

Nomination and Remuneration Committee Charter

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BOARD AFFAIRS

First: Introduction:

In compliance with the Companies Law issued by Royal Decree No. (M/132), dated 01/12/1443 AH, and its Implementing Regulations, and in accordance with paragraph (7) of Article (47) of the Corporate Governance Regulations issued by the Capital Market Authority ("CMA") pursuant to Resolution No. (8-5-2023) dated 06/25/1444 AH corresponding to 01/18/2023 AD, which allows merging the Remuneration and Nomination committees into a single committee named "Nomination and Remuneration Committee" ("NRC" and/or "Committee"), this NRC Charter ("Charter") has been prepared.

This Charter was amended pursuant to a proposal by the Board of Directors on 12/10/1445 AH corresponding to 21/04/2024, and approval by the General Assembly on 15/11/1445 AH corresponding to 23/05/2024.

Second: Formation of the NRC and Membership Term:

1. The Committee shall be formed by a Board resolution.
2. The number of Committee members shall not be fewer than (3) three and not greater than (5) five.
3. The Committee members shall be Non-Executive Directors and have at least one Independent Director.
4. The Board may appoint Non-Executive Directors or persons other than Board members either from shareholders or others, provided that the Chairman of the Committee is an Independent Director.
5. The Board Chairman may be a committee member.
6. Committee Chairman is named by the members; however, the Board Chairman cannot be the Committee Chairman, in the event he is a committee member.
7. The Committee term shall be (3) three years and shall be in line with the Board term. The Committee members can be reappointed for a similar period or periods.
8. The Committee members shall have the appropriate experience and sufficient qualifications to perform their duties and responsibilities effectively.
9. The Committee shall select a Secretary from among its members or others.
10. The Committee Chairman or a delegated Committee member shall be present at the General Assembly meetings to respond to shareholders questions.
11. If the Committee member's position becomes vacant during the term, the Board may appoint a member to fill the vacant position, provided the member has the necessary experience and competencies. The member will complete the predecessor's remaining term.
12. The Board shall notify CMA and the Saudi Exchange (Tadawul) of the Committee members' names and capacities within (5) five business days of the appointment date, and any subsequent changes.
13. Committee membership expires at the end of the term, resignation, death, or if the member is deemed unfit in accordance with the Kingdom's prevailing laws and regulations.
14. The Board has the right at any time to dismiss or replace any Committee member. A member also has the right to resign from the Committee, provided it is at an appropriate time.
15. A Committee member may not participate in any business that would compete with the company, or trade in a similar activity of any of the company branches, unless approved by the General Assembly.

Third: Responsibilities of the Committee:

A) Responsibilities on Remunerations:

1. Prepare a clear policy for the remunerations of the Board and Committees' members and the Executive Management; and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that are linked to performance; and disclosing and ensuring the implementation of such policy.
2. Clarify the relation between the paid remuneration and the adopted remuneration policy and highlight any material deviation from that policy.
3. Periodic review the of remuneration policy and assess its effectiveness in achieving its objectives.
4. Recommend to the Board the remuneration of the Board and Committees' members and Senior Executives in accordance with the approved policy.

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B) Responsibilities on Nominations:

1. Propose clear policies and standards for Board membership and the Executive Management.
2. Recommend to the Board the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account the nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
3. Prepare a description of the capabilities and qualifications required for Board membership and Executive Management positions.
4. Determine the amount of time a member shall allocate to the activities of the Board.
5. Annual review of the skills or experience required for the Board members and Executive Management.
6. Review the structure of the Board and Executive Management and recommend changes.
7. Annually ensure the independence of the Independent Directors and the absence of conflicts of interest if a member is on the board of another company.
8. Develop job descriptions for the Executive, Non-Executive, and independent members, and senior executives.
9. Set necessary procedures if the position of a Board member or senior executives becomes vacant.
10. Identify the strengths and weaknesses of the Board and recommend solutions that serve the Company's interests.

Fourth: Committee Powers and Authorities:

1. The Committee shall review the matters assigned to it or are delegated by the Board and shall submit its recommendations to the Board for a resolution, or decide if delegated by the Board, taking in consideration the provisions of paragraph (b) of Article 20 of the Corporate Governance Regulations, which states that *"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"*.
2. The Committee may seek assistance from consultants and subject matter experts, as it deems appropriate, whether from within or outside the Company within the limits of its powers, provided this shall be noted in the Committee's minutes of meeting, including the name of the expert and his relationship with the Company or Executive Management.
3. The Committee has the right to access the Company's records and documents to carry out its responsibilities.
4. The Committee shall have the right to investigate all matters falling under its powers and responsibilities, as well as the matters entrusted to it.

