

## Amendments on Items of Work List of the Audit Committee (Comparison)

<u>Current Text</u>	<u>New Text</u>
<p><b><u>Preamble:</u></b></p> <p>Pursuant to the decision of His Excellency the Minister of Commerce No 903 .of 1414/8/12 AH, which stipulates the formation of audit committees in joint stock companies, and after reviewing the new Companies Law Article (101) and the updated Governance Regulations Article , (54) an audit committee is formed by a decision of the company's Ordinary General Assembly Non-executive members of the board of directors, whether shareholders or others ,provided that the number of its members is not less than three and not more than five, and that one of them is specialized in financial and accounting affairs . The committee is responsible for monitoring the company's business, and for this purpose, it has the right to review its records and documents and to request clarification or a statement from the members of the board of directors and the executive management . .The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken that fall within the scope of its competence. The Board of Directors shall deposit Sufficient copies of this report at the company's head office at least ten days before the date of the general assembly meeting to provide each of the shareholders who wish with a copy of it .The Audit Committee, following up its work and meeting periodically with it to verify its performance of the tasks entrusted to it, studying its reports and implementing its recommendations .</p> <p><b><u>Composition of the committee:</u></b></p> <ol style="list-style-type: none"> <li>1. The Audit Committee shall be formed by a decision of the company's Ordinary General Assembly, based on a proposal from the Board of Directors in accordance with the provisions of Article (101) of the Companies Law, from at least three non-executive members, among whom shall be a specialist in financial and accounting affairs, outside the company .</li> <li>2. The chairman of the committee must be an independent member.</li> <li>3. It is not permissible for anyone who works or has worked during the past two years in the executive or financial management of the company or with the company's auditor to be a member of the audit committee</li> </ol>	<p><b><u>Preamble:</u></b></p> <p>The Audit Committee is one of the important committees in listed public joint-stock companies, because of the essential and effective role it plays in internal and external audit work, the internal control process, the development of systems and plans related to these activities, and the follow-up of their implementation and the company's commitment and compliance with recognized regulations and standards. The Capital Market Authority's regulations have given special importance to the Audit Committee and strengthening its framework and powers.</p> <p>This regulation was issued in light of Paragraph (e) of Article (51) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16—2017, dated 5/16/1437 AH corresponding to 2/13/2017, amended by the decision of the Board of the Capital Market Authority. No. 8-5-2023 dated 6/25/1444 AH corresponding to 1/18/2023, which stipulates that "the company's general assembly shall issue - based on the proposal of the Board of Directors - the work regulations of the Audit Committee, provided that this regulation includes the controls and procedures for the work of the committee." Its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their remuneration, and the mechanism for appointing its members temporarily in the event that one of the committee seats becomes vacant. The words and expressions mentioned in these regulations shall have the meanings given to them in the relevant regulations of the Capital Market Authority, unless the context requires otherwise.</p> <p><b><u>Composition of the committee:</u></b></p> <ol style="list-style-type: none"> <li>1. The Audit Committee shall be formed by a decision of the company's Board Of Directors .</li> <li>2. The Number of Members of the Audit Committee must not be less than three and not more than five, including a specialist in financial and accounting affairs.</li> <li>3. The committee Chairman must be an independent member .</li> <li>4. It is not permissible for anyone who works or has worked during the past two years in the executive or financial management of the company or for the company's auditor to be a member of the audit committee .</li> </ol>

**How to nominate committee members:**

1. Subject to the provisions contained in these regulations, the committee shall be formed from non-executive board members, whether shareholders or others, and the number of members shall not be less than three and not more than five, provided that one of them is an independent board member, and that the candidate has a record of experiences related to the tasks of the Audit Committee, having a good knowledge of the company's activities and business, and the candidate having a university qualification and knowledge of financial aspects, and being among the candidates specialized in financial affairs. The Nomination Committee, when examining applications for candidacy, takes into account that the selection of the candidate for membership of the Committee does not violate the relevant laws, regulations and instructions Relationship .
2. The Nominations Committee studies the applications and ensures their compliance with the terms and conditions, and then submits its recommendations to the Board of Directors.
3. The Board will study the recommendation of the Nominations Committee and then propose the formation of the Audit Committee for the General Assembly of the company that selects the candidates.

