



GAS

جـاز العربـية للخدمات
GAS ARABIAN SERVICES

**CORPORATE
GOVERNANCE MANUAL**

CGM 0.0 – 2020

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Part 1: Preliminary Provisions

Introduction

The Board of Directors of GAS Arabian Services (hereinafter referred to as "GAS" or 'the Company') in its attempt to adopt a Corporate Governance Framework in line with the Corporate Governance Regulations (CGR) issued by the Capital Market Authority (CMA) of the Kingdom of Saudi Arabia, and in order to ensure it remains aligned with leading practices in terms of corporate governance, has prepared this manual as Corporate Governance Framework (the rules).

The rules in essence have been driven by the CGR framework that are applicable to a listed entity in the Kingdom of Saudi Arabia. However, the rules have also been prepared in conformity with GAS Articles of Association (GAS Bylaws) and historical practices.

Reference

The rules have been drafted in line with the provisions of the Corporate Governance Regulations issued by the CMA Board pursuant to Resolution no. 8-6-2017 dated 13/2/2017H (the "Governance Regulations") and in accordance with internationally recognized corporate governance standards. It should be viewed as complimentary to the laws and regulations in force in the Kingdom of Saudi Arabia and in particular, the following:

- The Capital Market Law promulgated by Royal Decree No. M/30 dated 2/6/1424H and implementing regulations thereof;
- The Companies' Law issued by Royal Decree M/3 dated 28/1/1437H;
- Decisions and circulars issued by the Ministry of Commerce and Investment (MOCI) and the CMA's Board.

The Board of Director may amend the rules from time to time when necessary, in accordance with the instructions and requirements of the CMA, the Company business needs and sound management requirements, in a manner consistent with the provisions of the Governance Regulations issued by the CMA Board.

Objective

GAS's Corporate Governance Rules aim to establish an effective legal framework for the Company's governance. Specifically, these rules aim to:

- Well informed Shareholders provided with an accurate and timely information to exercise their full rights.
- An effective, independent Board clearly committed to representing the interests of Shareholders.
- Establishment of Board's committees to ensure that adequately skilled and qualified members of the Board provide high quality advice to management.
- Enhance the role of the Board of Directors and the Committees, as well as develop their capabilities to enhance the decision-making mechanisms in the Company.
- Provide effective and balanced tools to deal with conflicts of interest.
- Establish the control and accountability mechanisms for the Company's employees.
- Establish the general framework for dealing with stakeholders and protecting their rights.
- Support the effectiveness of the system for overseeing the Company and the necessary tools thereof.



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المكتب الرئيسي : ص.ب ٣٤٢٢ - الدمام ٣١٤٧١ المملكة العربية السعودية

تليفون : +٩٦٦١٣٨٣٥١٥٠٠ | فاكس : +٩٦٦١٣٨٣١١٥٠٠

واصل : وحدة رقم : ٨٥٠٠ ، الدمام ٣٢٢٤١-٥١٥٠

الفروع : مكتب الجبيل : تليفون : +٩٦٦١٣٣٤٠٧٩١٩ | فاكس : +٩٦٦١٣٣٤٠١٩٢٠

مكتب ينبع : تليفون : +٩٦٦١٤٣٩٣٥١٨١ | فاكس : +٩٦٦١٤٣٩٣٥١٧٥

Article 1: Definitions

The expressions and terms in this Framework have the meanings they reflect in the Company's Bylaws and in the glossary of defined terms used in the regulations and the rules of CMA, unless otherwise stated in these regulations.

For the purposes of implementing these regulations, the following expressions and terms shall have the meaning they bear as follows, unless the contrary intention appears:

S. No.	Term	Definition
1	The Company	GAS Arabian Services, or GAS, or the Company, a Saudi Closed Joint Stock Company established under the Regulations for Companies in the Kingdom of Saudi Arabia.
2	Corporate Governance (CG) Rules	Rules to guide the Company, including mechanisms to regulate the various relationships between the Board, Senior Executives, shareholders and stakeholders by establishing special rules and procedures to facilitate decision making, transparency and credibility for the purpose of protecting shareholders' and stakeholders' rights, fairness, competitiveness and transparency in finance and the business environment.
3	The Authority (CMA)	Saudi Capital Market Authority.
4	MOCI	Ministry of Commerce and Investment (MOCI)
5	Shareholder General Assembly (GA)	GAS's Shareholders' General Assembly which is formed under the provisions of the Companies Laws and Regulations in the Kingdom of Saudi Arabia and the Company's Bylaws.
6	Major/ substantial Shareholders	Any person who owns (5%) or more of the Company shares or voting rights therein.
7	Stakeholder	Any person who has an interest in the Company, including shareholders, employees, creditors, customers, suppliers, public and private organizations and the community.
8	Board of Directors (the Board)	GAS's Board of Directors.
9	Executive Director	The Board member who is a full-time member of the Executive Management team of the Company and participates in its daily activities.
10	Non-Executive Director	The Board member who does not have a full-time management position at the Company and does not participate in its daily activities.
11	Independent Director	A non-executive Board member who enjoys complete independence in his/ her position and decisions and to which no independence rules stipulated in Article 20 of CG Regulations of CMA shall apply. He/ she shall be able to perform his/her duties, express his/her opinion and vote on decisions objectively without bias; in a manner that contributes to achieving the interests of the Company.
12	Chief Executive Officer (CEO)	Any natural person who heads the operations of GAS and represents the highest executive grade in the Company. The CEO shall include the chief executive officer, the president of the company or equivalent, or the Managing Director (if any).
13	Senior Executives	Any natural person who manages and is responsible for making and implementing the Company's strategic decisions, including the CEO and the [COO]. The CMA shall be notified of the names of Senior Executives and any changes that may occur to them in addition to their family members according to the form prepared by the CMA and within the period specified by the regulations.



14	Controlling Interest	The ability to influence the actions or decisions of another person directly, indirectly, individually or collectively with a relative or an affiliate through: (a) Owning 30% or more of the voting rights in a company, or (b) Having the right to appoint 30% or more of the members of the governing body (administrative team members).
15	Affiliate	A person who controls another person, or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
16	Relatives	<ul style="list-style-type: none"> • Father, mother, grandfather and grandmother and their ancestors; • Children and grandchildren and their descendants; • Siblings, maternal and paternal half-siblings; • Husbands and wives.
17	Remunerations/Compensations	Amounts, allowances and equivalents, periodic or annual bonuses linked to performance, long or short term incentive schemes and any other in-kind benefits except the actual reasonable expenses and fees incurred by the Company to enable the Board or Committee member to perform his/her duties.
18	Cumulative Voting	A voting method for the selection of Board members that grants each shareholder the voting power proportionate to the number of shares he holds. He shall be entitled to vote for one candidate or to divide them among his chosen candidates without repeating these votes. This method is adopted by GAS as a mechanism for electing its Board of Directors.
19	Financial Year	A calendar year commencing in January and ending on 31 December.
20	Day	Calendar day, unless otherwise indicated in this Manual.

