



Americana Restaurants International PLC

Standards and Procedures for Board Membership Policy

Version 1.0

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| Version | Date | Prepared By | Reviewed By | Approved By | Summary of Changes |
|---------|------------|-------------|-------------|--------------------|--------------------|
| 1.0 | 25/07/2022 | Saqib Awan | Legal | Board of Directors | |
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| Custodian: | Head of Legal |
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1. Introduction

- 1.1. The Standards and procedures for the membership of the Board of Americana Restaurants International PLC and its subsidiaries (collectively called as the “Company” or “Americana Restaurants” hereafter) have been prepared to comply with item (3) of Article (22) of the Corporate Governance (CG) Regulations issued by the Capital Market Authority (CMA) Board pursuant to resolution No. (8-16-2017) dated 13/2/2017, which stipulated that the board shall “*set 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*”; the CG Regulations issued by the Securities and Commodities Authority (SCA) pursuant to Board Chairman’s Decision No. (3/Chairman) of 2020 concerning approval of Joint Stock Companies Governance Guide and the Companies Regulations 2020 (referred to as “ADGM Companies Law”).

2. Policies and Standards of The Company’s Board Membership

- 2.1. The Board shall have the appropriate balance of skills, experience, independence, and knowledge of the Company’s business to enable them to discharge their respective duties and responsibilities effectively. The General Assembly (GA) shall consider, when electing members to the board, the recommendations of the Nomination and Remuneration Committee (NRC) and the availability of the personal and professional capabilities required to perform their duties effectively. Following would be the key principles of Board Membership:
- i. The Board should have a minimum of 3 and maximum of 11 members, which shall comprise of at least 1 woman member and where this is not achieved, the Company must disclose the reasons for the same;
 - ii. Majority of the Board Members shall be Non-Executive Directors and at least two members or one-third of the Board Members (whichever is greater) must be Independent Directors. *For the avoidance of doubt, the term “Non-Executive Director” refers to member of the Board who is not a full-time member of the management team of the Company and does not participate in the daily operations; and the term “Independent Director” refers to a member that has no relationship with the Company, any of its Senior Executive Management persons or its auditor, parent company, subsidiaries, sister company, or affiliate company in a manner that may lead to financial or moral benefit that may affect its decisions;*
 - iii. The nominee shall not have been previously convicted of a crime involving moral turpitude, dishonesty, money laundering or terror financing, or declared bankrupt or insolvent, or deemed unfit for the board membership in accordance with any applicable law or instructions;
 - iv. The nominee shall not be a member of the board of more than five listed joint stock companies in the Kingdom of Saudi Arabia, at the same time;
 - v. The Board Chairman should be an independent director and not hold any executive position in the Company;
 - vi. The board member shall represent all shareholders and shall abide by what meets the interests of the company in general and not what serves the interests of the group he represents or the group that voted in favor of his/her appointment as a board member;
 - vii. The Board Member shall have the following qualities in particular:
 - a. **Ability to lead:** The member shall enjoy leadership skills, which enable him/her to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values as well as being able to communicate effectively, plan and think strategically;

