

● **Amended Draft No. 2.2 Regarding Proposals to Amend the Regulations of the Remuneration and Nomination of Nama Chemical Company on 15/05/2023 AD**

<u>Article in Question</u>	<u>Current provision</u>	<u>Proposed provision</u>
Title of the regulation	Regulations of the Nominations and Remuneration Committee.	Regulations of the Nominations and Remuneration Committee.
List articles names and format ordinal	<p>introduction:</p> <p>Article One: Formation of the Committee:</p> <p>Article 2: Objectives of the Regulations:</p> <p>Article Three: Functions of the Committee:</p> <p>Article Four: Nomination Procedures:</p> <p>Article Five: Publication of the Candidacy Announcement:</p> <p>Article Six: Reward Controls and Criteria:</p> <p>Article Seven: Remuneration of Committee Members:</p> <p>Article Eight: Committee Meetings:</p> <p>Article Nine: The President and the Secretary:</p> <p>Article Ten: The Vacant Position:</p> <p>Article Eleven: Confidentiality:</p> <p>Article Twelve: Amending the Regulations:</p> <p>Article Thirteen: General Provisions:</p> <p>Article Fourteen: Enforcement</p>	<p>introduction:</p> <p>Article One: Formation of the Committee:</p> <p>Article Two: Functions of the Committee</p> <p>Article Three: Committee meetings</p> <p>Article Four: Nomination Procedures</p> <p>Article Five: Publication of the candidacy announcement</p> <p>Article Six: Rewards controls and criteria</p> <p>Article Seven: Remuneration of committee members</p> <p>Article Eight: Dismissal and retirement of committee members</p> <p>Article Nine: Confidentiality of information</p> <p>Article Ten: Amending the Regulations</p> <p>Article Eleven: General Provisions</p> <p>Article Twelve: Enforcement:</p>
introduction	<p>This bylaw has been prepared in implementation of the provisions of Articles (60 and 64) of the Corporate Governance Regulation issued by the Board of the Capital Market Authority, pursuant to Resolution No. (8-16-2017) dated 05/16/1438 AH corresponding to 02/13/2017 AD and amended by the decision of the Board of the Capital Market Authority (3-45-2018), dated 07/08/1439 AH (corresponding to 04/23/2018 AD).</p> <p>Definitions:</p>	<p>This Regulations has been prepared in application of the provisions of Article 47.7 and taking into account Chapter 3 and 4 of Title 4 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority, based on the Companies Law enacted by Royal Decree No. M/132 dated 01/12/1443 AH and its Executive Regulations issued by the Board of the Capital Market Authority by Resolution No. (08/05/2023) dated 25/06/1444H corresponding to 18/01/2023 AD. The objective of this Regulations is to establish the responsibilities of the Nomination and Remuneration Committee, including its duration of operation, powers and authorities, and how the Board monitors its activities. The Board retains overall responsibility for any powers or authorities delegated to the Committee.</p>
Article One: Formation of the Committee: (Paragraph 2)	<p>When forming the committee, the following must be taken into account:</p> <p>Paragraph 2</p> <p>Paragraph (b):</p> <p>Its members must be non-executive board members, provided that at least one of them is an independent member, and its members</p>	<p>Article One: Formation of the Committee:</p> <p>1- The Committee shall be formed by a resolution of the Board of Directors with three members and not more than five, provided that their term shall be similar to the term of the Board of Directors.</p> <p>2- The members of the Committee shall be non-executive members of the Board of Directors, with at least one member being independent. Additionally, the</p>

	<p>may be non-members of the board of directors, whether they are shareholders or others.</p>	<p>Committee members may be individuals who are not members of the Board of Directors, including shareholders or other qualified individuals. The Chairman of the Committee shall be an independent member selected by the members of the Committee.</p> <p>3- The Chairman of the Board of Directors may be a member of the Committee, but he is not entitled to assume the position of Chairman of the Committee.</p> <p>4- The Capital Market Authority (CMA) shall be informed of the identities of the Committee members and their membership status within five business days of their appointment or any subsequent changes.</p> <p>5- The Committee shall be responsible for its work to the Board of Directors. The Committee has the authority to engage the services of internal or external experts and specialists to assist in carrying out its duties, subject to its defined powers. The minutes of the Committee's meeting shall include details of any such engagement, including the name of the expert or specialist and their relationship with the Company or the Executive Management.</p> <p>6- The Chairman of the Committee or his deputy shall attend the general assemblies to answer the questions of the shareholders.</p> <p>7- The Committee has the discretion to appoint a secretary, who may be a member of the Committee or an external individual, to prepare the minutes of its meetings and manage the administrative tasks of the Committee. The appointed secretary must have relevant experience and be an employee of the company.</p>
<p>Article 2: Objectives of the Regulations:</p>	<p>Based on the decision of the Board of Directors to form the Nominations and Remuneration Committee in implementation of Paragraph (7) of Article (50) of the Corporate Governance Regulations, and based on the proposal of the Board of Directors, this regulation was approved by the General Assembly with the aim of defining the tasks of the Remunerations and Nominations Committee, the duration of its work, and the powers and authorities vested And how the council supervises it, while the council continues to be responsible for those powers or authorities that it delegates to it.</p>	<p>Delete this article to the extent of its content at the forefront of the list, according to the above</p>
<p>Article Three: Functions of the Committee</p>	<p>Paragraph 10 of this article at its beginning: prepare a clear (regulation).</p>	<p>Article Two: Powers and Responsibilities of the Committee:</p> <p>1- Proposing clear controls and criteria for membership in the Board of Directors, its committees and the executive management.</p> <p>2- Recommending to the Board of Directors the nomination and re-nomination of its members in accordance with the approved controls and standards, taking into account not to nominate any person previously convicted of a crime against trust.</p> <p>3- Preparing a description of the capabilities and qualifications required for</p>