Article 2: Amendment

The CG Framework shall not be amended without the approval of GAS's Board. In the event of any amendment, these shall be incorporated only after fulfilling the following procedures:

- Any amendments initiated or recommended by the management, their consultants or any other body or Committee assigned by the Board shall be reviewed and approved by GAS's Board, except for the policies and regulations that require to be approved by the GA, which shall be incorporated in the CG documents after being duly approved by the GA.
- Any amendments made by CMA in its CG Regulations or any other regulations issued by CMA or MOCI shall be immediately incorporated in the Framework and implicitly considered to be approved by the Board.

Article 3: Implementation of the rules

The Board shall establish corporate governance rules that do not contradict with the mandatory provisions of the Corporate Governance Regulations issued by the CMA and shall monitor the application of rules, verify their effectiveness and amend them when necessary. However, the applicability of these regulations will only be enforceable once GAS is a Listed Joint-Stock Company.

Also, the Board shall:

- Verify the Company's compliance with these rules.

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- Review and update rules in accordance with regulatory requirements and leading practices.
- Review and develop codes of professional conduct that represent the Company's values, and other internal policies and procedures to meet the needs of the Company and conform to the leading practices.
- Keep the Board informed of the developments of the corporate governance and the leading practices.

Part 2: Rights of Shareholders and enablement of exercising such rights

Chapter 1: General Rights

Article 4: Fair Treatment of Shareholders

The Company will ensure that the rights of all Shareholders are respected. Clear policies will be established and reviewed regularly so as to ensure that as a minimum, the legal rights of Shareholders are not infringed.

The Company is committed to holding General Assemblies (ordinary and extraordinary) according to the statutory requirements and the specific terms of reference as stipulated in the Company's Bylaws, the Companies Laws and the relevant regulations of the CMA.

The Company acknowledges the importance of effective communications in underpinning the relationship of trust among the Shareholders, Board and management. It also recognizes that clear disclosure guidelines are necessary and should be operating effectively to promote transparency and accuracy of all communications to all stakeholders.

Chapter 2: Rights Related to the Meeting of the General Assembly

Article 5: Competencies of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the following Competencies:

- Amending the Company's bylaws, except for amendments which are deemed null and void pursuant to the provisions of the Companies Law.
- Increasing the Company's share capital in accordance with the situations provided by the Companies Law and Its Implementing Regulations.
- Decreasing the Company's share capital if it exceeds the Company's needs or in the event the Company incurs financial losses, in accordance with the situations provided by the Companies Law and Its Implementing Regulations.
- Resolving to form a consensual reserve for the Company as provided for in its bylaws to be set aside for a specific purpose, and the disposal thereof.
- Resolving to maintain or liquidate the Company before the end of the term specified in its bylaws.
- Approving the Company's shares buy-back.
- Issuing preferred shares or approving their buying, or converting ordinary shares into preferred shares or converting preferred shares into ordinary shares as per the Company's bylaws and the Regulatory Rules and Procedures issued pursuant to the Companies Law related to Listed Joint Stock Companies.
- Issuing debt instruments or financing deeds convertible into shares and stating the maximum number of shares that may be issued against these instruments or deeds.
- Allocate Shares that are issued upon the capital increase or part of them for the employees of the Company, and its affiliates or some of them, or any of them.
- Suspending preemptive rights of shareholders in subscribing for the capital increase in exchange for cash or giving priority to non-shareholders in cases as deemed in the interest of the Company if so is provided for in the Company's bylaws.



Article 6: Competencies of the Ordinary General Assembly

Except for the competencies reserved to the Extraordinary General Assembly, the Ordinary General Assembly shall have competencies in all affairs of the Company, and particularly the following:

- Appointing and dismissing Board members.
- Permitting a Board member to have direct or indirect interest in the business and contracts that are executed for the Company's account, in compliance with the provisions of the Companies Law and its Implementing Regulations.
- Permitting a Board member to take part in any activities that may lead to competition with the Company, or competition in any of its activities, in compliance with the provisions of the Companies Law and its Implementing Regulations.
- Monitoring the compliance of the Board members with the provisions of the Companies Law and its Implementing Regulations and other relevant laws and the Company's bylaws; inspecting any damage that may occur as a result of their violation of such provisions or mismanagement of the affairs of the Company; determine the liability resulting therefrom and undertaking the procedures it deems proper in this regard pursuant to the Companies Law and its Implementing Regulations.
- Forming the audit committee pursuant to the provisions of the Companies Law and its Implementing Regulations.
- Approving the Company's financial statement.
- Approving the Board report.
- Deciding on the proposals of the Board with respect to the method of distributing the net profits.
- Appointing the external auditors of the Company, specifying their remunerations, reappointing them, replacing them and approving their reports.
- Looking into the violations and errors committed by the external auditors of the Company when performing their duties and any difficulties, reported by the Company's external auditors, regarding their empowerment by the Company's Board or Management to review the books, records and other documents, statements and clarifications required to perform their duties, and respond to that as it deems appropriate in this regard.
- Resolving to withhold from setting aside statutory reserve when it reaches an amount equal to (30%) of the Company's paid share capital, and resolving to distribute the surplus of such percentage to the Company's shareholders in financial years where the Company does not generate net profits.
- Using the Company's consensual reserve, if such has not been set aside for a specific purpose, provided that using such reserve shall be based on a proposal submitted by the Board and used in ways that benefit the Company or the shareholders.
- Forming other reserves besides the statutory reserve and consensual reserve and disposal of the same.
- Setting aside amounts from the Company's net profits to set up social organizations for the benefit of the Company's employees or to assist any such existing establishments in accordance with Article 129 of the Companies Law.
- Approving the sale of more than (50%) of the assets of the Company, whether in one or several transactions within a period of 12 months from the date of the first selling transaction. In case selling these assets includes what falls within the powers of the Extraordinary General Assembly, the approval of the said Assembly is required.



Part 3: The Board of Directors and Executive Management

Chapter 1: Charter document

Article 7: Purpose of the Charter

The Board charter outlines the composition, responsibilities, functions and guidelines for the functioning of the Board and identifies the modes of interaction with the shareholders and Executive Management of GAS.

