REMUNERATION AND NOMINATION COMMITTEE CHARTER

Contents

Article (1): Objective	3
Article (2): Committee Formation	3
Article (3): Committee membership	3
Article (4): Committee duties and responsibilities	3
Remuneration	4
Board of Directors	4
Board Members	4
Orientation Program to New Board Members	4
Senior Executives	5
Article (5): Committee Authorities	5
Article (6): Committee Working Procedures	5
Authorities of the Chairperson and Secretary	5
Member's Duties and Responsibilities	6
Committee Meetings	7
Meetings Documentation	8
Following up the Committee Activities	8
Committee Performance Evaluation	8
Article (7): Confidentiality	8
Article (8): Conflict of Interest	8
Article (9): Committee Members Remunerations	8
Article (10): Charter Review	9
Article (11): Enforcement	9

Article (1): Objective

This regulation aims to organize the work of the Rewards and Nominations Committee by defining its tasks and authorities, in addition to its operational controls and procedures. It also establishes the criteria for selecting its members, in light of the regulations governing the Rewards and Nominations Committee in the listed joint stock company, as stipulated in the issued implementing regulation the Private Companies Law for listed joint stock companies and the Corporate Governance Regulation issued by the Financial Market Authority.

Article (2): Committee Formation

The Remuneration and Nomination Committee shall be formed by a decision of the Board of Directors, provided that the General Assembly of the Company issues the Committee's working regulations. These regulations shall include the criteria for selecting Committee members, the duration of their membership, their responsibilities, and the guidelines for their work, and their remuneration. The formation of the Committee shall be based on a recommendation from the Board of Directors. Additionally, the Committee shall comprise non-executive members of the Board of Directors, whether they are shareholders or not, and the number of Committee members shall not be less than three and shall not exceed five.

Article (3): Committee membership

A. The Committee shall be formed in accordance with the following selection criteria:
   1. At least one member of the Committee shall be independent.
   2. The candidate shall have a good awareness of the Company's business activities as well as the required skills and expertise necessary to manage them.
   3. The candidate shall have not been convicted of an offence of dishonesty, breach of trust or violation of the laws and regulations of the Kingdom of Saudi Arabia or any other country.
   4. The selection of the candidate shall not violate the relevant laws, regulations and instructions
   5. The Board of Directors shall appoint one of its members as the Chairman of the Committee, provided that the Chairman is an independent member. The Chairman of the Board shall not be eligible to serve as the Chairman of the Committee. In the event of the Chairman's absence from a meeting, the attending members of the Committee shall appoint a Chairman for the meeting.

B. A Committee member shall carry out his/her role and responsibilities from the date of his appointment until one of the following cases takes effect:
   1. Expiry of the Board’s term

2. Submitting his/her resignation, without prejudice to the Company's right to demand compensation if the resignation tendered at an inappropriate time
3. The member has developed a mental illness or physical disability preventing him/her from performing his/her Committee duties or in case of his/her death.
4. Issuance of a court order declaring the member's bankruptcy or insolvency, or his request of settlement with creditors.

C. A resolution by the Board to terminate his/her Committee membership for any of the following reasons:

1. The member's breach of his/her responsibilities, duties and tasks to theextent that results in damage to the Company's interests
2. If a member is absent from three consecutive meetings or five separate meetings during their membership period without a valid excuse accepted by the Board.
3. Other reasons as may be decided by the Board, without prejudice to the right of the dismissed member to claim compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time.
4. Becoming disqualified due to losing any of the Committee's membership conditions stated in this Charter.

D. If the position of a Committee member becomes vacant due to one of the preceding or other cases during the Committee's term, the Board may appoint a member in the vacant position, provided that the Committee's membership rules stated in this Charter are met. The new member completes the term of his/her predecessor.

E. The Board of Directors shall appoint a Secretary for the Committee, and in the absence of the Secretary of a committee, the Secretary of the Boards of Directors or any other member nominated by the Board.

