

Governance Committee Charter

Jarir Marketing Company

2019

Article 1: Preamble, Definitions and Objectives

A) The Governance Committee charter was prepared pursuant to the provisions of article 94 and 95 of the Corporate Governance Regulation, issued by the Board of the Capital Market Authority, pursuant to Resolution No. (8-16-2017), dated 16/5/1438H corresponding to 13/2/2017G, amended by the Board of the Capital Market Authority's Resolution dated 15/09/1440H corresponding to 13/02/2017G, and also amended by the Board of the Capital Market Authority's Resolution No. (3-57-2019) dated 15/09/1440H corresponding to 20/05/2019G.

B) The following terms and expressions shall have the meaning they bear as follows, unless the context otherwise requires:

Charter: Governance Committee charter

Law: Companies' Law promulgated by Royal Decree no (M/3) of 28/1/1437H

Governance Regulation: Corporate Governance Regulation issued by the Board of the Capital Market Authority.

Company: Jarir Marketing Company.

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

Board: Jarir's Board of Directors.

Committee: Governance Committee in Jarir Marketing Company

C) The regulation aims at clarifying the controls, operating procedures and duties and responsibilities of the Committee, as well as identifying the rules of members' choice, their term of membership and their rewards.

Article 2: Composition, Term and Membership Requirements:

A) The committee is formed by a decision of the Board of Directors of three members, provided that they are not executive members of the board of directors and that at least one of them is an independent member. External experts may be appointed in the membership of the committee, whether they are shareholders or others.

B) The term of the committee is three years, subject to renewal, beginning and ending with the beginning and end of the Board's term.

C) The Board of Directors shall appoint a chairperson for the committee in its formation decision, provided that he/ she shall be an independent member.

D) In addition to the conditions imposed by the relevant regulatory controls, a member of the committee shall have the expertise and qualifications appropriate for the committee's work and duties. He/ She shall adhere to the principles of honesty, trustworthiness, loyalty, care, and concern for the interests of the company and the shareholders and give these a preference over his/ her personal interests. Additionally, he/ she shall also adhere to the regulatory requirements and the company's policies and regulations regarding conflict of interest and disclosure.

- E) The membership of a committee member expires upon the expiry of its validity period or in any of the following cases:
1. Death.
 2. Resignation.
 3. Termination of his/ her membership in the Board for the Board Members.
 4. The member's absence from attending three committee meetings per year without an excuse acceptable to the Board.
 5. Committing a gross violation of any of the relevant regulations or instructions.
 6. Loss of one or more of the membership conditions
- F) The Board of Directors may – upon termination of the membership of a committee member during the term of membership for any of the reasons indicated in the charter – appoint an alternate member in the committee.
- G) The company shall notify the Capital Market Authority of the names of the committee members and their membership characteristics upon their appointment and any changes that occur during the statutory period specified by the governance regulation.

Article 3: Committee Duties and Responsibility

- A) The committee undertakes the study of issues pertaining to it or referred to it by the Board of Directors. It submits its recommendations to the Board to take a decision, or it takes decisions if the Board delegates to it. The committee shall inform the Board of Directors of its findings or decisions it takes or recommends. The Committee shall provide the Board of Directors with reports and recommendations concluded at least once a year, according to Article 25 of Corporate Governance Regulation.
- B) The committee shall be responsible for:
1. Verifying that the company adheres to the governance rules stipulated in the Companies' Law, the Corporate Governance Regulations and other regulations issued by the Authority or by the competent authorities.
 2. Reviewing and updating the rules according to the statutory requirements and best practices.
 3. Reviewing and developing the rules of professional conduct that represents the Company's values, and other internal policies and procedures to fulfill the Company's requirements and conform to best practices.
 4. Keeping the members of the Board of Directors informed of developments in the field of Corporate Governance and best practices followed.

Article 4: Committee Meetings

- A) The committee shall hold its meetings at least once a year, and whenever the need arises.
- B) The committee shall meet upon the invitation of its chairman or the request of two of its members.

- C) The meeting invitation shall be sent to each member of the committee at least five days before the date of the meeting accompanied by the meeting agenda and the necessary documents and information, unless the situation calls for the meeting to be held in an emergency, in this case the invitation may be sent to the meeting accompanied by the meeting agenda, documents and necessary information within a period of less than five days from the date of the meeting.
- D) The committee meeting is not valid unless attended by the majority of the members.
- E) If a committee member makes a reservation or an opinion different from the committee's decision, it shall be proven in detail in the committee's meeting minutes.
- F) The committee secretary shall coordinate the committee's meeting dates on an annual basis, and shall ensure that the dates are appropriate for all members.
- G) The committee shall approve its agenda as soon as it convenes, and in the event that any member objects to this agenda, this shall be proven in the minutes of the meeting.
- H) Each member of the committee has the right to suggest adding any item to the agenda.
- I) The member who is unable to attend, may attend committee meetings or vote on decisions that are taken through modern technology and his / her attendance is considered actual attendance.
- J) The committee may invite any non-members it deems fit to attend the meeting without having the right to vote.
- K) The committee shall issue its decisions by the majority of votes of the attending members.

Article 5: The minutes of the Committee meetings

- A) The secretary of the committee is responsible for documenting the committee meetings and preparing minutes therefor, which shall include the discussions and deliberations conducted during such meetings, as well as recording the decisions of the committee and voting results and retaining them in a special and organized register; including the names of the attendees and any reservations they expressed, if any; and signing these minutes by all of the attending members.
- B) The secretary of the committee is responsible for presenting the draft minutes to the committee chairman and members within ten (10) working days from the date of the meeting to review it and provide their comments (if any) within 10 (ten) working days from the delivery date. After that, it shall be sent to the members to sign after considering the members' notes, if any.

Article 6: Committee Members' Remuneration

Without prejudice to the relevant statutory requirements and the company's Articles of Association, the remuneration of the committee members shall be in accordance with the remuneration policy for members of the Board of Directors, its committees emanating from it, and the executive management. Their remuneration

Article 7: Enforcement and Publication:

The policy and any subsequent amendments therein shall be in force from the date of being approved by the Board of Directors. Such policy and the subsequent amendments therein shall be published by the company for the shareholders and the public via its website, in accordance with any statutory requirement imposed by the regulators.