Article 8: Composition of the Board

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

- The number of its members shall be suitable to the size and nature of the Company's activities. Currently GAS is managed by a Board of Directors consisting of six (6) members nominated by the GA using the cumulative voting method for a period of five (5) years.
- The majority of the Board members shall be of Non-Executive Directors.
- The number of Independent Directors shall not be less than two members or one-third of the Board members, whichever is greater. Currently the independent Board members are not less than one-third of the Board members (i.e., 3 out of 6).
- It is prohibited to combine the position of the Chairman of the Board with any other executive position in the Company, such as the CEO, or the General Manager.

Article 9: Appointment of the members of the Board

- The Company's bylaws shall specify the number of the Board members, provided that such number shall not be less than three and not more than eleven.
- The General Assembly (GA) shall elect the Board members for the term stated in the Company's bylaws, provided that such term shall not exceed three years with the exception of first Board term (can be upto five years). Board members may be re-elected, unless otherwise provided for in the Company's bylaws.
- A Board member shall not be a member of the Boards of Directors of more than five listed joint stock companies at the same time.

Article 10: Termination of the members of the Board

- The Bylaws of the Company shall specify the manner in which the membership of the Board terminates. At all times, the GA may dismiss all or any of the Board members even if the Bylaws provide for otherwise, without prejudice to circumstances whereby the dismissal is on an unacceptable basis or at an inappropriate time. In which case, the dismissed member is entitled to compensation.
- If a member of the Board resigns and has comments on the performance of the Company, he/she shall submit a written statement explaining such comments to the chairman of the Board and such statement shall be presented to the Board members.

Article 11: Responsibility of the Board

- The Board represents all shareholders; it shall perform its duties of care and loyalty in managing the Company's affairs and undertake all actions in the general interest of the Company and develop it and maximize its value.
- The Board is responsible for the Company's business even if it delegates some of its powers to committees, individuals or other third parties. In any case, the Board may not issue a general or an open-ended delegation.



Article 12: Main Functions of the Board

GAS's Board shall exercise the following main functions:

- a. Laying down the plans, policies, strategies and main objectives of the Company; supervising their implementation and reviewing them periodically; And, ensuring that the human and financial resources required to fulfill them are available, including:
 - 1) Setting a comprehensive strategy for the Company, key business plans and policies and mechanisms of the risk management and review and guide them.
 - 2) Determining the most appropriate capital structure for the Company, its strategies and financial objectives, and approving all kinds of estimated budgets.
 - 3) Overseeing the main capital expenditures of the Company and the acquisition or disposal of assets.
 - 4) Setting performance indicators and monitoring the implementation thereof and the overall performance of the Company.
 - 5) Reviewing and approving the organizational and human resources structures of the Company on a periodic basis.
 - 6) Ensuring that the financial and human resources required for achieving the objectives and main plans of the Company are available.
- b. Setting rules and procedures for internal control and generally overseeing them, including:
 - 1) Developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management and the shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.
 - 2) Ensuring the integrity of the financial and accounting rules, including rules relating to the preparation of financial reports.
 - 3) Reviewing the effectiveness of the Company's internal control procedures on an annual basis.
- c. Setting forth specific and explicit policies, standards and procedures for membership in the Board, without prejudice to the mandatory provisions of these Regulations, and implementing them following approval by the General Assembly.
- d. Developing a written policy that regulates the relationship with Stakeholders pursuant to the provisions of these Regulations.
- e. Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to shareholders and Stakeholders and ensuring the compliance of the Executive Management with these policies and procedures.
- f. Supervising the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.
- g. Providing recommendations to the Extraordinary General Assembly as to what it deems appropriate regarding the following:
 - 1) increasing or decreasing the share capital of the Company; and
 - 2) dissolving the Company before the end of its term as specified in its bylaws or deciding the continuity of the Company.
- h. Providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:
 - 1) using the consensual reserve of the Company, if such has been formed by the Extraordinary General Assembly and has not been allocated to a specific purpose;
 - 2) forming additional financial allocations or reserves for the Company; and
 - 3) the method of distributing the net profits of the Company.
- i. Preparing the Company's interim and annual financial statements and approving them before publishing them.

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- j. Preparing the Board report and approving it before publishing it.
- k. Ensuring the accuracy and integrity of the data and information which must be disclosed pursuant to the applicable policies and systems in respect of disclosure and transparency.
- l. Developing effective communication channels allowing shareholders to continuously and periodically review the various aspects of the Company's businesses as well as any material developments.
- m. Forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members.
- n. Specifying the types of remunerations granted to the Company's employees, such as fixed remunerations, remunerations linked to performance.
- o. Setting the values and standards that govern the work at the Company.

Article 13: Responsibilities of the Board towards Shareholders

- a. Approving shareholders' invitation to convene the ordinary and extraordinary assemblies.
- b. Ensuring that the annual report and the financial reports published and communicated to the shareholders reflect the real performance and position of GAS. Moreover, the Board shall ensure that GAS's management provides current shareholders with all information on the performance results and the most important developments in GAS.
- c. Strengthening the disclosure and transparency principle as a permanent and clear policy for the Board.
- d. Recommending the dividend policy for GA approval.
- e. Approving the shareholders' interim dividends (quarterly and semi-annually) and recommending to the GA to approve the annual profits and distribution rates as defined in the company's Bylaws.
- f. Recommending an increase or decrease in the Company's capital.
- g. Approving the Audit Committee's recommendations regarding selecting and nominating external auditors and their fees and recommending the GA to approve the nominated external auditors.
- h. Reviewing, evaluating and approving major corporate transactions including capital allocations, expenditures and capital investments.
- i. Determining the optimal capital allocation model across core businesses and investments.
- j. Authorizing and overseeing any merger and acquisition activity.

Article 14: Responsibilities of the Board towards non-executive members

Keeping the Board members – especially the non-executives – informed of the shareholders' proposals and comments on the Company and its performance through the following procedures:

- a. Presenting the shareholders' proposals and comments (if any) to the Board members at the nearest meeting or any other effective means of communication to achieve the purpose on an ongoing basis.
- b. Any other measures or arrangements taken by the Board as deemed appropriate for this purpose and not inconsistent with the regulations.
- c. Publishing these procedures in the Board's annual report.
- d. Board members including non-executive members are committed to attend the GA meetings where shareholders raise their suggestions to them during the meeting.

Article 15: Responsibilities of the Board towards the Company

- a. Setting overall strategy and investment plan, investment guidelines and parameters while consulting the relevant Committees.