Article (4): Committee Duties and Responsibilities

Pursuant to the regulatory rules for the remuneration and nomination committee stated in the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the Committee's duties and responsibilities shall be as follows:

i. Remuneration

a. Prepare the remuneration policy for the members of the Board of Directors, its committees, and senior executives in the company, and recommend it to the Board of Directors for approval by the General Assembly of the Company the policy should adhere to performance-related criteria, be disclosed, and monitored for implementation.
b. Clarify the relationship between the granted remuneration and the applicable remuneration policy, and disclose any significant deviation from this policy.

c. Reviewing the Remuneration Policy regularly to ensure consistency with the possible changes in relevant legislation and regulations, the Company's strategic objectives, and the skills and qualifications required, and recommending proposed changes to the Board.
d. Recommending to the Board the remunerations of the members of the Board, committees and Executive Management in accordance with the policy approved by the General Assembly.
e. Preparation of Annual Report on Rewards Granted to Board Members, Committees, and Senior Executives.

ii. Board of Directors

a. Developing the Board Membership's Policy and Standards, and recommending it to the Board for approval by the General Assembly.
b. Recommending to the Board nominees to Board membership according to the approved Board Membership Policy.
c. Conducting an annual review of the required skills for the Board membership and preparing a description of the required capabilities and qualifications.
d. Reviewing the Board Membership Policy regularly to ensure its consistency with the possible changes in the relevant legislation and regulations, the Company's strategic objectives, skills and qualifications required, and recommending to the Board proposed changes to the Policy.
e. Examining conflict of interest status for those who desire to run for the Board membership, and making related recommendations to the Board.
f. Examining and reviewing the structure of the Board and recommending possible changes.
g. Identifying weaknesses and strengths of the Board and proposing remedies in line with the Company's interest.
h. Establishing procedures to deal with the vacancies of the Board or Board committees and making recommendations thereon.
i. Providing recommendations to the Board on performance measures to evaluate the Board's activities, members, and committees.

iii. Board Members

a. Defining the time that the Board member shall allocate for performing Board duties.
b. Verifying, annually, the independence of independent directors and absence of any conflict of interest in case the independent director is also a member of the Board of another Company.
c. Verifying whether the member of the Board of Directors is competing with any of the company's businesses or competing with it in its activities or one of the branches of activity that it practices, and making recommendations to the Board in this regard, after receiving the member's notification of the competing business that he wishes to practice based on the concept of business practices.
d. Developing job descriptions of Executive, Non -executive, and Independent Members.
e. Recommending to the Board re - nomination or dismissal of a Board member or committee member.

iv. Orientation Program to New Board Members

Recommending to the Board an induction program for new Board members. The orientation program should cover the Company's activity, nature of its business, and its financial and legal aspects.

v. Senior Executives

- Recommending to the Board appropriate policies and standards for the appointment of Senior Executives and identifying the required capabilities and skills; and reviewing such policies and standards regularly to ensure their consistency with changes in the Company's strategic objectives and the required skills and qualifications to achieve them.
- Developing job descriptions for Senior Executives, reviewing the Company's organizational structure, and making recommendations on possible changes.
- Developing succession planning processes for cases of vacancy of the position of any Senior Executive, and making recommendations thereon.

Article (5): Committee Authorities

The Committee shall have the following authorities to carry out its duties:

- Reviewing the information and data that may assist the Committee in studying the matters falling within its competencies, or otherwise referred thereto by the Board.
- The Committee is authorized to engage experts, specialists, or others at the company's expense to study the subjects that fall within its duties and responsibilities this should be documented in the minutes, including the name of the expert and their affiliation with the company.

Article (6): Committee Working Procedures

i. Authorities of the Chairperson and Secretary

a. The Committee Chairperson shall have the following duties :

1. Leading the Committee meetings and seeking to enhance their effectiveness
2. Representation of the committee or its delegate members front of the General Assembly and the Board of Directors.
3. Convening the Committee meetings, and specifying their times, dates, and venues in coordination with Committee members.
4. Preparing meeting agenda, taking into consideration the topics that any Committee member wishes to include.
5. Ensuring that the topics presented to the Committee are accompanied by sufficient information to enable decision-making.
6. Ensuring that sufficient time is made available for the discussion of agenda items.
7. Enhancing the active participation of the Committee members in the Committee meetings through their study and discussion of the agenda items and expressing their views in such a manner that contributes to the achievement of the Committee's objectives.
8. Ensuring provision of complete and correct information to Committee members in a timely manner to enable them performing their duties and responsibilities.

