

Amendments on Items of Work List Regulations of the Remuneration and Nominations Committee (Comparison)

<u>Current Text</u>	<u>New Text</u>
<p>Preamble:</p> <p>The work regulations of the Remuneration and Nominations Committee emanating from the Board of Directors of Anaam International Holding Group Company were prepared with the aim of complying with Articles (60 and 64) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-6-2017) dated 5/16/ 1438 AH (corresponding to 2/13/2017 AD), which requires that the general assembly of the company's shareholders, based on a proposal from the Board of Directors, approve the work of the Remuneration and Nominations Committee, provided that this regulation includes the controls and procedures for the committee's work, its tasks, and the rules for selecting its members, the duration of their membership, and their remuneration.</p> <p>Firstly :</p> <p><u>Rules for selecting members of the Remuneration and Nominations Committee, how to nominate them, and the duration of their membership:</u></p> <ol style="list-style-type: none"> 1. The Remuneration and Nominations Committee shall be formed by decision of the company's Board of Directors from non-members of the Executive Board, provided that at least one independent member is among them. 2. The members of the committee may be independent members of the Board, and it is permissible to seek assistance from non-executive members or persons who are not members of the Board, including shareholders or others. 3. The Chairman of the Board may be a member of the Remuneration and Nominations Committee, provided that he does not hold the position of Chairman of the Committee. 4. The Chairman of the Committee must be an independent member, and he shall be appointed at the first meeting of the Committee after its formation by the Board or members of the Committee. 5. The number of committee members must not be less than three and not more than five. 6. Committee members are selected in a way that ensures the availability of diverse skills and experiences, taking into account the presence of expertise appropriate to the company's field of work. 	<p>Preamble:</p> <p>The work regulations of the Remuneration and Nominations Committee emanating from the Board of Directors of Anaam International Holding Group Company were prepared in implementation of the provisions of Article (57) and Article (61) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority on 02/13/2017 AD, and amended by the decision of the Board of the Capital Market Authority on 01/18/2023 AD, which requires that the general assembly of the company's shareholders, based on a proposal from the Board of Directors, approve the work regulations of the Remuneration and Nominations Committee, provided that this regulation includes the controls and procedures for the committee's work, its tasks, and the rules for selecting its members, the duration of their membership, and their remuneration.</p> <p>Firstly :</p> <p><u>Rules for selecting members of the Remuneration and Nominations Committee, how to nominate them, and the duration of their membership:</u></p> <ol style="list-style-type: none"> 1. The Remuneration and Nominations Committee shall be formed by decision of the company's Board of Directors from non-members of the Executive Board, provided that at least one independent member is among them. 2. The members of the committee may be independent members of the Board, and it is permissible to seek assistance from non-executive members or persons who are not members of the Board, including shareholders or others. 3. The Chairman of the Board may be a member of the Remuneration and Nominations Committee, provided that he does not hold the position of Chairman of the Committee. 4. The Chairman of the Committee must be an independent member, and he shall be appointed at the first meeting of the Committee after its formation by the Board or members of the Committee. 5. The number of committee members must not be less than three and not more than five. 6. Committee members are selected in a way that ensures the availability of diverse skills and experiences, taking into account the presence of expertise appropriate to the company's field of work.

7. Committee members are appointed for a period of four years that begins with the beginning of the Board of Directors term and ends with the end of the Board term.

8. The committee appoints a secretary from among its members or from the company's employees at its first meeting, and the Board or committee determines his allocations.

9. If the position of one of the committee members becomes vacant, the Board of Directors may appoint a member to fill the vacant position, provided that he is someone who has experience and competence, and the Capital Market Authority must be notified of this within five working days from the date of appointment.

10. The company must notify the Authority of the names of the committee members and their membership positions within five working days from the date of their appointment, and any changes that occur within five working days from the date of the changes.

11. Committee membership shall end at the end of its term or at the expiration of the member's authority in accordance with any law, regulation, or instruction in force in the Kingdom. However, the Board may at any time dismiss all or some of the committee members, and a committee member may resign from committee membership, provided that this is at the appropriate time.