**Duration of work of the committee:**

The term of membership of the Committee shall be three years, starting with the beginning of the Board of Directors term and their membership ending with the end of the Board's term. The Board may also re-nominate them to the Shareholders' General Assembly for a similar period or periods

1. Committee members or any of them may be dismissed in the event of a violation by any of them For the provisions contained in these regulations or for any reasons deemed appropriate by the General Assembly for the company.
3. Committee member may resign, provided that this is done at a suitable time it is accepted by the board of directors, otherwise he will be responsible before the company.
4. The Board of Directors appoints another member in the event that one of the committee seats becomes vacant .The appointment is presented to the company's general assembly in its first session to approve the appointment .

**How the committee works:**

1. The committee chooses a chairperson from among its members, provided that he is one of the independent members. It may also choose a secretary from among its members or others to write the minutes of the meetings and undertake the administrative work of the committee.

**How to nominate committee members:**

1. Taking into account the provisions contained in these regulations, the Audit committee shall be formed from non-members of the executive board of directors, whether shareholders or others, provided that among them is an independent board member, and the candidate must have a record of experience related to the tasks of the audit committee. He is good at the company's activities and work, and the candidate must have a university qualification and be familiar with financial aspects, and one of the candidates must be a specialist in financial affairs. The Nominations Committee also takes into account, when examining nomination applications, that the selection of the candidate for membership in the committee does not violate the relevant rules, regulations and instructions.
2. The Nominations Committee studies the applications, ensures that they comply with the terms and conditions, and then submits its recommendations to the Board of Directors.
3. The Board will study the nominations committee's recommendation and then form The Audit Committee.

**Duration of work of the committee:**

1. The term of membership of the Committee shall be four years, starting with the beginning of the Board of Directors term and their membership ending with the end of the Board's term. The Board may also re-nominate them for a similar period or periods .
2. Committee members or any of them may be dismissed in the event of a violation by any of them for the provisions contained in these regulations or for any reasons deemed appropriate by the Board of Directors.
3. Committee member may resign, provided that this is done at a suitable time it is accepted by the board of directors, otherwise he will be responsible before the company.
4. The Board of Directors appoints another member in the event that one of the committee seats becomes vacant, provided that he is someone who has sufficient experience and meets the criteria for committee membership .

**How the committee works:**

1. The committee chooses a chairperson from among its members, provided that he is one of the independent members. It may also choose a secretary from among its members or others to write the minutes of the meetings and undertake the administrative work of the committee, provided that the Board of Directors determined his remuneration .

<ol style="list-style-type: none"> <li>2. The committee meets at the invitation of its chairman on a regular basis, provided that its meetings are not less than four during the company's fiscal year. The meeting is not valid unless attended by the majority of the members, and its decisions are issued by the majority and when the votes are equal, the side with which the chairman of the committee voted shall prevail .</li> <li>3. The committee member may not be one of the executive board members or those who perform administrative or technical work in the company, and the committee member may not have a direct or indirect interest in the business and contracts that are done for the company's account.</li> <li>4. The committee member is obligated to preserve the company's secrets, and the committee members are not allowed to divulge any secrets they confide to them because of their conduct of their business to the shareholders or to others.</li> <li>5. In the event that the member is unable to attend the committee meeting in person, he may delegate one of the members in writing, and sufficient effort is made to enable the member to attend through the use of the available means of communication .</li> <li>6. The minutes of the committee's meetings shall be recorded and recorded in writing in a special register signed by the members, and these minutes shall be kept among the important documents of the company.</li> <li>7. The Board of Directors monitors the work and performance of the Committee through its Chairman and through periodic reports submitted to the Board of Directors.</li> <li>8. No member of the board of directors or the executive management who is not a member of the committee has the right to attend its meetings unless the committee requests hearing his opinion or obtaining his advice .</li> <li>9. The audit committee meets periodically with the company's auditor and with the company's internal auditor.</li> <li>10. The internal auditor and the auditor may request a meeting with the audit committee whenever the need arises.</li> </ol>	<ol style="list-style-type: none"> <li>2. The committee meets at the invitation of its chairman on a regular basis, provided that its meetings are not less than four during the company's fiscal year. The meeting is not valid unless attended by the majority of the members, and its decisions are issued by the majority and when the votes are equal, the side with which the chairman of the committee voted shall prevail .</li> <li>3. The committee member may not be the Chairman or one of the executive board members or those who perform administrative or technical work in the company, and the committee member may not have a direct or indirect interest in the business and contracts that are done for the company's account.</li> <li>4. The committee member is obligated to preserve the company's secrets, and the committee members are not allowed to divulge any secrets they confide to them because of their conduct of their business to the shareholders or to others.</li> <li>5. In the event that the member is unable to attend the committee meeting in person, he may delegate one of the members in writing, and sufficient effort is made to enable the member to attend through the use of the available means of communication . The meetings of the Committee may also be held through Modern Technology .</li> <li>6. The minutes of the committee's meetings shall be recorded and recorded in writing in a special register signed by the members, and these minutes shall be kept among the important documents of the company.</li> <li>7. The Board of Directors monitors the work and performance of the Committee through its Chairman and through periodic reports submitted to the Board of Directors.</li> <li>8. No member of the board of directors or the executive management who is not a member of the committee has the right to attend its meetings unless the committee requests hearing his opinion or obtaining his advice .</li> <li>9. The audit committee meets periodically with the company's auditor and with the company's internal auditor.</li> <li>10. The internal auditor and the auditor may request a meeting with the audit committee whenever the need arises.</li> </ol>
--	---