- b. **Competency:** The member shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law, or governance, as well as the desire to learn and receive training. Diversity of qualification and practical experience shall be taken into consideration, and priority shall be given to nominees with the appropriate skills for the board of directors. The nominee should have at least five-year experience in the field of the Company where he/she is nominated for its Board membership;
 - c. **Ability to guide:** The member shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements and developments related to the job. He/she shall also be able to provide strategic guidance and long-term planning and have a clear future vision;
 - d. **Financial knowledge:** The member shall have the ability to read and understand financial statements and reports;
 - e. **Physical fitness:** The member shall not suffer from any health issue that may hinder him/her from performing his/her duties and responsibilities;
- viii. Each member of the board shall comply with the principles of truthfulness, honesty, loyalty, and care of the interests of the Company and its shareholders and prioritize their interests over his/her personal interests. This shall include, in particular, the following:
 - a. **Truthfulness:** is achieved when the relationship between the board member and the Company is an honest professional relationship, and he/she discloses to the Company any significant information, including the disclosure of all interests and relationships that may affect his/ her duty as a board member and the change of interests (if any), before entering into any transaction or contract with the Company or any of its affiliates;
 - b. **Loyalty:** is achieved when the board member avoids transactions that may entail conflicts of interest and ensures fairness of dealing, in compliance with the provisions relating to conflicts of interest in these Regulations;
 - c. **Care:** is achieved by performing the duties and responsibilities set forth in the Abu Dhabi Global Market (ADGM) Corporate Law (referred to as “Companies Law”), the SCA and CMA CG Regulations and the Company’s bylaws and other relevant laws;
- ix. The nominee shall be a natural person of at least 25 years of age, whether he/she applies in his/her personal capacity or as a representative of a legal personality;
- x. A member of the board shall resign before the end of his/her office term, if he/she lost his/her eligibility to serve as a member, or if he/she lost his/her ability to perform responsibilities or couldn’t allocate the time or effort required to perform his/her role and responsibilities in the board. Also, in the event of conflict of interest, the member has the option either to obtain the approval of the General Assembly (the approval must be renewed every year) or to submit his/her resignation;
- xi. The candidate shall not have been previously sentenced to a criminal penalty or for an offense that involves a breach of honor or integrity unless he/she is rehabilitated;
- xii. The candidate shall not have been subject to a judgment of discharge or dismissal from the Board of any joint stock companies listed in the financial market during the year preceding nomination;
- xiii. The candidate professional record issued by the CMA and SCA shall be clear of administrative penalties;
- xiv. The candidate shall not be subject to any lawsuits, reports, or prosecution investigations concerning any offense that involves a breach of honesty and integrity; and

- xv. The Board Member shall ensure that the Company's assets and resources are only used to achieve the Company's purposes and objectives, and not to achieve personal interests.

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

3. Nominate Right Procedures of The Company Board Membership

- 3.1. Each shareholder shall have the right to nominate himself/ herself or other person(s) for membership to the board of directors, to the extent of his shareholding in the capital.
- 3.2. The NRC shall coordinate with the executive management of the company to announce the opening of the nomination for the company board membership at least 60 days prior to the end of the Board's office term in accordance with applicable laws and regulations. The number of nominees to the Board whose names are presented to the General Assembly shall be more than the number of available seats to give a chance to the General Assembly to select the Board members among those nominees.
- 3.3. The Company shall publish the nomination announcement on the websites of the Company and the Exchange, and through any other medium specified by the Authority; to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period shall remain open for at least a month from the date of the announcement.
- 3.4. The names and details of the candidates shall be published on the notice board of the Company, on the Company and the relevant Exchange's website at least two days prior to the announced General Assembly meeting of the Company; After closing the nomination, a candidate shall not relinquish his/her nomination to another person; and the Authority and Market shall be provided with a list of candidates' names in a day following the nomination closing.
- 3.5. The NRC shall submit its recommendation to the board of directors on nomination for the board membership in accordance with the standards mentioned in this policy.
- 3.6. Anyone who is interested in being nominated to the company board shall declare his/her wish by notifying the company administration in accordance with the applicable rules and regulations. This notice shall include an introduction of the nominee with respect to his/her curriculum vitae, his/her qualifications and his/her work experience, and the Board seat applied for (Executive, Non-Executive, Independent). In addition, he/she must provide the Company with the all supporting documents such as (national ID, family ID); An undertaking to comply with the provisions of the Companies Law and its executive decisions and the Company Articles of Association, and that the candidate will exert the due diligence of a prudent professional person during the performance of his/her duties; A statement of the names of companies and corporations which the candidate works for or serves as a Board member therein, as well as any other works the candidate performs directly or indirectly that constitutes competition to the Company; In case of the legal person representatives, an official letter from such legal person shall be submitted, containing names of his/her Board membership candidates; and any other relevant documents requested by the company to meet the legal requirements.
- 3.7. 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; and
 - b. engaging in business that may compete with the Company or any of its activities;
- 3.8. Nominees for board membership shall complete the formalities specified by the CMA and SCA, which can be found on their website.
- 3.9. Any nominee who is a previous board member of Joint stock company shall state the names and dates of the board memberships in which he was a member.