- b. Reviewing activities related to organizational set-up and planning including adopting the organizational and functional design guidelines in line with GAS's policy.
- c. Defining risk profile of the Company.
- d. Setting and monitoring key performance indicators (financial/non-financial targets).
- e. Regulating, overseeing and monitoring the Executive Management's operating procedures and ensuring it performs the duties assigned to it such as:
 1. Developing the necessary administrative and financial policies.
 2. Ensuring that the Executive Management operates in accordance with the policies approved by the Board.
 3. Selecting and appointing the Chief Executive Officer of GAS and oversee his/her work.
 4. Appointing the manager of the internal audit function or the internal auditor; dismissing him and determining his remuneration (if any).
 5. Convening periodic meetings with the Executive Management to explore the work progress and any obstacles and problems in connection therewith and reviewing and discussing the important information in respect of GAS's business.
 6. Developing standards for the performance of the Executive Management consistent with the objectives, strategy and vision of GAS.
 7. Reviewing and evaluating the performance of the Executive Management.
 8. Developing succession plans for the management of GAS.

Article 16: Responsibilities of the Board towards the Chairman, CEO, and Board members

- a. Mechanism for the selection of the Chairman and Vice Chairman.
- b. The Board shall select a Chairman among its non-executive members and shall have the right to dismiss or re-select him at any time.
- c. Reviewing and approving evaluation mechanisms of the Chairman and Board members by the Nomination and Remuneration Committee (NRC).
- d. Upon the recommendation of the NRC, developing nomination and evaluation procedures and succession plans for executive positions in GAS including the CEO.
- e. Following up the CEO activities and performance in light of the NRC's recommendations.

Chapter 2: Competencies and Duties of the Chairman and the Board members

Article 17: Competencies and Duties of the Chairman of the Board

Without prejudice to the competencies of the Board, the chairman of the Board shall be responsible for leading the Board and supervising its operations and the effective performance of its duties. The competencies and duties of the chairman of the Board shall, in particular include the following:

- a. Ensuring that the Board members obtain complete, clear, accurate and non-misleading information in due course.
- b. Ensuring that the Board effectively discusses all fundamental issues in due course.
- c. Representing the Company before third parties in accordance with the Companies Law and its Implementing Regulations and the Company's bylaws.
- d. Encouraging the Board members to effectively perform their duties in order to achieve the interests of the Company.
- e. Ensuring that there are actual communication channels with shareholders and conveying their opinions to the Board.
- f. Encouraging constructive relationships and effective participation between the Board and the Executive Management on the one hand, and the Executive, Non-Executive and Independent Directors on the other hand, and creating a culture that encourages constructive criticism.
- g. Preparing agendas of the Board meetings, taking into consideration any matters raised by Board members or the external auditor and consult with the Board members and the Chief Executive Officer upon preparing the Board's agenda.

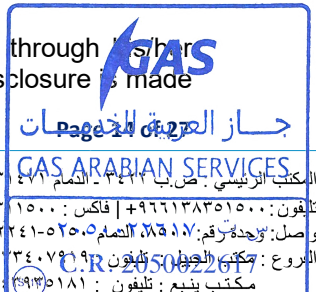


- h. Convening periodic meetings with the Non-Executive Directors without the presence of any executive officers of the Company.
- i. Notifying the GA while convening of the businesses and contracts in which any Board member has direct or indirect interest, the notification shall include the required (as prescribed in para 14 of Article 30 of CG Regulations) information provided by the member to the Board; this notification shall be accompanied by a special report of the Company's external auditor.

Article 18: Competencies and Duties of the Board Members

Each member of the Board shall, being a Board member, perform the following tasks and duties:

- a. Providing proposals to develop the strategy of the Company.
- b. Monitoring the performance of the Executive Management and the extent to which it has achieved the objectives and purposes of the Company.
- c. Reviewing reports related to the performance of the Company.
- d. Ensuring the integrity and impartiality of the financial statements and information of the Company.
- e. Ensuring that the financial control and risk management systems are sound.
- f. Determining the appropriate level of remunerations of the members of the Executive Management.
- g. Expressing opinions as to the appointment and dismissal of members of the Executive Management.
- h. Participating in developing the succession and replacement plans of executive positions within the Company.
- i. Complying fully with the provisions of the Companies Law, Capital Market Law, their implementing regulations, the relevant regulations and the bylaws when performing his/her duties as a member of the Board and abstaining from taking or participating in any action that constitute mismanagement of the Company's affairs.
- j. Attending the Board and the General Assembly meetings, and not being absent except for legitimate excuse of which the chairman of the Board shall be notified by prior notice, or for emergency reasons.
- k. Allocating sufficient time to fulfill his/her responsibilities and preparing for the Board and its committees' meetings and effectively participating therein, including raising relevant questions and carrying discussions with the Senior Executives.
- l. Studying and analyzing all information related to the matters looked into by the Board before expressing an opinion on the same.
- m. Enabling other Board members to express their opinions freely and encouraging the Board to deliberate on the subjects and obtain the views of the competent members of the Company's Executive Management and others, when necessary.
- n. Notifying the Board fully and immediately of any interest, either direct or indirect, in the businesses and contracts that are executed for the Company's account, the notification shall include the nature and extent of such interest, the names of concerned persons, and the expected benefit to be obtained directly or indirectly from interest whether financial or non-financial. the concerned member shall abstain from voting on any decisions issued in connection therewith in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
- o. Notifying the Board fully and immediately of his/her participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company, directly or indirectly, in respect of any of its activities, in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
- p. Refraining from disclosing or announcing any secrets he/she came across through his/her membership in the Board to any shareholder of the Company, unless such disclosure is made



- during the meetings of the General Assembly, or to a third party, in pursuance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
- Working based on complete information, in good faith and with the necessary care and diligence for the interest of the Company and all shareholders.
 - Recognizing his/her duties, roles and responsibilities arising from the membership.
 - Developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields.
 - Resigning from the membership of the Board if he/she is unable to fully fulfill his/her duties in the Board.

Chapter 3: Board Activities

Article 19: The Board Meetings

- The Board shall convene no less than two meetings per year.
- The Board shall meet upon the invitation of its chairman or upon a request from two of its members. The invitation to the meeting shall be sent to each of the Board members no less than five working days prior to the date of the meeting accompanied by its agenda and the necessary documents and information, unless circumstance require convening an emergency meeting, the invitation accompanied with the agenda and necessary documents and information may be sent within a period less than the five working days.
- The Board meeting shall not be valid unless attended by at least one half of its members, provided that the number of attending members is not less than three. The Board member may attend by telephone or video conference as stipulated in the company Bylaws.
- Board members shall have equal voting rights, and the resolutions of the Board shall be issued by a majority of the votes and in case of a tie, the Chairman shall have the casting vote.
- In case of urgent matters, the Board may pass resolutions by circulation, unless any member calls for a meeting of the Board in writing for purposes of deliberation. Such resolutions shall be brought before the Board at its first subsequent meeting and shall be documented in the minutes of the meeting.