Current Work list



## Anaam International Holding Group Company

### Audit committee work list

#### Preamble:

Pursuant to the decision of His Excellency the Minister of Commerce No 903 .of 1414/8/12 AH, which stipulates the formation of audit committees in joint stock companies, and after reviewing the new Companies Law Article (101) and the updated Governance Regulations Article , (54) an audit committee is formed by a decision of the company's Ordinary General Assembly Non-executive members of the board of directors, whether shareholders or others ,provided that the number of its members is not less than three and not more than five, and that one of them is specialized in financial and accounting affairs . The committee is responsible for monitoring the company's business, and for this purpose, it has the right to review its records and documents and to request clarification or a statement from the members of the board of directors and the executive management . .The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken that fall within the scope of its competence. The Board of Directors shall deposit Sufficient copies of this report at the company's head office at least ten days before the date of the general assembly meeting to provide each of the shareholders who wish with a copy of it .The Audit Committee, following up its work and meeting periodically with it to verify its performance of the tasks entrusted to it, studying its reports and implementing its recommendations .



### **Composition of the committee:**

1. The Audit Committee shall be formed by a decision of the company's Ordinary General Assembly, based on a proposal from the Board of Directors in accordance with the provisions of Article (101) of the Companies Law, from at least three non-executive members, among whom shall be a specialist in financial and accounting affairs. outside the company .
2. The chairman of the committee must be an independent member.
3. It is not permissible for anyone who works or has worked during the past two years in the executive or financial management of the company or with the company's auditor to be a member of the audit committee.

### **How to nominate committee members:**

1. Subject to the provisions contained in these regulations, the committee shall be formed from non-executive board members, whether shareholders or others, and the number of members shall not be less than three and not more than five, provided that one of them is an independent board member, and that the candidate has A record of experiences related to the tasks of the Audit Committee, having a good knowledge of the company's activities and business, and the candidate having a university qualification and knowledge of financial aspects, and being among the candidates specialized in financial affairs. The Nomination Committee, when examining applications for candidacy, takes into account that the selection of the candidate for membership of the Committee does not violate the relevant laws, regulations and instructions Relationship .
2. The Nominations Committee studies the applications and ensures their compliance with the terms and conditions, and then submits its recommendations to the Board of Directors.
3. The Board will study the recommendation of the Nominations Committee and then propose the formation of the Audit Committee for the General Assembly of the company that selects the candidates.



### **Duration of work of the committee:**

1. The term of membership of the Committee shall be three years, starting with the beginning of the Board of Directors 'term and their membership ending with the end of the Board's term. The Board may also re-nominate them to the Shareholders' General Assembly for a similar period or periods .
2. Committee members or any of them may be dismissed in the event of a violation by any of them For the provisions contained in these regulations or for any reasons deemed appropriate by the General Assembly for the company.
3. Committee member may resign, provided that this is done at a suitable time it is accepted by the board of directors, otherwise he will be responsible before the company.
4. The Board of Directors appoints another member in the event that one of the committee seats becomes vacant .The appointment is presented to the company's general assembly in its first session to approve the appointment .

