a tie, the side with which the chairman of the meeting voted shall prevail.

- No member of the Board of Directors or the Executive Management, except the Secretary of the Committee, has the right to attend its meetings unless the Committee invites him to hear his opinion or obtain his advice.

- Committee meetings must be documented, minutes must be prepared that include the deliberations that took place, the recommendations of the committees and the voting results must be documented and kept in special records, with the names of the members present and absent, and any reservations expressed by the members of the committees (if any) mentioned, and these minutes must be signed by all members present.

- The chairman of the board of directors may not be a member of the Audit Committee, but may participate in membership of other committees, provided that he does not hold the position of chairman in the committees stipulated in the Corporate Governance Regulations issued by the Capital Market Authority. (Please note that best practice is for the Board Chair not to be a member of any Board committees, although he or she is entitled to attend meetings.)

Study of topics

- The committees shall study the topics that they specialize in or that are referred to them by the Board of Directors and submit their recommendations to the Board of Directors to make a decision on them, or make a decision if authorized by the Board.

- The Board of Directors' committees may seek the assistance of any experts and specialists they deem necessary from within or outside the company within the limits of their powers, provided that this is included in the minutes of the committee meeting, stating the name of the invited person and his relationship with the company.

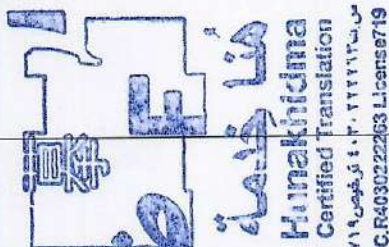
- The Board, within the limits of its jurisdiction, may authorize one or more of its members, committees, or others to carry out a specific task or tasks.

Committee meetings

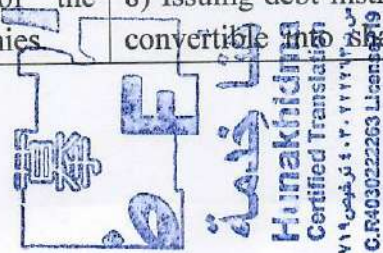
- The validity of committee meetings requires the attendance of the majority of its members, and its decisions shall be issued by a majority vote of those present. In the event of a tie, the side with which the chairman of the meeting voted shall prevail.

- No member of the Board of Directors or the Executive Management, except the Secretary of the Committee and members of the committees, has the right to attend its meetings unless the Committee invites him to hear his opinion or obtain his advice.

- Committee meetings must be documented, minutes must be prepared that include the deliberations that took place, the recommendations of the committees and the voting results must be documented and kept in special records, with the names of the members present and absent, and any reservations expressed



