

Saudi Steel Pipe New Remuneration and Nomination Committee Charter 2025 After Amendment

Remuneration and Nomination Committee Charter 2025-**NEW**

The new additions are in **green & bold**.

The text with no changes is in black.

Saudi Steel Pipe Company

Remuneration & Nomination Committee Charter

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1. Preamble

This charter is prepared and approved as part of the Corporate Governance framework of Saudi Steel Pipe Company (“SSP”) and the Corporate Governance Regulations **issued by the Board** of the Capital Market Authority.

2. Role of the Committee

The role of the remuneration and nomination committee (the “Committee”) comprises assisting the Board of Directors of SSP (the “Board”) in fulfilling its regulatory responsibilities for nominating Directors and top executives, as well as setting out a clear remuneration policy ensuring transparency in SSP’s strategy for remuneration, benefits, incentives and payroll.

3. Supervision over the Committee

The Board shall supervise the work of the Committee.

4. Formation and Membership

4.1 The Board appoints the Committee members in accordance with the rules contained in this Charter as approved by the General Assembly.

4.1.1 The Committee is formed, upon a resolution of the Board, from Non-executive Directors. The Committee shall have at least one Independent Director.

4.1.2 The members of the Committee must have sound business knowledge and/or general management experience as well as satisfying the requirements of membership of the Board of Directors. The candidate shall have not been convicted of an offense of dishonesty, breach of trust or violation of the applicable laws and regulations.

4.1.3 The number of members of the Committee shall not be less than three nor more than five

4.2 The Committee shall in its first meeting choose a Chairman, who shall be an Independent Director. The Chairman of the Board may not occupy the position of Chairman of the Committee.

4.3 Members of the Committee shall be appointed for a term of three years or until expiration of his term as a Board member, whichever expires earlier.

4.4 A Committee member may be removed upon a resolution of the Board:

4.4.1 Upon the request of the Committee member.

4.4.2 If a Committee member fails to attend, at least three Committee meetings without reasonable cause, within the financial year of the company.

4.4.3 If it is in the interest of SSP to remove a Committee member.

4.5 If a Committee seat becomes vacant due to the death, resignation, disability or removal of a member, the Board shall appoint another member to fill this vacant position.

5. Secretary

The Committee may choose a secretary, whether a committee member or not, to prepare minutes of the Committee meetings and undertake the Committee's administrative affairs.

6. Meetings & Quorum

6.1 The Committee shall, at the beginning of each calendar Gregorian year, approve a tentative schedule of meetings for such calendar year. During each meeting, the Committee will confirm the date for the subsequent meeting.

6.2 The Committee shall convene periodically, at least twice in a calendar Gregorian year, the duration between the two meetings shall not be more than 6 months. The Committee may also convene: (i) at the request of its Chairman as needed, SSP's management, a Committee member or the Chairman of the Board of Directors; and (ii) when a candidature for the Board of Directors is submitted by a candidate.

6.3 The required quorum for a Committee meeting is the majority of its members. A Committee member may not authorize another person to attend on his behalf.

6.4 The Chairman of the Committee shall supervise the agenda of the Committee meetings. The secretary of the Committee shall make the agenda and necessary documents available to all Committee members at least five days prior to the meeting.

6.5 In case of absence of the Chairman, any other member of the Committee may chair a meeting.

6.6 The Chairman of the Committee may invite an employee of SSP or any external party to attend meetings.

6.7 Meetings of the Committee may be held and resolutions may be passed using electronic or other communication means and Committee members participating through such means shall be duly counted as part of the necessary quorum.

7. Voting

Resolutions of the Committee shall be passed by simple majority and in case of tie, the Chairman of the Committee will have a casting vote.

8. Powers of the Committee

8.1 The Committee is entitled to all necessary resources and information to perform its duties and responsibilities.

- 8.2 The Committee may request the assistance of experts and advisors to obtain advice on any item of the agenda including appointing compensation experts, consultants and executive research companies.

9. Committee tasks

The tasks of the Committee are as follows:

9.1 Remuneration:

- 9.1.1 Preparing clear policies for the remuneration of the members of the Board and its committees, and that of the Executive Management and presenting such policies to the Board in preparation for approval by the General Assembly, provided that the policies should include standards associated with performance, disclose the same and ensure implementation thereof.
- 9.1.2 Explaining the difference between the granted remuneration and the applicable remuneration policies and highlighting any material deviation from those policies.
- 9.1.3 Periodically reviewing the remuneration policies and assessing their effectiveness in achieving their objectives.
- 9.1.4 Providing recommendations to the Board in respect of the remuneration of its members, members of its committees and Executive Management, in accordance with the approved policies.

9.2 Nominations:

- 9.2.1 Suggesting clear policies and standards for membership of the Board and Executive Management.
- 9.2.2 Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
- 9.2.3 Providing job descriptions for the Executive, Non-executive and Independent Directors and Executive Management.
- 9.2.4 Determining the amount of time that the member shall allocate to the activities of the Board.
- 9.2.5 Reviewing the structure of the Board and Executive Management and providing recommendations regarding changes that may be made to such structures.
- 9.2.6 Establishing procedures to be followed if the position of a member of the Board or Executive Management becomes vacant.

- 9.2.7 Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
- 9.2.8 Annually reviewing the skills and expertise required of the Board members and Executive Management.
- 9.2.9 Annually confirming the independence of the Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of Directors of another company.
- 9.2.10 Determining the strengths and weaknesses of the Board and recommending solutions that serve SSP's interests.

10. Confidentiality

The members of the Committee shall keep information confidential and no Committee member shall disclose, except as required by law and/or permitted by the Board, to any party, any information they access arising from the performance of their duties.

11. Minutes of meetings

- 11.1 The secretary of the Committee or a Committee member shall prepare minutes of meeting, which shall include, without limitation, date and place of the meeting, names of the present and absent members, summary of discussions and recommendations and resolutions passed by the Committee.
- 11.2 Draft minutes of meetings of the Committee shall be sent to all members of the Committee, who may send their remarks or comments within one week from the date of dispatch.
- 11.3 Draft minutes of meetings shall be modified in light of the remarks and comments received from members, and circulated to Committee members for final approval.
- 11.4 All Committee members attending the meeting shall sign the final minutes of the meeting.
- 11.5 The signed minutes shall be kept at SSP's facilities.

12. Reports

The Chairman of the Committee shall report the results of each meeting in the subsequent Board meeting or through circulation, including its recommendations to the Board for approval.

13. Remuneration

Each member of the Committee will be paid a fee of 3,000 **Saudi Riyals** (three thousand Saudi Riyals) for each meeting attended by the member.

A member of the Committee will also be granted the amount of **60,000 Saudi Riyals** (sixty thousand Saudi riyals) annually provided that his/**her** attendance should not be less than 75% of the number of meetings held. If this percentage was **lower**, then his/**her** remuneration will be calculated pro rata to that of his/**her** attendance.

14. Amendments to the Charter of the Committee

This Charter may be reviewed and amended from time to time, as decided by the Committee. Such amendments shall be subject to approval of the General Assembly upon recommendation of the Board.

Saudi Steel Pipe
Remuneration and
Nomination
Committee Charter

Before Amendment

Saudi Steel Pipe Company

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Each member of the Committee will be paid a fee of SAR 3,000 (three thousand Saudi Riyals) for each meeting attended by the member.

A member of the Committee will also be granted the amount of SAR 50,000 (fifty thousand Saudi riyals) annually provided that his attendance should not be less than 75% of the number of meetings held. If this percentage was lower, then his remuneration will be calculated pro rata to that of his attendance.

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