### **How the committee works:**

1. The committee chooses a chairperson from among its members, provided that he is one of the independent members. It may also choose a secretary from among its members or others to write the minutes of the meetings and undertake the administrative work of the committee ..



2. The committee meets at the invitation of its chairman on a regular basis, provided that its meetings are not less than four during the company's fiscal year. The meeting is not valid unless attended by the majority of the members, and its decisions are issued by the majority and when the votes are equal, the side with which the chairman of the committee voted shall prevail .
3. The committee member may not be the Chairman or one of the executive board members or those who perform administrative or technical work in the company, and the committee member may not have a direct or indirect interest in the business and contracts that are done for the company's account.
4. The committee member is obligated to preserve the company's secrets, and the committee members are not allowed to divulge any secrets they confide to them because of their conduct of their business to the shareholders or to others.
5. In the event that the member is unable to attend the committee meeting in person, he may delegate one of the members in writing, and sufficient effort is made to enable the member to attend through the use of the available means of communication .
6. The minutes of the committee's meetings shall be recorded and recorded in writing in a special register signed by the members, and these minutes shall be kept among the important documents of the company.
7. The Board of Directors monitors the work and performance of the Committee through its Chairman and through periodic reports submitted to the Board of Directors.
8. No member of the board of directors or the executive management who is not a member of the committee has the right to attend its meetings unless the committee requests hearing his opinion or obtaining his advice .



9. The audit committee meets periodically with the company's auditor and with the company's internal auditor.
10. The internal auditor and the auditor may request a meeting with the audit committee whenever the need arises.

**Duties of the audit committee :**

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of its reports, financial statements and internal control systems. The committee's tasks include in particular the following:

1. Studying the company's initial and annual financial statements before submitting them to the Board of Directors and expressing its opinion and recommendation in this regard to ensure its integrity, fairness and transparency.
2. Expressing a technical opinion at the request of the Board of Directors regarding whether the Board's report

The company's management and financial statements are fair, balanced and understandable, and include Information that allows shareholders and investors to assess the financial position  
The company, its performance, business model and strategy.

3. Study any important or unfamiliar issues included in the financial reports.
4. Thoroughly researching any issues raised by the company's financial manager or whoever is in charge of it

his duties or the compliance officer in the company or the auditor.



5. Verification of accounting estimates in the material issues contained in

financial reports.

6. Studying the accounting policies followed in the company and expressing an opinion and recommendation

to the Board of Directors in this regard.

7. Studying and reviewing the company's internal and financial control and risk management systems.

8. Studying internal audit reports and following up on the implementation of corrective actions

for the notes contained therein.

9. Control and supervision of the performance and activities of the internal auditor and audit management

The company's internal affairs - if any - to verify the availability of the necessary resources

And its effectiveness in performing the work and tasks assigned to it. If the company does not have an internal auditor, the committee must submit its recommendations to the Board regarding the extent of the need to appoint him.

10. Recommending to the Board of Directors the appointment of the director of the internal audit unit or department or the internal auditor and suggesting his remuneration.

11. Recommending to the Board of Directors the nomination, dismissal and designation of auditors

their fees and evaluate their performance after verifying their independence and reviewing the scope of their work



and terms of contract with them.

12. Verify the auditor's independence, objectivity, fairness and effectiveness

The work of the auditor, taking into account the relevant rules and standards.

13. Reviewing the company's auditor's plan and business and verifying that it was not submitted

Technical or administrative work that is outside the scope of audit work and express its views on it that.

14. Answer the company's auditor's inquiries.
15. Studying the auditor's report and his notes on the financial statements and following up on what was taken in their regard.
16. Review the results of the reports of the regulatory authorities and verify that the company has taken the measures

necessary regarding it.

17. Verify the company's compliance with relevant laws, regulations, policies and instructions

Relationship.