	by the members of the committees (if any) mentioned, and these minutes must be signed by all members present.
<p>Article Five: Rights Related to the General Assembly Meeting</p> <p>The general assemblies of shareholders shall be concerned with all matters related to the company. The general assembly convened in accordance with the regular procedures shall represent all shareholders in exercising their powers related to the company, and shall perform its role in accordance with the provisions of the Companies Law and its executive regulations and the company's articles of association.</p> <p>The powers of the extraordinary general assembly</p> <ol style="list-style-type: none"> 11) Amending the company's articles of association, with the exception of amendments that are considered void under the provisions of the Companies Law. 12) Increasing the company's capital in accordance with the conditions stipulated in the Companies Law and its executive regulations. 13) Reducing the company's capital in the event that it exceeds the company's needs or if it incurs financial losses, in accordance with the conditions stipulated in the Companies Law and its executive regulations. 14) Deciding to form a contractual reserve for the company in accordance with what is stipulated in the articles of association and allocated for a specific purpose, and disposing of it. 15) Deciding to continue the company or dissolve it before the term specified in its articles of association. 16) Approving the process of purchasing the company's shares. 17) Issuing preferred shares or approving their purchase or converting common shares into preferred shares or converting preferred shares into common shares, based on the company's articles of association and in accordance with the controls and regulatory procedures issued in implementation of the Companies Law for listed joint stock companies 	<p>Article Five: Rights Related to the General Assembly Meeting</p> <p>The general assemblies of shareholders shall be concerned with all matters related to the company. The general assembly convened in accordance with the regulatory procedures shall represent all shareholders in exercising their powers related to the company, and shall perform its role in accordance with the provisions of the Companies Law and its executive regulations, the Corporate Governance Regulations, and the company's articles of association.</p> <p>The powers of the extraordinary general assembly</p> <ol style="list-style-type: none"> 1) Amend the company's articles of association, with the exception of amendments that are considered void under the provisions of the Companies Law. 2) Increase the company's capital in accordance with the conditions stipulated in the Companies Law and its executive regulations. 3) Reduce the company's capital if it exceeds the company's needs or if it incurs financial losses, in accordance with the conditions stipulated in the Companies Law and its executive regulations. 4) Decide on the use of the reserve allocated for specific purposes in the articles of association. 5) Decide on the continuation of the company or its dissolution before the term specified in its articles of association. 6) Approve the process of purchasing the company's shares. 7) Issuing preferred shares or redeemable shares or approving their purchase or converting one type or category of the company's shares to another category, based on the company's articles of association and in accordance with the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies. 8) Issuing debt instruments or financing certificates convertible into shares, and stating the maximum



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18) Issuing debt instruments or financing instruments convertible into shares, and stating the maximum number of shares that may be issued in exchange for such instruments or instruments.

19) Allocating the shares issued upon increasing the capital or part thereof to the employees of the company and its subsidiaries or some of them, or any of them.

20) Suspending the priority right of shareholders to subscribe to increase the capital in exchange for cash shares or giving priority to non-shareholders in cases it deems appropriate for the company's interest, if stipulated in the company's articles of association.

The Extraordinary General Assembly may issue decisions falling within the powers of the Ordinary General Assembly, provided that such decisions are issued in accordance with the conditions for issuing the decisions of the Ordinary General Assembly determined by the absolute majority of the shares represented at the meeting.

Powers of the Ordinary General Assembly

Except for what is competent for the Extraordinary General Assembly, the Ordinary General Assembly shall be competent for all the affairs of the Company, especially the following:

14) Appointing and dismissing members of the Board of Directors.

15) Authorizing a member of the Board of Directors to have a direct or indirect interest in the business and contracts concluded on behalf of the Company, in accordance with the provisions of the Companies Law and its Executive Regulations.

16) Authorizing a member of the Board of Directors to participate in any business that may compete with the Company, or to compete with the Company in one of the branches of activity that it practices, in accordance with the provisions of the Companies Law and its Executive Regulations.

17) Monitoring the commitment of the members of the Board of Directors to the provisions of the Companies Law and its Executive Regulations and

number of shares that may be issued in exchange for such instruments or certificates.

9) Allocating the shares issued upon increasing the capital or part thereof to the employees of the company and its subsidiaries or some of them, or any of them.

10) Suspending the priority right of shareholders to subscribe to increase the capital in exchange for cash shares or giving priority to non-shareholders in cases it deems appropriate for the company's interest, if stipulated in the company's articles of association.

The Extraordinary General Assembly may issue decisions falling within the powers of the Ordinary General Assembly, provided that such decisions are issued in accordance with the conditions for issuing the decisions of the Ordinary General Assembly determined by the majority of the shares represented at the meeting.

Powers of the Ordinary General Assembly

Except for what is competent for the Extraordinary General Assembly, the Ordinary General Assembly shall be competent for all the affairs of the company, especially the following:

1) Electing and dismissing members of the Board of Directors.

2) Authorizing a member of the Board of Directors to have a direct or indirect interest in the business and contracts concluded on behalf of the company, in accordance with the provisions of the Companies Law and its Executive Regulations.

3) Authorizing a member of the Board of Directors to participate in any business that may compete with the company, or to compete with the company in one of the branches of activity that it practices, in accordance with the provisions of the Companies Law and its Executive Regulations.