Secondly :

Duties and powers of the committee:

Regarding rewards:

1. Prepare a clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and Executive Management that enhances the motivation of the company's administrative apparatus and the preservation of distinguished cadres and submit it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account following standards related to performance, disclosure and verification. Of its implementation.
2. Clarifying the relationship between the rewards granted and the applicable remuneration policy and indicating any material deviation from this policy.
3. Periodically review the rewards policy and evaluate its effectiveness in achieving its objectives.
4. Recommending to the Board of Directors the remuneration of members of the Board of Directors, its committees, and the company's senior executives in accordance with the approved policy.
5. Reviewing the CEO's financial rewards, including long- and short-term incentives, in addition to setting the ceiling for the results expected to be achieved by the CEO and submitting recommendations regarding them to the Board of Directors.
6. Reviewing the CEO's recommendations regarding the general guidelines and standards for financial rewards and other benefits for senior executives, which the CEO implements in light of the policies followed.
7. Ensure that the company is committed to and observes what is stated in the remuneration policy for members of the Board of

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Directors and members of the committees emanating from the Board of Directors and Executive Management approved by the General Assembly of Shareholders.

Regarding Nominations:

1. Proposing clear policies and standards for membership in the Board of Directors, executive management, and company representatives in subsidiaries.
2. Recommending to the Council to nominate members and re-nominate them in accordance with the approved policies and standards, taking into account not to nominate any person who has previously been convicted of a crime involving breach of trust.
3. Preparing a description of the capabilities and qualifications required for council membership and filling executive management positions.
4. Determine the time that a member must devote to council work.
5. Annual review of the necessary skills and expertise required for board membership and executive management functions, identifying the weaknesses and strengths of the board and executive management and proposing to address them in a way that is consistent with the company's interest.
6. Reviewing the structure of the Board and Executive Management and making recommendations regarding the changes that can be made.
7. Verifying on an annual basis the independence of the independent members, and the absence of any conflict of interest if the member holds a membership in the board of directors of another company.
8. Develop job descriptions for independent members, executive and non-executive members, and senior executives.
9. Establishing special procedures in the event that the position of a Board member or senior executive becomes vacant.
10. Identify the strengths and weaknesses of the Board and propose solutions to address them in a way that is consistent with the company's interest.
11. Providing an appropriate level of training and introducing new board members to the company's tasks and achievements, enabling them to perform their work with the required efficiency.
12. Study and review the performance of executive management.
13. Study and review job succession plans for the company in general and for the Board, the CEO, and senior executives.
14. Study and review the CEO's recommendations regarding the appointment and termination of senior executives.
15. Assisting the Board and Executive Management in developing and reviewing the company's organizational structure and the operational model that regulates the relationship between the parent company and its subsidiaries.
16. Monitor the implementation of the employee grievances policy and ensure its effectiveness.

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Nomination procedures and publishing the nomination announcement:

a. When nominating board members, the committee is obligated to take into account the terms and conditions stated in the Governance Regulations, the requirements decided by the Capital Market Authority, and the company's governance rules.
B. The company is committed to publishing the nomination announcement on the market's website, the company's website, and in any other means determined by the Authority, in order to invite people wishing to run for membership in the Board, provided that the nomination door remains open for at least one month from the date of the announcement.

Thirdly :

Powers of the Remuneration and Nominations Committee:

In order to perform its duties, the Committee:

1. The right to investigate any matter within its duties or any subject specifically requested by the Board of Directors .
2. The right to view the company's records and documents.
3. Requesting clarifications or data from members of the Board of Directors, executive management, or company employees for the purpose of investigating and inquiring about any information.
4. The right to seek legal and technical advice from any external party or any other independent advisory body whenever this is necessary to assist the committee in performing its tasks.

Fourthly :

Committee meetings:

1. The committee meets periodically, at least every six months. The committee may also hold exceptional or emergency meetings as required by the interest of work based on the invitation of its chairman or one of its members.
2. The validity of its meetings requires the attendance of a majority of its members, and its decisions are issued by a majority of the votes of those present.
3. It is permissible to participate in the meeting using modern means of communication, and participation is considered as

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Regarding Governance:

1. Verifying the company's compliance with corporate governance rules, reviewing the governance rules manual and updating it in accordance with regulatory requirements and best practices.
2. Reviewing the development of professional conduct rules that represent the company's values and other internal policies and procedures in a way that meets the company's needs and is consistent with best practices.
3. Follow up on any issues related to governance applications, and provide the Board of Directors with the reports and recommendations it reaches.

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someone who attended in person and signed the minutes of the meeting.