18. Review the contracts and transactions proposed to be conducted by the company with related parties

relationship and presenting its views in this regard to the Board of Directors.

19. Raise any issues you deem necessary to take action on to the Board of Directors



And make recommendations for the actions to be taken.

20. Establishing a mechanism that allows employees of the company to provide feedback on any violation

In financial or other reports confidentially .The committee must verify the application

This mechanism should conduct an independent investigation commensurate with the extent of the error or overreach and adopt appropriate follow-up procedures.

#### **Conflict between the Audit Committee and the Board of Directors:**

If there is a conflict between the audit committee's recommendations and the decisions of the board of directors, or if the board refuses to accept the committee's recommendation regarding appointing and dismissing the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor, the board of directors report must include the committee's recommendation and its justifications and reasons for not taking them.

#### **Audit Committee Powers:**

The Audit Committee, in order to perform its duties:

1. The right to access the company's records and documents.
2. To request any clarification or statement from the members of the board of directors or the executive management.
3. To request the board of directors to invite the company's general assembly to convene if the board of directors obstructs its work or the company suffers serious damage or losses.



### **Audit committee report:**

The Audit Committee issues an annual report that includes a comprehensive summary of its work and performance and how to implement its competencies and tasks as required by the regulations and laws to be presented to the general assembly of shareholders in accordance with the method determined by the Saudi Companies Law or any other regulations issued by the competent authorities.

### **fee**

A member of the Audit Committee shall be entitled to an allowance for attending sessions in the amount of (3.000) riyals for each session, in addition to what the Board of Directors or the general assembly of shareholders may decide of privileges or other allowances for the members of the Board. Formal meetings of the committee or council .The details of the rewards received by the committee members are disclosed within the contents of the annual report of the Board of Directors, according to the applicable laws and regulations .

### **Final provisions:**

1. These regulations are considered effective from the date of approval by the company's ordinary general assembly.
2. This regulation shall cancel and replace all procedures, decisions or internal regulations of the company that contradict it.
3. This regulation is considered complementary to the company's articles of association and the corporate governance regulation issued by the Capital Market Authority.



4. Whatever is not provided for in this regulation, the Saudi Companies Law, the Capital Market Authority Regulations (Corporate Governance Regulations), the company's articles of association and the decisions issued by the competent authorities shall apply .

\*\*\*\*\*

**Anaam International Holding Group Company**

**Audit committee work list**

**Preamble:**

The Audit Committee is one of the important committees in listed public joint-stock companies, because of the essential and effective role it plays in internal and external audit work, the internal control process, the development of systems and plans related to these activities, and the follow-up of their implementation and the company's commitment and compliance with recognized regulations and standards. The Capital Market Authority's regulations have given special importance to the Audit Committee and strengthening its framework and powers.

This regulation was issued in light of Paragraph (e) of Article (51) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16—2017, dated 5/16/1437 AH corresponding to 2/13/2017, amended by the decision of the Board of the Capital Market Authority. No. 8-5-2023 dated 6/25/1444 AH corresponding to 1/18/2023, which stipulates that "the company's general assembly shall issue - based on the proposal of the Board of Directors - the work regulations of the Audit Committee, provided that this regulation includes the controls and procedures for the work of the committee." Its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their remuneration, and the mechanism for appointing its members temporarily in the event that one of the committee seats becomes vacant. The words and expressions mentioned in these regulations shall have the meanings given to them in the relevant regulations of the Capital Market Authority, unless the context requires otherwise.



### **Composition of the committee:**

1. The Audit Committee shall be formed by a decision of the company's Board Of Directors .
2. The Number of Members of the Audit Committee must not be less than three and not more than five, including a specialist in financial and accounting affairs.
3. The committee Chairman must be an independent member .
4. It is not permissible for anyone who works or has worked during the past two years in the executive or financial management of the company or for the company's auditor to be a member of the audit committee .

### **How to nominate committee members:**

1. Taking into account the provisions contained in these regulations, the Audit committee shall be formed from non-members of the executive board of directors, whether shareholders or others, provided that among them is an independent board member, and the candidate must have a record of experience related to the tasks of the audit committee. He is good at the company's activities and work, and the candidate must have a university qualification and be familiar with financial aspects, and one of the candidates must be a specialist in financial affairs. The Nominations Committee also takes into account, when examining nomination applications, that the selection of the



candidate for membership in the committee does not violate the relevant rules, regulations and instructions.