Article 20: Remarks of the Board Members

- If any member of the Board has any remarks in respect of the performance of the Company or any of the matters presented and which was not resolved in the Board meeting, such remarks shall be recorded and the procedures taken or to be taken by the Board in connection therewith must be set forth in the minutes of the Board meeting.
- If a member of the Board expresses an opinion that differs from the Board resolution, such opinion must be recorded in detail in the minutes of the Board meeting.

Article 21: Minutes of Meetings

- The Board shall minute, document, categorize and maintain the discussions and deliberations, including the voting conducted, for the purposes of retention and facilitating reference as necessary. Board members shall be provided with the draft meeting minutes during ten (10) business days after the date of the convened meeting for their comments. In case no comments were received within seven (7) days, this shall be deemed an implied consent and an approval for the drafts until being approved by the Board and signed off by all attending members during the first upcoming Board meeting or by circulation, if necessary.
- If any member of the Board has any remarks in respect of the performance of GAS or any of the matters presented which were not resolved in the Board meeting, such remarks shall be recorded and the procedures taken or to be taken by the Board in connection therewith must be set forth in the minutes of the Board meeting. If a member of the Board expresses an opinion which differs from the Board resolution, such opinion shall be recorded in detail in the minutes of the Board meeting.



- c. The absence of a member from attending any meeting in which the decision is issued shall not be considered a reason for relieving him/her of responsibility unless it is proved that the absent member is not aware of the decision or is unable to object thereto after being informed of it.

Article 22: Delegation of Authority Matrix (DOA Matrix)

The powers and the responsibilities of the Chairman, the Vice-Chairman, the Board and the Executive Management including the CEO are explicitly defined in writing either in this manual or in GAS's Bylaws. In all cases, no person shall have the sole and absolute power to make decisions in the Company. The Board shall also:

- Develop and approve the internal policies related to the business of GAS, including specifying the duties, competencies and responsibilities assigned to the various organizational levels with identification of the matters which the Board reserves the right to decide on.
- Approve a detailed written policy on the powers to be delegated to the Executive Management, clarifications of these powers, implementation method and period of delegation. The Board may request the Executive Management to submit periodic reports in respect of its exercises of such delegated powers.
- Set a clear DOA that organizes the relationship between GAS and its affiliates/ stakeholders and update it on a regular basis and whenever necessary.

Article 23: Segregation of Duties

- GAS's Board shall appoint, among its members, a Chairman, Vice Chairman. The Board may appoint among its members a managing director, if need be.
- It is not permitted to combine between the position of the Chairman with any executive position, including the CEO or the General Manager.
- The Bylaws shall define the competencies and responsibilities of the Chairman and Vice Chairman.
- In all cases, no one may have the sole and absolute power over the Company's decisions, and all decisions shall be taken at the organizational level.

Article 24: Performance Evaluation

Performance Evaluation

- The Board shall develop, based on a proposal of the NRC, the mechanisms for annual performance evaluations.
- The performance evaluation shall be in writing, clear and disclosed to the parties under evaluation to ensure the effective functioning of the Board, Board members, Committees and Executive Management.
- The performance evaluation shall test against (and not be limited to) key performance indicators linked with the strategic objectives of the Company, the quality of risk management, the efficiency of the internal control systems and relevant activities. Evaluations shall also entail an assessment of the strengths and weaknesses, and the corresponding methods to address weaknesses.
- The individual assessment of Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, and overall contribution to GAS including focusing on areas in which the Board or management believes that the Board could improve its effectiveness, including attending the Board and its Committee meetings and dedicating adequate time thereof.



- e. The Board shall ensure that non-executive members carry out periodic assessments of the performance of the Chairman taking into consideration the executive members without the presence of the Chairman.
- f. The Board annual report shall contain the results of the performance evaluations of the Board, its members, Committees and Executive Management.

Article 25: The Secretary of the Board

- a. The Board shall appoint a secretary among its members or a third party, whose competencies and remunerations shall be specified by a Board resolution, unless the Company's bylaws include provisions in connection therewith, provided that such powers shall include:
 - 1) Documenting the Board meetings and preparing minutes therefor, which shall include the discussions and deliberations carried during such meetings, as well as the place, date, times on which such meetings commenced and concluded; and recording the decisions of the Board and voting results and retaining them in a special and organized register, and including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by all of the attending members.
 - 2) Retaining the reports submitted to the Board and the reports prepared by it.
 - 3) Providing the Board members with the agenda of the Board meeting and related worksheets, documents and information and any additional information, related to the topics included in the agenda items, requested by any Board member.
 - 4) Ensuring that the Board members comply with the procedures approved by the Board.
 - 5) Notifying the Board members of the dates of the Board's meetings within sufficient time prior to the date specified for the meeting.
 - 6) Presenting the draft minutes to the Board members to provide their opinions on them before signing the same.
 - 7) Ensuring that the Board members receive, fully and promptly, a copy the minutes of the Board's meetings as well as the information and documents related to the Company.
 - 8) Coordinating among the Board members.
 - 9) Providing assistance and advice to the Board members.
- b. The Secretary of the Board may not be dismissed except pursuant to a decision of the Board.

Chapter 4: Training, Support and Assessment

Article 26: Training

The Company shall pay adequate attention to the training and preparation of the Board members and the Executive Management, and shall develop the necessary programs required for the same, taking the following into account:

- a. preparing programs for the recently appointed Board members and Executive Management to familiarize them with the progress of the Company's business and activities, particularly the following:
 - 1) the strategy and objectives of the Company;
 - 2) the financial and operational aspects of the Company's activities;
 - 3) the obligations of the Board members and their duties, responsibilities and rights;
 - 4) the duties and competencies of the committees of the Board.
- b. developing the necessary mechanisms for Board members and the Executive Management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.



Article 27: Providing Members with Information

The Executive Management of the Company shall provide the Board members, the Non-Executive Directors in particular, and the committees of the Company with all of the necessary information, details, documents and records, provided that they shall be complete, clear, correct and non-misleading, in due course to enable them to perform their duties and obligations.

Chapter 5: Conflicts of Interest**Article 28: Dealing with Conflicts of Interest and Related Parties Transactions**

Without prejudice to the provisions of the Companies Law and its Implementing Regulations, conflicts of interest situations and Related Parties transactions shall be dealt with in accordance with the provisions of this Chapter.