- 3.10. Any nominee who has served as a board member in the company shall enclose with the nomination notice a statement from the company management on the last session in which he/she was a board member including the following:
- a. The number of Board meetings held during each year of the session.
 - b. The number of meetings attended by the member, and the percentage of his attendance of the total meetings.
 - c. The committees in which the member participated, the number of meetings held by each of these committees during each year of the session, the number of meetings attended and the attendance percentage of the total number of meetings.
- 3.11. Membership type shall be clarified upon nomination, i.e. if the nominee is an executive member or a non-executive member or an independent member.
- 3.12. The membership nature shall be clarified, i.e. if the member is a nominee for himself /herself or he/she represents a legal person.
- 3.13. The NRC shall coordinate with the executive team of the company to satisfy the regulatory requirements and to provide the regulatory authorities with all required documents.
- 3.14. Secret cumulative voting is used as a voting method in Board elections.
- 3.15. Voting in the General Assembly shall be confined to the Board nominees who nominate himself/herself in accordance with the procedures, the criteria's and polices mentioned above.
- 3.16. The Company shall notify the CMA and SCA the names of the Board members and description of their memberships within five business days from the commencement date of the Board term or from the date of their appointment, whichever is shorter, as well as any changes that may affect their membership within five business days from the occurrence of such changes.

4. Appointment of Chairman and Vice Chairman

- 4.1. The Company's shareholders elect the members of the board at the General meeting in accordance with the rules and regulations and provision provided herein. Then the board, selects from its non-executive members a Chairman and a Vice chairman and the board shall have the right to remove or re-appoint them.

5. The Expiry of The Board Membership and Vacancies

- 5.1. The office term of the board shall expire by the end of the defined period which is 3 years from the date of his/her election by the General Assembly.
- 5.2. The office term of the board member shall expire in accordance with the SCA and CMA CG Regulations, or because of death, or resignation, or conviction of a crime against honor and honesty, or bankruptcy, or failure to fulfill commercial debts; nonetheless, the General Assembly may, at all times dismiss, all or any of the members of the board, but without prejudice to the dismissed member's right to remuneration if such dismissal has taken place in an untimely manner or is without cause. Further, a member of the board may resign office, provided that such resignation be in proper time, failing which, such member shall be liable to pay remuneration to the Company for any damage arising from such resignation.
- 5.3. Upon the recommendation of the board of directors, the general assembly may terminate the membership of board member who fails to attend three consecutive or five intermittent board meetings without a valid reason. However, the general assembly may also, at any time, terminate the

membership of all or some of the members of the board of directors, without prejudice to the dismissed member's right towards the Company to demand compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. The board member may also resign, provided that such resignation is at an inappropriate time, otherwise, the resigned board member shall be responsible towards the Company for the damages resulting from such resignation.

- 5.4. If during the membership period, any position becomes vacant, the board shall temporarily appoint a member to fill that position provided that such member be from among persons who are experienced and qualified and that such appointment be brought before the General Assembly in its first meeting; and the member newly appointed shall complete the terms of his predecessor. In case vacant positions comprise 25% of Board members, the remaining Board members shall call the General Assembly to be held within 30 days at most from the date of the last vacancy to elect Board members for these positions.
- 5.5. Upon the termination of the membership of a board member, the Company shall promptly notify the Authority and the Exchange and shall specify the reasons for such termination.
- 5.6. 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 Board Chairman and such statement shall be presented to the Board members.

6. Policy Approval and Dates (s)

- 6.1. This policy shall be implemented and complied with by the Company starting from the date it is approved by the GA. This policy shall be published and made available to the shareholder and the public in the Company's website after GA meeting approval. The content of this policy shall be reviewed - as needed - upon the recommendation of the Board, provided that, any recommended changes are presented to the GA in the next meeting for approval. Head of Legal is the custodian of this policy.

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