Fifth: Committee Meetings:

1. The Committee shall meet at least twice per year (once every six months). It may convene as often as it deems necessary.
2. The Committee shall convene either by invitation from the Chairman, or at the request of two Committee members.
3. In case of the absence of the Chairman, he can delegate one of the members to chair the meeting.
4. Committee meetings shall not be valid without the attendance of at least half of the Committee members.
5. Save the Committee secretary and members, Board members and executive management shall not attend the meetings unless the Committee requests to hear their opinion or to obtain their advice.
6. A Committee member is considered to resign if absent without acceptable excuse for not attending more than (3) consecutive or (5) separate meetings.
7. Committee decisions shall be made by majority of the members in attendance. The Chairman will have a casting vote.
8. The Committee meetings shall be documented, and the minutes thereof, including the discussions and deliberations. Committee recommendations and the results of any vote shall be documented and maintained in a special register. The names of members in attendance and reservations expressed by them (if any) shall be indicated in the minutes. The minutes shall be signed by all the members in attendance.
9. Should a member be unable to physically attend, due travel or any other reason, the member may participate via other communications mediums. In all cases, it shall be documented in the minutes of the meeting.
10. A member may delegate another Committee member to attend a meeting on his behalf. Any member cannot be delegated on behalf of more than one member to attend the same meeting.
11. The Committee shall submit a summary report in the Board's first subsequent meeting. The recommendations can be submitted to the Board whenever necessary.
12. The Committee can circulate recommendations.

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Sixth: Nomination Process:

1. When nominating Board members, the Committee shall take into consideration the provisions of the Corporate Governance Regulations and other CMA requirements.
2. The number of candidates for Board membership, whose names appear before the General Assembly, must exceed the number of available seats to give the General Assembly a chance to select from among the candidates.

Seventh: Publishing the Nominations Announcement:

The Company shall publish the nomination announcement on its website, Tadawul website, and any other medium specified by CMA, to invite persons wishing to be nominated to the Board membership. The nomination must remain open for at least one month from the announcement date.

Eighth: Nomination Right of Shareholders:

The provisions of this Charter shall not prejudice the right of every shareholder in the company to nominate himself or any other person for membership in the Board in accordance with the provisions of the corporation's bylaws and its implementation regulations.

Ninth: Committee Chairman and Secretary Responsibilities:

A. Chairman's Responsibilities:

- (1) Preside over and convene the Committee's meetings.
- (2) Set the agenda of the meeting after coordinating with the rest of the members. He shall also add any item whenever a member so requests.
- (3) Attend the General Assembly sessions and represent the Committee before the Board.
- (4) Follow up on Committee decisions and recommendations and ensure their implementation.

B. Secretary's Responsibilities:

- (1) The Secretary shall document the discussions and recommendations in meeting minutes and shall send them to the Committee Chairman and members within (10) ten business days of the meeting date.
- (2) Coordinate with all members regarding the dates of the meetings and ensure that they are provided with all the necessary meeting material for discussion in accordance with the items on the agenda.
- (3) Safeguard all Committee documents and records.

Tenth: Committee Remunerations:

1. The remuneration of the Committee members shall be based on the policy adopted by the Board.
2. The remuneration of the members of the Committee shall be a lump sum amount.
3. Committee members shall have an attendance allowance for the sessions attended, which shall not in any case exceed the attendance allowance received by a member of the Board.
4. The company is committed to covering all travel and housing expenses and any other expenses to enable the members to attend the meetings and participate in the activities of the Committee related to its functions.
5. The remuneration, allowances, or benefits for the Committee members shall be disclosed in the Board's annual report.
6. The remuneration shall be paid at the end of fiscal year according to recommendation of the Nominations and Remuneration Committee and Board approval.

Eleventh: General Provisions:

- 1- The Committee issues recommendations to the Board that are not mandatory.
- 2- The Company cannot issue loans of any kind to the members or issue third party guarantees.
- 3- Committee members shall uphold company secrets, as other Board members.
- 4- Committee members shall inform and update the Board on developments that affect their independency or cause conflict of interests. The Committee performance shall always be subject to Board supervision.

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- 5- Establish procedures for all Board and Committees' members, and Executive Management to obtain the necessary training and development programs to improve their skills and knowledge in areas related to the Company's activities.

Twelfth: Review:

The Committee reviews the regulations in accordance with the Companies Law and the governance regulations issued by the Capital Market Authority.

Thirteenth: Final Provisions:

1. This Charter shall be implemented and complied with by the company starting from the date it is approved by the General Assembly of the company's shareholders.
2. This Charter shall be published on the company's website.
3. This Charter shall be amended, as and when required, by a proposal of the Board under a resolution issued by the General Assembly of the shareholders of the company.

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