Article 29: Conflicts of Interest Policy

The Board shall develop an explicit and written policy to deal with actual and potential conflicts of interest situations which may affect the performance of Board members, the Executive Management or any other employees of the Company when dealing with the Company or other Stakeholders. This policy shall include the following in particular:

- Informing Board members, Substantial Shareholders, Senior Executives and other employees of the Company of the importance of avoiding situations that may lead to a conflict between their interests and the interests of the Company, and dealing with them in accordance with the provisions of the Companies Law and its Implementing Regulations.
- Providing examples of conflicts of interest situations that are relevant to the nature of the Company's activity.
- Clear procedures for disclosing conflicts of interest in the activities that may lead to such conflicts and obtaining authorization or the requisite approval.
- The obligation to constantly disclose situations that may lead to conflicts of interest or upon the occurrence of such conflicts.
- The obligation to abstain from voting or taking part in decision making when there is conflicts of interest.
- Clear procedures when the Company contracts or enters into a transaction with a Related Party, this shall include notifying the Authority and the public without any delay of that contract or transaction if it equals to or exceeds 1% of the Company's total revenues according to the last annual audited financial statements.
- Procedures to be taken by the Board when discovering that such policy is violated.

Article 30: Avoiding Conflicts of Interest

- A member of the Board shall:
 - Perform his/her duties with honesty and integrity and prioritize the interests of the Company over his/her own interest, and not use his/her position to achieve personal interests.
 - Avoid situations of conflicts of interest and notify the Board of situations of conflict which may affect his/her neutrality when looking into matters presented before the Board. The Board shall not allow such member to be involved in deliberations and shall not count his/her vote when voting on such matters in the Board and the Shareholders Assemblies meetings.
 - Protect the confidentiality of the information related to the Company and its activities, and not disclose any of such information to any person.
- Each Board member is prohibited from:



- 1) Voting on a decision taken by the Board or the General Assembly with respect to transactions and contracts that are executed for the Company's account, if he/she has a direct or indirect interest therein.
- 2) Misusing or benefitting, directly or indirectly, from any of the Company's assets, information or investment opportunities presented to the Company or to him in his/her capacity as a member of the Board. This includes investment opportunities which are within the activities of the Company, or which the Company wishes to make use of. Such prohibition shall extend to Board member who resigns to, directly or indirectly, use investment opportunities that the Company wishes to use, which came to his/her knowledge during his/her membership in the Board.

Article 31: Disclosure of Conflicts of Interest by the Nominee

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

- a. having direct or indirect interest in the contracts and businesses entered into for the benefit of the Company in which he/she desires to be nominated to the Board.
- b. engaging in business that may compete with the Company or any of its activities.

Part 4: Company Committees

Article 32: About the Committees

GAS has following Committees namely:

- a. Audit Committee
- b. Nominations and Remuneration Committee (NRC)

In addition to the Board Committees, Management Committees may also be established to support the decision making process regarding the day-to-day management and conduct of the Company's business. For example: Company Image Committee.

Article 33: Committees' Membership

- a. Committee members shall be appointed by GAS's Board based on the recommendation of the Nomination and Remuneration Committee (NRC) for the term, starting and ending with GAS's Board office tenure. The number of members of each Committee shall not be less than three or more than five. Committee members shall possess the experience and qualifications related to each respective Committee function and mandate. GAS Board has the right to dismiss all or any of the Committee members at any time as it deems appropriate for the achievement of the Committee's objectives except for the members of the Audit Committee whose appointment and dismissal is determined by the GA.
- b. Any Committee whose duties are likely to produce situations involving a conflict of interest shall be comprised of a sufficient number of non-executive directors.
- c. Each Committee has the right to form a team from within itself for any reason it deems appropriate to achieve its goals, and it has the right to delegate to the team some of its authorities as deemed necessary provided that such a team is comprised of not less than two (2) members.
- d. The Chairman of each respective Committee shall be appointed by GAS's Board or, if no such designation is made, shall be selected by the majority vote of the Committee.
- e. Each Committee member is entitled to resign provided that the timing of the member's resignation is appropriate and accepted by the Board.
- f. In the event of vacancy in any Committee, the Board – upon the recommendation of the NRC – shall appoint a member in the vacant position to complete the period of his predecessor until



the end of the tenure. As for the Audit Committee, the decision of appointment shall be presented to the nearest GA for approval.

Article 34: Committees Meetings

- No member of the Board or the Executive Management except the secretary or a member of the committee may attend the meetings of a committee unless such committee requests his/her opinion or advice.
- Committee meetings are valid if attended by a majority of its members. Resolutions of the committees shall be issued by a majority of the votes present and, in case of a tie, the chairman of the relevant committee shall have the casting vote.
- Each Committee shall hold two prescheduled meetings during the year, and extraordinary meetings may be held as and when required.

Article 35: Committee Secretary

Each Committee shall select its secretary, from among its members or the Company's employees, without having the right to vote on the Committee decisions (in case the secretary is not a Committee member) and shall be responsible for organizing the Committee meetings and activities, developing and documenting their minutes, following up on the implementation of their recommendations, directions and decisions, facilitating the communication process between their members, and providing administrative and logistical support. Each Committee shall set the remuneration and payment method of its respective secretary according to the relative GAS policies.

Article 36: Reporting

The Chairman of each respective Committee shall provide periodic report to GAS's Board about the performance and main achievements of the Committee. Each respective Committee shall prepare and publish an annual Committee report to the extent required under applicable laws and regulations. Each respective Committee shall report regularly to the Board on its activities and major decisions and recommendations. The report to the Board may take the form of an oral or written report by the Chairman or any other member of the Committee designated by the Committee to make such a report.

Article 37: Charter

Each Committee has its own charter, which includes its duties, responsibilities, follow-up mechanisms, and the reward methods, and shall not be amended except upon the approval of GA for the Audit Committee and NRC.

Part 5: Conflict of Interest and Addressing of Potential Conflict of Interest Cases

Article 38: Purpose

The purpose of this policy is to outline the policies and procedures that shall regulate and prohibit conflicts of interest for shareholders, the Board, Committees, Senior Executives, employees, auditors and consultants and other stakeholders as appropriate (collectively referred to as the "Concerned Persons"). This policy also aims to help "Concerned Persons" to appropriately manage conflicts of interest in accordance with legal requirements and the goals of accountability and transparency in GAS's operations.

Article 39: General Overview

Conflicts of Interest arise in organizations where a person's private interests interfere in any way with the overall interests of the organization.



GAS acknowledges and respects the fact that its "Concerned Persons" have their own individual interests and have the right to engage in various activities provided that the activities do not in any possible way lead to a situation that conflict with the overall interests of GAS. Furthermore, conflicts of interests may arise or be determined by the following examples:

- When any concerned person exploits his/her position, information, or business opportunities acquired during work for his/her benefit or the benefit of third parties;
- When a "Concerned Person" (i.e. Board member) makes a purchasing or business choice to boost a business that he/she has stake in;
- When an employee or his/her relatives performs any type of work for suppliers, sub-suppliers and competitors;
- When a "Concerned Person" takes actions or has interests that may make it difficult to perform his or her work for GAS objectively and effectively;
- When a "Concerned Person" (i.e. Board member) accepts fees for providing consultations to another company that is in direct competition with GAS due to the main nature of the business;
- Mediating for the employment of relatives and friends at GAS or recommending them. If a relative applies for a job, the concerned persons shall not mediate, and act in accordance with the procedures and policies determined by the Company without any direct or indirect impact or interference.

