



Nomination & Remuneration Committee Charter



7. Nomination & Remuneration Committee Charter

Shareholders' General Assembly shall, upon a recommendation of the Board of Directors, issue rules for the appointment of the members of Nomination & Remuneration Committee, their remunerations, and terms of office and the procedure to be followed by such committee.

The Board, based upon the recommendation of the Nomination & Remuneration Committee and in accordance with the Company's bylaws, shall determine the form and amount of Director Compensation for approval at the General Meeting. The Committee shall conduct an annual review of Director's compensation.

7.1 Purpose

7.1.1 The primary purpose of the Nomination & Remuneration Committee (the "Committee") of the Board of Directors (the "Board") of the Company is to assist the Board in:

- a. Identifying individuals qualified to become Board members and recommending to the Board the Director nominees for the next annual Shareholders' General Assembly Meeting.
- b. Recommending to the Board the Director nominees for each committee of the Board.
- c. Overseeing the evaluation of the Board and Executive officers.
- d. Overseeing all matters relating to Director and Executive officer compensation.
- e. Review Board succession plans
- f. Evaluate the Board's performance:
 - Executive remuneration and incentive policies
 - Remuneration packages of senior management
 - Recruitment, retention, and termination policies for senior management;
 - Incentive schemes
 - Superannuation arrangements; and
 - The remuneration framework for directors.

7.1.2 In performing its duties, the Nomination and Remuneration Committee shall have direct access to the resources of the company as it may reasonably require and shall seek to maintain effective working relationships with management.



7.2 The Committee Responsibilities

7.2.1 The following functions shall be the common recurring activities of the Committee in carrying out its function. These functions are established as a guide with the understanding that the Company may diverge from this guide as appropriate given the circumstances.

7.2.2 Nominating Responsibilities:

- a. The Committee shall assist the Board in identifying individuals qualified to become Board members and to recommend to the Board the nominees to stand for election as Directors at the annual Shareholders' General Assembly Meeting. The Committee may consider individuals proposed by shareholders and management at its discretion.
- b. Annual review of the requirement of suitable skills for membership of the Board of Directors and the preparation of a description of the required capabilities and qualifications for such membership, including, inter alia, the time that a Board member should reserve for the activities of the Board.
- c. The Committee shall review the composition of each committee of the Board and recommend to the Board for its approval Directors to serve as members of each committee.
- d. The Committee shall assist the Board in selecting, developing and evaluating potential candidates for Executive officer positions, including the President, and oversee the development of Executive officer succession plans.
- e. The Committee shall maintain an orientation program for new Directors.
- f. The Committee shall develop and recommend to the Board for its approval an annual self-evaluation process for the Board and shall oversee the annual self-evaluation of the Board.
- g. The Committee shall assist the Board in determining on an annual basis the compliance of each Director and Executive officer with the Company's Code of Conduct and Ethics and shall report any violations of the Code to the Board.
- h. Regularly review the structure, size and compensation; including skills, knowledge and experience required; of the Board of Directors and recommend changes.
- i. Determine the points of strength and weakness in the Board of Directors and recommend remedies that are compatible with the Company's interest.
- j. Ensure on an annual basis the independence of the independent members and the absence of any conflict of interest in case a Board member also acts as a member of the Board of Directors of another company.

7.2.3 The Remuneration Responsibilities:

- a. Draw clear policies regarding the indemnities and remunerations of the Board members and top Executives (President, Vice President, Chief Financial

- Officer and Chief Operating Officer); in laying down such policies, the standards related to performance shall be followed.
- b. The Committee shall have the direct responsibility to recommend the form and amount of Director Compensation. In discharging this responsibility, the Committee shall seek to attract, motivate, reward and retain Directors of high integrity and superior ability who are focused on enhancing long-term shareholder value.
 - c. The Committee shall review and recommend to the Board the compensation level for Executive officers, including the President, as well as review and recommend the employee compensation plan.
 - d. The Committee shall have sole authority to retain compensation consultants and other advisors as it deems necessary to carry out its duties and shall have the sole authority to approve related fees and other retention terms and to cause the Company to pay such related fees.
 - e. Recommend to the Board of Directors appointments to membership of the Board in accordance with the approved policies and standards; the Committee shall ensure that no person who has been previously convicted of any offense affecting honor or honesty is nominated for such membership.
 - f. The Committee shall perform such other activities as the Board may assign to the Committee from time to time.
 - g. The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
 - h. In accordance with Article 74 of the Companies Regulations and in accordance to the Company's Bylaws (Article 20), the Company's bylaws shall specify the manner of remunerating Directors. Such remuneration may consist of specified salary, or of a certain percentage of the profit, or of a combination of two or more of these benefits. If, however, such remuneration represents a certain percentage of the Company's profit, it must not exceed 10% of the net profits after deduction of expenses, depreciation, and such reserves as determined by the General Meeting pursuant to the provision of this Act or of the Company's bylaws, and after distribution of dividend of not less than 5% of the Company's capital to the shareholders. Any determination of remuneration made in violation of this provision shall be null and void. Moreover, such remuneration shall not exceed also SR 200,000 per annum for each Director as per the Ministerial Resolution No.1071 dated 2/11/1412H.
 - i. The Board of Directors' report to the regular General Meeting must include a comprehensive statement of all the amounts received by Directors during the financial year in the way of emoluments, shares in the profits, attendance fees, expense, and other benefits, as well as of all the amounts received by the Director in their capacity as officers or Executives of the Company, or in consideration of technical, administrative or advisory services.
 - j. Directors who are employees of the Company shall not receive any compensation for their services as Directors. Directors who are not employees of the Company cannot enter into any consulting arrangements with the Company without the prior approval of the Board. Directors who serve on the Audit Committee shall not directly or indirectly provide or receive