2. The Nominations Committee studies the applications, ensures that they comply with the terms and conditions, and then submits its recommendations to the Board of Directors.

3. The Board will study the nominations committee's recommendation and then form The Audit Committee.

**Duration of work of the committee:**

1. The term of membership of the Committee shall be four years, starting with the beginning of the Board of Directors 'term and their membership ending with the end of the Board's term. The Board may also re-nominate them for a similar period or periods .
2. Committee members or any of them may be dismissed in the event of a violation by any of them for the provisions contained in these regulations or for any reasons deemed appropriate by the Board of Directors.
3. Committee member may resign, provided that this is done at a suitable time it is accepted by the board of directors, otherwise he will be responsible before the company.
4. The Board of Directors appoints another member in the event that one of the committee seats becomes vacant, provided that he is someone who has sufficient experience and meets the criteria for committee membership .



### **How the committee works:**

1. The committee chooses a chairperson from among its members, provided that he is one of the independent members. It may also choose a secretary from among its members or others to write the minutes of the meetings and undertake the administrative work of the committee provided that the Board of Directors determined his remuneration.
2. The committee meets at the invitation of its chairman on a regular basis, provided that its meetings are not less than four during the company's fiscal year. The meeting is not valid unless attended by the majority of the members, and its decisions are issued by the majority and when the votes are equal, the side with which the chairman of the committee voted shall prevail .
3. The committee member may not be the Chairman or one of the executive board members or those who perform administrative or technical work in the company, and the committee member may not have a direct or indirect interest in the business and contracts that are done for the company's account.
4. The committee member is obligated to preserve the company's secrets, and the committee members are not allowed to divulge any secrets they confide to them because of their conduct of their business to the shareholders or to others.
5. In the event that the member is unable to attend the committee meeting in person, he may delegate one of the members in writing, and sufficient effort is made to enable the member to attend through



the use of the available means of communication . The meetings of the Committee may also be held through Modern Technology .

6. The minutes of the committee's meetings shall be recorded and recorded in writing in a special register signed by the members, and these minutes shall be kept among the important documents of the company.
7. The Board of Directors monitors the work and performance of the Committee through its Chairman and through periodic reports submitted to the Board of Directors.
8. No member of the board of directors or the executive management who is not a member of the committee has the right to attend its meetings unless the committee requests hearing his opinion or obtaining his advice .
9. The audit committee meets periodically with the company's auditor and with the company's internal auditor.
10. The internal auditor and the auditor may request a meeting with the audit committee whenever the need arises.

#### **Duties of the audit committee :**

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of its reports, financial statements and internal control systems. The committee's tasks include in particular the following:

1. Studying the company's initial and annual financial statements before submitting them to the Board of Directors and expressing its opinion and recommendation in this regard to ensure its integrity, fairness and transparency.



2. Expressing a technical opinion at the request of the Board of Directors regarding whether the Board's report the company's management and financial statements are fair, balanced and understandable, and include information that allows shareholders and investors to assess the financial position of the company, its performance, business model and strategy.
3. Study any important or unfamiliar issues included in the financial reports.
4. Thoroughly researching any issues raised by the company's financial manager or whoever is in charge of it his duties or the compliance officer in the company or the auditor.
5. Verification of accounting estimates in the material issues contained in financial reports.
6. Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.
7. Studying and reviewing the company's internal and financial control and risk management systems.
8. Studying internal audit reports and following up on the implementation of corrective actions for the notes contained therein.
9. Control and supervision of the performance and activities of the internal auditor and audit management, the company's internal affairs - if any - to verify the availability of the necessary resources and its effectiveness in performing the work and tasks assigned to it. If the company does not have an internal auditor, the committee must submit its recommendations to the Board regarding the extent of the need to appoint him.