4. No member of the Board of Directors or Executive Management except the Secretary of the Committee and its members has the right to attend its meetings unless the Committee requests to hear his opinion or obtain his advice.
5. The committee's meetings must be documented, its minutes must be prepared, which include its discussion and deliberations, the recommendations must be documented and preserved after they are signed, and the implementation of its decisions must be followed up.
6. The Chairman of the Committee or whomever he directs among its members must attend the company's general assemblies to answer shareholders' questions.
7. The committee submits brief reports to the Board of Directors

Fifth:

Remuneration for members of the Remuneration and Nominations Committee:

1. The remuneration of the committee members will be a certain amount based on the policy set by the Board of Directors and in accordance with the statute, the decisions of the General Assembly, and the relevant regulations and laws, in addition to an attendance allowance for the sessions of 3 thousand riyals per session.
2. The company is committed to covering transportation expenses and any other expenses to enable the member to attend and participate.

Sixth: Final provisions:

The provisions of these regulations shall be implemented and adhered to by the company as of the date of their approval by the General Assembly of Shareholders. They must also be published on the company's website to enable shareholders, the public, and stakeholders to view them.

The content of these regulations will be reviewed as needed based on the recommendation of the Board, provided that these amendments are presented to the General Assembly of Shareholders for approval at its nearest meeting.

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Work List Regulations of the Remuneration and Nominations Committee

Current Text

Preamble:

The work regulations of the Remuneration and Nominations Committee emanating from the Board of Directors of Anaam International Holding Group Company were prepared with the aim of complying with Articles (60 and 64) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-6-2017) dated 5/16/ 1438 AH (corresponding to 2/13/2017 AD), which requires that the general assembly of the company's shareholders, based on a proposal from the Board of Directors, approve the work of the Remuneration and Nominations Committee, provided that this regulation includes the controls and procedures for the committee's work, its tasks, and the rules for selecting its members, the duration of their membership, and their remuneration.

Firstly :

Rules for selecting members of the Remuneration and Nominations Committee, how to nominate them, and the duration of their membership:

1. The Remuneration and Nominations Committee shall be formed by decision of the company's Board of Directors from non-members of the Executive Board, provided that at least one independent member is among them.
2. The members of the committee may be independent members of the Board, and it is permissible to seek assistance from non-executive members or persons who are not members of the Board, including shareholders or others.
3. The Chairman of the Board may be a member of the Remuneration and Nominations Committee, provided that he does not hold the position of Chairman of the Committee.
4. The Chairman of the Committee must be an independent member, and he shall be appointed at the first meeting of the Committee after its formation by the Board or members of the Committee.
5. The number of committee members must not be less than three and not more than five.
6. Committee members are selected in a way that ensures the availability of diverse skills and experiences, taking into account the presence of expertise appropriate to the company's field of work.

7. Committee members are appointed for a period of four years that begins with the beginning of the Board of Directors term and ends with the end of the Board term.
8. The committee appoints a secretary from among its members or from the company's employees at its first meeting, and the Board or committee determines his allocations.
9. If the position of one of the committee members becomes vacant, the Board of Directors may appoint a member to fill the vacant position, provided that he is someone who has experience and competence, and the Capital Market Authority must be notified of this within five working days from the date of appointment.
10. The company must notify the Authority of the names of the committee members and their membership positions within five working days from the date of their appointment, and any changes that occur within five working days from the date of the changes.
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Duties and powers of the committee:

Regarding rewards:

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4. Recommending to the Board of Directors the remuneration of members of the Board of Directors, its committees, and the company's senior executives in accordance with the approved policy.
5. Reviewing the CEO's financial rewards, including long- and short-term incentives, in addition to setting the ceiling for the results expected to be achieved by the CEO and submitting recommendations regarding them to the Board of Directors.
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7. Ensure that the company is committed to and observes what is stated in the remuneration policy for members of the Board of

Directors and members of the committees emanating from the Board of Directors and Executive Management approved by the General Assembly of Shareholders.

Regarding Nominations:

1. Proposing clear policies and standards for membership in the Board of Directors, executive management, and company representatives in subsidiaries.
2. Recommending to the Council to nominate members and re-nominate them in accordance with the approved policies and standards, taking into account not to nominate any person who has previously been convicted of a crime involving breach of trust.
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3. Requesting clarifications or data from members of the Board of Directors, executive management, or company employees for the purpose of investigating and inquiring about any information.
4. The right to seek legal and technical advice from any external party or any other independent advisory body whenever this is necessary to assist the committee in performing its tasks.