compensation for providing accounting, consulting, legal, investment or financial advisory services to the Company. Further, the Company shall not contribute to charitable organizations with which a Director is affiliated.

- k. The Nomination & Remuneration Committee shall be responsible for evaluation and recommending compensation level for Executive Officers, including the President. The Committee shall present a compensation report to the Board annually for its approval.

7.3 Committee Structure

- 7.3.1 The Committee shall be comprised of not less than three (3) members of the Board.
- 7.3.2 Members of the Committee shall be appointed by the Board and may be removed by the Board at its discretion.
- 7.3.3 One of the members shall serve as the Chairperson of the Committee. The Chairman of the Committee shall be designated by the Board or, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee.
- 7.3.4 The Nomination & Remuneration Committee term of office shall be for a period not to exceed the office of the Board. The membership of Nomination & Remuneration Committee member, if he is a Director, shall come to an end at the expiry of his membership of the Board or by his voluntary resignation from the Nomination & Remuneration Committee membership. Non-Director's membership will cease by way of his/her resignation or at the end of the Committee's term. The Board may remove Nomination & Remuneration Committee member from the membership by a majority vote

7.4 Committee Operations

- 7.4.1 The Committee shall meet at such times as shall be determined by its Chairperson, or upon the request of any two of its members.
- 7.4.2 The Committee shall meet at least twice (2) a year to regularly review the structure, size and compensation; including skills, knowledge and experience required.
- 7.4.3 No one other than the Committee members shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee.
- 7.4.4 The agenda of each meeting shall be prepared by the Chairman and whenever reasonably possible, circulated to each member prior to the meeting date. The Committee shall meet at the invitation of its Chairman or any two members. Such an invitation to be accompanied by the agenda for

the meeting and shall be hand delivered or sent to the members electronically or in any other manner at least fifteen (15) days before the date of the meeting, unless waived by mutual consent of all the members. In absence of the Chairman, the Committee will mutually elect the Chairman to preside that specific meeting.

7.4.5 The Chairperson shall preside, when present, at all meetings of the Committee.

7.4.6 A majority of the members of the Committee shall constitute a quorum. Each member of the Committee shall have one vote. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. In case of a tie, the Chairman has the casting vote.

7.4.7 The Committee shall keep a record of its meetings and report on them to the Board.

7.4.8 The Committee's meetings will be documented as follows:

- a. The minutes shall specify the date and the place of meeting, the name of attendees and absentees, summary of discussions held in the meeting and their related decisions and recommendations shall be recorded.
- b. The draft minutes shall be prepared by the Committee's Secretary within seven business days after each meeting and shall be sent to all Committee members for review. Any comments on the minutes from any of the Committee members shall be provided during a week from the draft's receipt date.
- c. The Committee's Secretary amends the draft minutes based on the members' comments and sends it attached with these comments to the Chairman.
- d. The Secretary of the Committee prepares the final minutes according to the Chairman's recommendations and sends it to the Committee members duly signed by the Chairman and himself.
- e. The signed copy of the minutes shall be kept attached with its related documents and correspondence in a special file



- 7.4.9 In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditors or consultants, or incur other expenses for this purpose, which expenses the Company, shall pay. The Committee may require any Executive officer or employee of the Company or any of its subsidiaries, the Company's outside legal counsel, and the Company's external auditors to meet with the Committee or any member of the Committee.
- 7.4.10 The Committee shall evaluate its performance annually and shall report its findings to the Board. Committee evaluation shall include an assessment of the performance and commitment of each member to the activities of the Committee.

7.5 Remuneration of the Committee

- 7.5.1 Each member of the Committee is entitled to the below compensation:
- An attendance payment for each meeting attended by the Committee member and
 - Annual compensation
- 7.5.2 Committee members who are resident outside the Company's Registered Office location are entitled to all out of pocket expenses incurred by them to attend the meeting. Such out of pocket expenses will include reasonable, customary and acceptable expenses as per the business norms for items such travel, meal, accommodations and other expenses specifically incurred for business purposes.
- 7.5.3 Board of Directors reports presented to the General Assembly will disclose the remunerations and other payments made to the Committee members.