10. Recommending to the Board of Directors the appointment of the director of the internal audit unit or department or the internal auditor and suggesting his remuneration.
11. Recommending to the Board of Directors the nomination, dismissal and designation of auditors their fees and evaluate their performance after verifying their independence and reviewing the scope of their work and terms of contract with them.
12. Verify the auditor's independence, objectivity, fairness and effectiveness the work of the auditor, taking into account the relevant rules and standards.
13. Reviewing the company's auditor's plan and business and verifying that it was not submitted technical or administrative work that is outside the scope of audit work and express its views on it that.
14. Answer the company's auditor's inquiries.
15. Studying the auditor's report and his notes on the financial statements and following up on what was taken in their regard.
16. Review the results of the reports of the regulatory authorities and verify that the company has taken the measures necessary regarding it.
17. Verify the company's compliance with relevant laws, regulations, policies and instructions relationship.
18. Review the contracts and transactions proposed to be conducted by the company with related parties relationship and presenting its views in this regard to the Board of Directors.
19. Raise any issues you deem necessary to take action on to the Board of Directors and make recommendations for the actions to be taken.



20. Establishing a mechanism that allows employees of the company to provide feedback on any violation in financial or other reports confidentially .The committee must verify the application .
21. This mechanism should conduct an independent investigation commensurate with the extent of the error or overreach hand adopt appropriate follow-up procedures .

#### **Conflict between the Audit Committee and the Board of Directors:**

If there is a conflict between the audit committee's recommendations and the decisions of the board of directors, or if the board refuses to accept the committee's recommendation regarding appointing and dismissing the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor, the board of directors report must include the committee's recommendation and its justifications and reasons for not taking them.

#### **Audit Committee Powers:**

The Audit Committee, in order to perform its duties:

1. The right to access the company's records and documents.
2. To request any clarification or statement from the members of the board of directors or the executive management.
3. To request the board of directors to invite the company's general assembly to convene if the board of directors obstructs its work or the company suffers serious damage or losses.



### **Audit committee report:**

The Audit Committee issues an Annual Report that includes a comprehensive summary of its work and performance and how to implement its powers and tasks in accordance with what is required by regulations and laws, provided that it includes its recommendations and opinion on the adequacy of the company's internal and financial control and risk management systems . The Board deposits copies of it at the company's main office and company's website and the financial market website along with an invitation to the assembly, in order to enable shareholders to view it . A summary of the report is read during the General assembly .

### **fee**

A member of the Audit Committee shall be entitled to an allowance for attending sessions in the amount of (3.000) riyals for each session, in addition to what may be decided by the company's regulations approved by the General Assembly and the Board of directors of annual remuneration, privileges or other allowances for the members of the Board , and the company shall also cover the ticket and accommodation allowance in the event that the member of the Committee travel on official missions or meetings of the Committee or the Board. The details of the remuneration received by the members of the Committee shall be disclosed within the contents of the annual report of the Board of Directors, according to the applicable laws and regulations .

### **Final provisions:**

1. These regulations are considered effective from the date of approval by the company's ordinary general assembly.
2. This regulation shall cancel and replace all procedures, decisions or internal regulations of the company that contradict it.



3. This regulation is considered complementary to the company's articles of association and the corporate governance regulation issued by the Capital Market Authority.
4. Whatever is not provided for in this regulation, the Saudi Companies Law, the Capital Market Authority Regulations (Corporate Governance Regulations), the company's articles of association and the decisions issued by the competent authorities shall apply .

\*\*\*\*\*

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

<u>Current Text</u>	<u>New Text</u>
<p><b><u>Preamble:</u></b></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><b>Firstly :</b></p> <p><b><u>Rules for selecting members of the Remuneration and Nominations Committee, how to nominate them, and the duration of their membership:</u></b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>5. The number of committee members must not be less than three and not more than five.</li> <li>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.</li> </ol>	<p><b><u>Preamble:</u></b></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><b>Firstly :</b></p> <p><b><u>Rules for selecting members of the Remuneration and Nominations Committee, how to nominate them, and the duration of their membership:</u></b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>5. The number of committee members must not be less than three and not more than five.</li> <li>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.</li> </ol>

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

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

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.

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.

**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

**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.

**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.

**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

**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.

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.

## **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.
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

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.

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 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.



## **Work List Regulations of the Remuneration and Nominations Committee**

### **Preamble:**

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.

### **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.

(2)

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

(3)

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.

(4)

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

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

(5)

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.

(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.