Article 40: Application

This policy applies to the following stakeholders:

- Major shareholders who own 5% or more of the Company's capital;
- Members of the Board Audit Committee, and other Board's Committees;
- Senior Executives and employees;
- External auditors and Company's advisors; and
- Other stakeholders as appropriate



Article 41: Conflict of Interest Associated with Major Shareholders

- All transactions and contracts undergone with major shareholders and their relatives who own directly or indirectly 5% and more of the Company's shares abide by the same conditions applied to dealing with third parties.
- All transactions undergone with major shareholders and their relatives who own directly or indirectly 5% and more of the Company's shares, the disclosure shall be made as per regulations.

Article 42: Conflict of Interest Associated with the Board

- A Board member shall not, without an authorization of the GA in accordance with the procedures approved by the competent authority has any interest (whether direct or indirect) in the Company's activities and contracts.
- A Board member shall notify the Board about any personal interest he/she may have in the activities and contracts that are undergone for the Company's account. Such notification shall be included in the minutes of the meeting. A Board member who has an interest shall not be entitled to vote on the resolution to be adopted in this regard.
- The Chairman shall notify the GA, when convened, about the activities and contracts in which a Board member may have a personal interest, after the Board assesses the board member's competition with the company's business or if he/she is in competition with one of the branch activities that it conducts in accordance with the procedures approved by the Board, provided that such businesses are assessed on annual basis, and shall attach to this notification a special report from GAS's external auditor.
- A Board member shall not, without an authorization of the GA in accordance with the procedures approved by the competent authority, participate in any activity which may likely compete with GAS's activities, or trade in any branch of the activities carried out by GAS.



- e. The Board shall take into account the requirements of independency and the cases of conflicts of interest, according to the regulations issued by the CMA, when appointing financial and legal advisors and auditors.
- f. The following shall be considered as participating to any business that may compete with GAS or any of its activities:
 - a. A Board member establishing a company or his/her ownership includes a controlling percentage of shares or stakes in a company which engages in business activities that are similar to that of GAS;
 - b. Accepting membership in the Board of a company that competes with GAS; and
 - c. The Board member acts either in an obvious or secretive manner towards a commercial agent for the benefit of another company that competes with GAS.

Article 43: Conflicts of Interest Associated with Executive Management and Employees

The Board shall be notified of any external activities performed by an Executive Management team; the Board shall approve such activities and the disclosure shall be made as per regulations. Any Senior Executive/employee who wishes to do so, shall present the matter to the CEO for review, evaluate it and provide recommendation to be submitted to the Board for a decision.

Article 44: Conflicts of Interest Associated with other Stakeholders

All transactions and contracts undergone with suppliers and the other clients of the Company shall be subject to the same conditions applied to third parties in terms of evaluation, equitable execution, disclosure and required reporting.

Article 45: Confidentiality

- a. Protect the confidentiality of the information related to the Company and its activities, and not to disclose any of such information to any person.
- b. In other than the meetings of the ordinary general assembly, the members of the Board of directors may not disclose the company's confidential information that may have become known to them, nor may they use any information known to them by reason of their position as members with a view toward achieving any benefit for themselves or for their relatives or third parties. Otherwise, they shall be dismissed and compensation must be claimed from them.

Article 46: Disclosure of Conflicts of Interest

All Board members and employees shall be committed to immediately disclose and notify about their following personal interests:

- a. Interests regarding investment or ownership in a commercial activity or a facility having interests, benefiting from the Company.
- b. Any interest with a customer, client or any other facility which receives a service or benefits from the Company.
- c. A commercial activity, client or any other facility which is in a position to benefit from any procedures performed by a Board member or employee.
- d. Direct or indirect interests to any member of the Board, Senior Executives, direct relatives, or submitting a denying proof.
- e. Summary of current and proposed contracts to members of the Board, the CEO, and Senior Executives.
- f. Full details of any contract or arrangement in which the CEO, the CFO, Board members or any relative has substantial interest and is important for the Company's activities or submitting a denying proof.

A person who desires to nominate himself/herself for the membership of the Board shall disclose to the Board or the GA any cases of conflict of interest, including having a direct or indirect interest.



in the contract and businesses entered into for the benefit of the Company in which he/she desires to be nominated to the Board; and engaging in a business that may compete with the Company or any of its activities.

Part 6: Internal Control

Article 47: Internal Control System

The Board approves an internal control system for the Company in order to assess the policies and procedures relating to risk management, implementation of the provisions of the Company's governance rules approved by the Company and compliance with the relevant laws and regulations. Such system shall ensure compliance with clear accountability standards at all executive levels in the Company, and that Related Party transactions are implemented in accordance with the relevant provisions and controls.

Article 48: Establishing Independent Department within the Company

- For purposes of implementing the approved internal control system, the Company shall establish department for the assessment and management of risks and for internal auditing.
- The Company may utilize external entities to perform the duties and competencies of the department of risks assessments and management and internal control without prejudice to the Company's responsibility for those duties and competencies.

Article 49: Duties of the Internal Audit Department

The internal audit department shall assess and supervise the internal control system and verifies the extent to which the Company and its employees comply with applicable regulations and instructions and the Company's policies and procedures. The internal audit department shall consist of at least one internal auditor who shall be recommended by the Audit Committee and reporting to it. In composition and operation of the internal audit department, the following shall be considered:

- The staff shall be competent, independent and adequately training, and shall not be charged with any other work other than internal audit and internal control;
- The department shall report to and be associated with the Audit Committee;
- The remuneration of the Manager of the Audit Department shall be determined on the proposal of the Audit Committee in accordance with the Company's policies; and
- The Department shall have access to the information and document without restriction.

Article 50: Internal Audit Plan

The internal audit department shall operate pursuant to a comprehensive audit plan approved by the audit committee. Such plan shall be updated annually. Key activities and operations, including the activities of risk management and compliance, shall be reviewed at least annually.