4) Monitoring the commitment of the members of the Board of Directors to the provisions of the Companies Law and its Executive Regulations and other relevant regulations and the company's articles of association, examining any damage arising from their violation of those provisions or their mismanagement of the company's affairs,

of its convening, taking into account the regular period specified by the official authorities and the Capital Market Authority in this regard.

- Shareholders must be given the opportunity to participate effectively and vote in the general assembly meetings. General assembly meetings of shareholders may be held and the shareholder may participate in their deliberations and vote on their decisions by means of modern technology, in accordance with the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.

- The Board of Directors shall facilitate the participation of the largest number of shareholders in the general assembly meeting, including choosing the appropriate place and time.

General Assembly Agenda

- When preparing the General Assembly agenda, the Board of Directors must take into account the topics that shareholders wish to include. Shareholders who own at least (5%) of the company's shares may add one or more topics to the General Assembly agenda when preparing it.

- The Board of Directors must separate each topic included in the General Assembly agenda in a separate item, and not combine fundamentally different topics under one item, and not place the businesses and contracts in which the Board members have a direct or indirect interest under one item; for the purpose of obtaining a shareholder vote on the item as a whole.

- Shareholders must be able to obtain information related to the items on the General Assembly agenda through the company's website and the market's website – when publishing the invitation to hold the General Assembly – through the publication of the invitation to hold the General Assembly, especially the Board of Directors' report, the auditors' report, the financial statements, and the Audit Committee's report; in order to enable them to make an informed decision regarding them. The company must update

period specified by the official authorities and the Capital Market Authority in this regard, provided that the company announces this through the market's website and the company's website.

- Shareholders must be given the opportunity to actively participate and vote in the general assembly meetings. General assembly meetings of shareholders may be held and shareholders may participate in their deliberations and vote on their decisions by means of modern technology, in accordance with the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.

- The Board of Directors shall facilitate the participation of the largest number of shareholders in the general assembly meeting, including choosing the appropriate place and time.

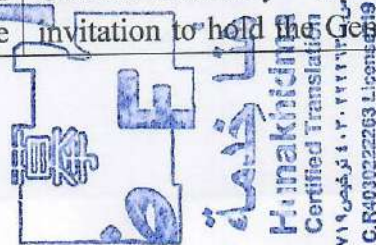
- The company shall verify that the data of shareholders wishing to attend are registered at the company's main office before the time specified for the assembly to be held, unless the articles of association provide for another means.

General Assembly Agenda

- When preparing the General Assembly agenda, the Board of Directors must take into account the topics that shareholders wish to include. Shareholders who own at least (10%) of the company's shares with voting rights may add one or more topics to the General Assembly agenda when preparing it.

- The Board of Directors must separate each topic included in the General Assembly agenda in a separate item, and not combine fundamentally different topics under one item, and not place the businesses and contracts in which any of the Board members has a direct or indirect interest under one item; for the purpose of obtaining a shareholder vote on the item as a whole.

- Shareholders must be able to obtain information related to the items on the General Assembly agenda through the company's website and the market's website – when publishing the invitation to hold the General Assembly – through the publication of the invitation to hold the General Assembly, especially



Article Ten: Enforcement

- The bylaws shall be effective from the date of their approval by the General Assembly.
- These bylaws shall be supplementary to the Company's Articles of Association, the Board of Directors' and Committees' work regulations, the Company's policies, and other related regulations.
- Anything not provided for in these bylaws shall be subject to the relevant regulations and bylaws issued by the competent authorities.

Article Ten: Enforcement

- The bylaws shall be effective from the date of their approval by the General Assembly.
- These bylaws shall be supplementary to the Company's Articles of Association, the Board of Directors' and Committees' work regulations, the Company's policies, and other related regulations.
- Anything not provided for in these bylaws shall be subject to the relevant regulations and bylaws issued by the competent authorities.