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3. It is permissible to participate in the meeting using modern means of communication, and participation is considered as someone who attended in person and signed the minutes of the meeting.
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5. Annual review of the necessary skills and expertise required for board membership and executive management functions, identifying the weaknesses and strengths of the board and executive management and proposing to address them in a way that is consistent with the company's interest.

6. Reviewing the structure of the Board and Executive Management and making recommendations regarding the changes that can be made.

7. Verifying on an annual basis the independence of the independent members, and the absence of any conflict of interest if the member holds a membership in the board of directors of another company.

8. Develop job descriptions for independent members, executive and non-executive members, and senior executives.

9. Establishing special procedures in the event that the position of a Board member or senior executive becomes vacant.

10. Identify the strengths and weaknesses of the Board and propose solutions to address them in a way that is consistent with the company's interest.

(6)

11. Providing an appropriate level of training and introducing new board members to the company's tasks and achievements, enabling them to perform their work with the required efficiency.
12. Study and review the performance of executive management.
13. Study and review job succession plans for the company in general and for the Board, the CEO, and senior executives.
14. Study and review the CEO's recommendations regarding the appointment and termination of senior executives.
15. Assisting the Board and Executive Management in developing and reviewing the company's organizational structure and the operational model that regulates the relationship between the parent company and its subsidiaries.
16. Monitor the implementation of the employee grievances policy and ensure its effectiveness.

Nomination procedures and publishing the nomination announcement:

- a. When nominating board members, the committee is obligated to take into account the terms and conditions stated in the Governance Regulations, the requirements decided by the Capital Market Authority, and the company's governance rules.
- B. The company is committed to publishing the nomination announcement on the market's website, the company's website, and in any other means determined by the Authority, in order to invite people wishing to run for

(7)

membership in the Board, provided that the nomination door remains open for at least one month from the date of the announcement.

Regarding Governance:

1. Verifying the company's compliance with corporate governance rules, reviewing the governance rules manual and updating it in accordance with regulatory requirements and best practices.
2. Reviewing the development of professional conduct rules that represent the company's values and other internal policies and procedures in a way that meets the company's needs and is consistent with best practices.
3. Follow up on any issues related to governance applications, and provide the Board of Directors with the reports and recommendations it reaches.

Thirdly :

Powers of the Remuneration and Nominations Committee:

In order to perform its duties, the Committee:

1. The right to investigate any matter within its duties or any subject specifically requested by the Board of Directors .
2. The right to view the company's records and documents.
3. Requesting clarifications or data from members of the Board of Directors, executive management, or company employees for the purpose of investigating and inquiring about any information.
4. The right to seek legal and technical advice from any external party or any other independent advisory body whenever this is necessary to assist the committee in performing its tasks.

(8)

Fourthly :

Committee meetings:

1. The committee meets periodically, at least every six months. The committee may also hold exceptional or emergency meetings as required by the interest of work based on the invitation of its chairman or one of its members.
2. The validity of its meetings requires the attendance of a majority of its members, and its decisions are issued by a majority of the votes of those present.
3. It is permissible to participate in the meeting using modern means of communication, and participation is considered as someone who attended in person and signed the minutes of the meeting.
4. No member of the Board of Directors or Executive Management except the Secretary of the Committee and its members has the right to attend its meetings unless the Committee requests to hear his opinion or obtain his advice.
5. The committee's meetings must be documented, its minutes must be prepared, which include its discussion and deliberations, the recommendations must be documented and preserved after they are signed, and the implementation of its decisions must be followed up.
6. The Chairman of the Committee or whomever he directs among its members must attend the company's general assemblies to answer shareholders' questions.
7. The committee submits brief reports to the Board of Directors .

(9)

Fifth:

Remuneration for members of the Remuneration and Nominations Committee:

1. The remuneration of the committee members will be a certain amount based on the policy set by the Board of Directors and in accordance with the statute, the decisions of the General Assembly, and the relevant regulations and laws, in addition to an attendance allowance for the sessions of 3 thousand riyals per session.
2. The company is committed to covering transportation expenses and any other expenses to enable the member to attend and participate.

Sixth: Final provisions:

The provisions of these regulations shall be implemented and adhered to by the company as of the date of their approval by the General Assembly of Shareholders. They must also be published on the company's website to enable shareholders, the public, and stakeholders to view them.

The content of these regulations will be reviewed as needed based on the recommendation of the Board, provided that these amendments are presented to the General Assembly of Shareholders for approval at its nearest meeting.