9. Preparing regular reports on the Committee's activities and submitting them with its recommendations and conclusions to the Board.
10. Following up the implementation of the Committee decisions.
11. Arranging for conducting the Committee's periodical performance evaluation.

b. The Secretary of the Committee shall have the following duties and responsibilities:
   1. Coordinating the Committee's meetings and proposing agenda items in coordination with the Committee Chairperson.
   2. Notifying the Committee members of meeting dates and providing them with meeting agenda and information necessary for studying the agenda items.
   3. Attending and documenting the Committee meetings and preparing the minutes of meeting and maintaining them in a special record.
   4. Maintaining documents, records and reports submitted to or issued by the Committee.
   5. Extending assistance and providing advice to the Committee in matters falling within its competencies.
   6. Ensuring the dissemination of procedures and decisions to the relevant management within the company for implementation.

ii. Member's Duties and Responsibilities

a. Complying with the provisions of the Companies Law and its Implementing Regulations, the Capital Market Law and its Implementing Regulations, other related laws and regulations, and the Company's By -Laws in exercising his/her duties. He/ She shall refrain from engaging or participating in any transaction that may harm the interests of the Company.
b. Being acquainted with the Committee's duties and responsibilities, and devoting sufficient time to exercise his/her role in achieving them.
c. Carrying out his /her duties free from any external influence, whether from inside and outside the Company, and not prioritizing his/her personal interests over those of the Company.
d. Refraining from acceptance of gifts from any person who has business dealings with the Company.
e. Preparing for and attending the meetings, and not absenting himself/herself except for valid reasons that are notified to the Committee Chairperson in advance and be acceptable to the Committee.
f. Participating effectively in Committee meetings through his/her prior examination and discussion of agenda items.
g. Seeking to acquaint himself/herself with the regulatory updates related to the areas and subjects relevant to the Committee's duties and responsibilities.
h. Seeking to acquaint himself/herself with the recent developments related to the Company's activities and business, and other relevant areas.
i. Avoiding conflicts of interest and carrying out tasks independently of the influence of other parties, and not prioritizing personal interests over the interests of the company, in accordance with the conflict of interest policy.
j. Informing the committee of any intention to participate in any activities that may compete with the company or compete with any of its branches.

iii. Committee Meetings

a. The committee meets at least twice a year on a regular basis, with a minimum interval of six months, based on an invitation from its chairperson. The committee chairperson is also required to call for a meeting in exceptional cases, such as when requested by the Board of Directors or any member of the committee, or when circumstances necessitate it, with a clear explanation of the justifications for convening the exceptional meeting.
b. The Committee adopts the dates and agendas of meetings of a fiscal year prior to its commencement. The meeting's invitation shall be issued at least five (5) days in advance and be accompanied by the agenda as well as documents and information necessary for discussing and deciding on the agenda items
c. In exceptional cases, meeting invitations may be issued at least five days
d. The Committee holds its meetings at the Company headquarters; however, they may be held elsewhere if necessary, subject to the Board approval and the meeting can be held through modern communication methods.