Article 51: Internal Audit Report

- The internal audit department shall prepare and submit a written report on its activities at least quarterly to the Board and the audit committee. Such report shall include an assessment of the Company's internal control system and the final opinion and recommendations of the department. Such report shall also specify the procedures taken by each department for addressing the findings and recommendations from the previous audit, and any remarks thereon, particularly failures to promptly address such findings and recommendations and the reasons for such failure;
- The internal audit department shall prepare a general written report to be submitted to the Board and the audit committee on the audit activities it carried during the fiscal year compared to the



approved plan. Such report shall explain the reasons for any deviation from the plan, if any, during the quarter following the end of the relevant financial year;

- c. The Board shall specify the scope of the report of the internal audit department, based on recommendations from the audit committee and the internal audit department. The report shall include the following in particular:
- 1) procedures for monitoring and overseeing the financial affairs, investments and risk management;
 - 2) assessing the development of risk factors threatening the Company and the existing systems in order to confront radical or unexpected changes in the exchange;
 - 3) an assessment of the performance of the Board and the Senior Management with respect to the implementation of internal control systems, including specifying the number of times the Board has been informed of control issues (including risk management) and a description of the method followed to address such issues;
 - 4) failures or weaknesses in the implementation of internal control, or emergency situations that have affected or may affect the Company's financial performance and the measures taken by the Company to address such failures (particularly the issues disclosed in the Company's annual reports and its financial statements);
 - 5) the extent to which the Company has complied with the internal controls when determining and managing risks; and
 - 6) information describing the Company's risk management operations.

Article 52: Maintaining Internal Audit Reports

The Company shall keep records of the audit reports and business documents, which shall clarify its accomplishments, findings and recommendations, and all actions taken in their regard.

Part 7: The Company's External Auditor

Article 53: Assigning the Audit Function

The Company shall assign the function of auditing its annual accounts to an independent and competent external auditor who possesses the necessary expertise and qualifications to prepare an objective and independent report to the Board and the shareholders, setting out whether the Company's financial statements clearly and impartially express the financial position of the Company and its performance in the significant areas.

Article 54: Appointment of the External Auditor

The Ordinary General Assembly shall appoint the Company's external auditor based on a recommendation from the Board, provided that the following requirements are met:

- a. the nomination shall be based on a recommendation from the audit committee;
- b. the external auditor shall be authorized by the Competent Authority;
- c. the external auditor's interests shall not conflict with the interests of the Company;
- d. the number of nominees shall not be less than two.

Article 55: Duties of the External Auditor

The external auditor shall:

- a. owe the duties of loyalty and care to the Company;
- b. notify the Authority if the Board fails to take appropriate actions in respect of suspicious issues it raises; and
- c. request the Board to call for a General Assembly meeting if the Board has not facilitated his mission; and shall be liable to compensate the Company, the shareholders or third parties for



the damages resulted from errors it commits in the course of its engagement. If an error is attributable to more than one external auditor, they shall be jointly responsible therefor.

Part 8: Professional and Ethical Standards

Article 56: Professional Conduct Policy

The Board shall establish a policy of professional conduct and ethical values in the Company, taking into account the requirements of Article (86) of the CG Regulations issued by the CMA.

Article 57: Social Responsibility

In light of GAS's keenness to contribute to the development of the community in which it operates, the Board sets out the programs and necessary means to launch the company's social responsibility initiatives, including the formation of a Corporate Social Committee and approval of its charter and duties to oversee the institutional plans, programs and initiatives of social responsibility and to determine the necessary budgets for this in a manner consistent with the provisions of Articles 87 and 88 of the CG Regulations issued by the CMA. The broad responsibilities of such committee will be to:

- Develop measurement indicators that link the performance of the Company to its initiatives in social work;
- Disclose the objectives of the social responsibility adopted by the Company to its employees, raise their awareness thereon and educate them;
- Disclose social responsibility plans in periodic reports related to the Company's activities;
- Oversee all corporate social responsibility activities and issues including health and safety, environmental issues, and employee rights;
- Oversee vital programs and activities aimed at strengthening GAS's community relations and developing community awareness programs to promote corporate social responsibility;
- Review and approve charitable contributions related to social responsibility work;
- Provide the Board with appropriate recommendations regarding the duties overseen by the Committee and oversee and follow up any other major social responsibility activities;
- Supervise and review the preparation of performance reports of social responsibility;
- Assume any other responsibilities and duties assigned to it by the Board within the purposes and scope of the Committee's work.

Part 9: Disclosure and Transparency

Article 58: Purpose

The purpose of this disclosure and transparency policy is to ensure that GAS guarantees timely and accurate disclosure on all material matters, including the financial situation, performance, governance, reporting of rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.

Article 59: Disclosure of financial information

The interim and annual financial statements of GAS must be approved by the Board members and signed by a member authorized by the Board, CEO and CFO prior to their issuance and circulation to shareholders and other stakeholders.

Article 60: The Audit Committee's Report

- The report of the audit shall include details of its performance of its competences and duties stated in the Companies Law and Its Implementing Regulations, provided that the report



contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company.

- b. The Board shall make available sufficient copies of the audit committees' report at the Company's head office and publish them on the Company's websites when publishing the invitation to convene the General Assembly, to enable shareholders to get a copy thereof. Summary of the report shall be read at the General Assembly.

Article 61: Disclosure by the Board

The Board shall regulate the disclosures of each of its members and the members of the Executive Management, observing the following:

- a. maintaining a register for the disclosures of the Board members and the Executive Management and updating it regularly based on disclosures required as per the Companies Law, the Capital Market Law and their implementing regulations; and
b. making such register available for review by the Company's shareholders free of charge.

Article 62: Disclosure Regarding CG

GAS shall disclose CG policies and procedures through disclosure of the followings in its website or other means of communication as per company policy:

- a. Company's Bylaws;
b. CG Manual and other relevant documents;
c. Annual Board Report;
d. Interim financial statements (quarterly) and annual financial statements;
e. Audit Committee Annual Report;
f. Minutes and deliberations of GA; and
g. Any other reports or documents that the company sees that it will enhance the disclosure and transparency process in a manner consistent with the laws and regulations.

Article 63: Disclosure limitations

Board members may not disclose, in any place other than the GA meetings, the company's confidential information and may not benefit for themselves or for their relatives or third parties. Failure to do so would cause dismissal and compensation shall be claimed from them.

Part 10: Retaining of Documents

Article 64: Retaining of Documents

GAS shall retain all minutes, documents, reports and other papers required to be maintained in the company's head office for at least ten years as per these Regulations. This shall include the Board report and audit committee report. Without prejudice to this period, GAS, in case of any lawsuit (filed or threatened to be filed) or ongoing claim or any investigation relating to those minutes, documents, reports and other papers, shall maintain them until the end of the ongoing lawsuit, claim or investigation.

Part 11: Closing Provision

Article 65: Approval and Entry into Force

This CG Manual shall be implemented and complied with by GAS upon approval of the Board.

This CG Manual is approved by the Board of Directors during the Board Meeting held on 3/12/2020

Abdulrahman K. Al Dabal

Chairman of the Board

Khalid Jamal K. Al Dabal

Board Secretary