e. The quorum of the Committee's meeting requires attendance of a majority of its members. A member – in cases of necessity – may attend using one of the forms of communication, subject to the Committee approval.
f. The Committee meeting shall be attended by its members only However, a member of the Board or Executive Management, who is not a member to the Committee, may only attend that meeting upon invitation by the Committee to take his/her opinion or advice.
g. A committee member is not allowed to delegate someone other than committee members to attend committee meetings.
h. Committee decisions are made by a majority vote of the present members. When votes are equal, the Chairperson's vote shall be casting.
i. The committee is allowed to issue decisions by consensus in urgent cases by presenting them to all members, and the approval of the majority of committee members is required in writing. These decisions are presented to the committee at its next meeting to be documented in the meeting minutes.
j. A Committee member is entitled to object to any Committee's decision, provided that his/her objection is expressly stated in the meeting minutes together with the reasons for the objection. Absence from a meetings at which a decision is made, does not preclude the member's liability for implementing the decision unless it is proven that the member was unaware of the decision or was unable to challenge it immediately after knowing of it.

iv. Meetings Documentation

a. The Committee Secretary prepares minutes of meeting, which must include:
   1. The venue, date, and start and end times of the meeting.
   2. Names of present in person and on behalf and absent members as well as the names of invitees who are not Committee members.
   3. Committee deliberations and resolutions, together with stating the results of votes and reasons for objections, if any the committee's deliberations can be evidenced using modern technological means.
   4. Specifying the party to be responsible for implementing resolutions issued as well as setting the implementation timeline and follow -up mechanism.

5. The committee secretary shall send a draft of the meeting minutes to the committee members within (30) days from the date of the meeting Committee members are required to provide their comments on the draft minutes, if any, within a maximum period of (5) business days from the mentioned date of sending .
6. After incorporating the Committee members' comments into the draft minutes, and obtaining the meeting's Chairperson Approval, the Committee Secretary sends the amended draft to the Committee members in preparation for its approval at the next Committee meeting and it should be signed by all attending members.
7. The meeting's minutes, agenda and all accompanying documents must be maintained in a special record to be signed by the chairperson of the committee and its secretary.

v. Following up the Committee Activities

The Committee Chairperson submits Committee recommendations and findings to the Board in its first meeting following the meeting of the Committee.

vi. Committee Performance Evaluation

The Committee reviews and evaluates its performance on a regular basis against such indicators as the Committee's effectiveness in carrying out its prescribed duties and responsibilities and providing recommendations to the Board of Directors.

Article (7): Confidentiality

A Committee member must maintain confidentiality of the information and documents made available to him/her. He/ she may, in no case and even if his/her membership is terminated, disclose them to any person or entity unless he/she is so authorized by the Board, nor may he/she use any such information for his/her personal benefit or for that of his relatives or other third parties. The Company has the right to demand compensation in case of violation of the provisions of this article. This obligation also applies to the Committee's Secretary and all attendees of the Committee meetings.

Article (8): Conflict of Interest

Cases of conflicts of interest and the dealings or transactions of related parties are tackled according to the Company's Conflicts-of-Interests Policy approved by the Board of Directors, and provisions of relevant laws and regulations issued by the competent party.

Article (9): Committee Members Remunerations

a. Committee members are entitled to an annual remuneration in accordance with the Remuneration Policy of Board Members, Committees Members, and Executive Management approved by the Company's General Assembly.
b. The Board determines the remunerations and allowances to be paid to the Committee's Secretary.
c. In the event of a decision by the General Assembly to terminate the membership of a Committee member due to his/her absence from three

consecutive meetings or five separate meetings during his term, without an excuse acceptable to the Board, the member shall not be entitled to any remunerations or compensations for the period following the last meeting he/she attended. In addition, he/she shall be required to return all the remunerations and compensations paid to him/her for that period.

i. The Company has the right to claim compensation for damage to its reputation, and recover the remunerations and allowances paid and any other costs incurred to enable the member to perform his/her responsibilities if that member committed an offence of dishonesty, breach of trust, forgery, or violation of the laws and regulations in Saudi Arabia or any other country; or when he fails to carry out his responsibilities, duties and tasks to the extent that results in damage to the Company's interest.

Article (10): Charter Review

This Charter is subject to regular review for enhancement and for keeping it abreast with the relevant laws and regulations updates, and according to the discretion of the Board. No amendment may be made to this Charter except upon a recommendation of the Board approved by the General Assembly.

Article (11): Enforcement

This Charter is effective from the date of its approval by the company General Assembly.