		<p>membership of the Board of Directors and its committees and the positions of executive management.</p> <p>4- Carrying out annual review of the necessary requirements for appropriate skills or experience for the membership of the Board of Directors and its committees and the positions of the executive management.</p> <p>5- Reviewing the structure of the Board of Directors, its committees, and Executive Management, and recommending changes that can be made to the Board.</p> <p>6- Identifying the strengths and weaknesses of the Board and proposing solutions to address them in a manner that aligns with the Company's best interests.</p> <p>7- Conducting an annual verification of members' independence and ensuring the absence of any conflicts of interest, particularly in cases where a member also serves on the Board of Directors for another company.</p> <p>8- Developing job descriptions for Senior Executives, Executive Members, Non-Executive Members, and Independent Members.</p> <p>9- Creating special procedures to be followed in the event of a vacancy in the position of a Board of Directors member, its committees, or Senior Executives.</p> <p>10- Drafting the Remuneration Policy Regulations for the Board of Directors members, its committees, and Executive Management, and presenting them to the Board of Directors for review before submission to the General Assembly. The policy should comply with the standards related to performance, disclosure, and verification of implementation.</p> <p>11- Clarifying the relationship between the granted remuneration and the applicable Remuneration Policy Regulations, and disclosing any material deviation from these regulations.</p> <p>12- Conducting periodic revisions of the Remuneration Policy Regulations and assessing their effectiveness in achieving the intended objectives.</p> <p>13- Recommending the remuneration of Board of Directors members, its committees, and Senior Executives of the Company to the Board of Directors, in line with the Remuneration Policy approved by the General Assembly.</p>
<p>Article Seven: Remuneration of committee members</p>	<p>The remuneration of committee members consists of the following:</p> <p>A) Allowance for attending committee meetings: an amount of (3000) three thousand riyals for each meeting.</p> <p>b) If the member is from outside (the eastern region), he will be paid a travel and transportation allowance of (2000) two thousand riyals for each meeting.</p> <p>c) Annual reward (60,000) sixty thousand riyals.</p> <p>D) A reward of (20,000) twenty thousand riyals will be paid to the Secretary of the Committee.</p>	<p>Article Seven: Remuneration of the Committee Members:</p> <p>1- The members of the Committee and the Secretary shall be entitled to an annual remuneration in accordance with the Remuneration Policy Regulations approved by the General Assembly.</p> <p>2- The members of the Committee residing in a city outside the meeting venue shall be entitled to compensation for the expenses they incurred in order to attend the meeting, in accordance with the Remuneration Policy Regulations approved by the General Assembly.</p> <p>3- The Board's annual report to the General Assembly shall disclose the remuneration and other payments granted to the members and secretary of the</p>

		Committee.
Article Eight: Committee Meetings:	Add a sentence to paragraph 1: At least four months	<p>Article Three: Committee Meetings</p> <p>1- The Committee shall convene at least every six months, as invited by the Chairman, and attendance of at least two (2) members shall be required. The Committee may also meet as needed, and members shall not be allowed to delegate others to attend the meetings on their behalf. Decisions shall be made based on a majority vote of the attending members. The Committee may hold its meetings through modern technology if necessary.</p> <p>2- The meetings of the Committee shall be documented, and minutes shall be prepared, which include the discussions, deliberations, recommendations, and voting results. These minutes shall be kept in a special and organized register, along with the names of the attending members and any reservations they expressed (if any). All attending members and the Secretary of the Committee shall sign these minutes.</p> <p>3- The Committee's meetings are limited to its members, including the Secretary of the Committee and members of the Committees. No other members of the Board of Directors or Executive Management shall attend unless the Committee specifically requests their input or advice.</p>
Article Ten: The Vacant Position:	<p>If the position of a committee member becomes vacant during the term of membership, the council shall appoint another member in the vacant position, and the new member shall complete the term of his predecessor. The position of a committee member becomes vacant due to death or disability and the termination of his membership in the Board, as well as if he is relieved by a decision of the Board of Directors, or for any other reason, for example but not limited to</p> <p>A - The member requested to be exempted from continuing membership in the Committee.</p> <p>B - The member's absence from attending three consecutive meetings of the committee without an excuse acceptable to the Board.</p> <p>C- If the member loses any of the membership conditions mentioned in these regulations.</p> <p>d- If he divulged or publicized the company's secrets (in a meeting other than the General Assembly) or because of the member's abuse of his powers gained from his membership in the committee, or acted in a way that harms the reputation of the company in general, or the committee in particular.</p>	<p>Article Eight: Removal or Resignation of Committee Members:</p> <p>1. If a member of the Board of Directors is found guilty of a crime for which a final judgment has been issued, found to have submitted false or inaccurate information, or is deemed to be underperforming or failing to fulfill their duties and obligations as specified in these Regulations, the Board of Directors may decide to remove them from their position.</p> <p>2. If a member of the Committee fails to attend more than three consecutive meetings or fails to attend at least half of the Committee's scheduled meetings within one fiscal year, the Board of Directors may decide to dismiss them from their position.</p> <p>3. Membership in the Committee shall be terminated if the individual is dismissed by a decision of the Board of Directors, due to death, disability, or upon the expiration of their term of membership on the Board.</p> <p>4. A member of the Committee may retire from their position, but they shall do so in a timely manner. Failure to retire in a timely manner may result in liability to the Company for any resulting damages. Additionally, the approval of the Board of Directors is required to accept a member's retirement.</p>

Article Eleven: Confidentiality	The member of the committee is committed to what the member of the board of directors is committed to by preserving the company's secrets	Article Nine: Confidentiality of Information: Members of the Committee are obligated to maintain the confidentiality of the Company's secrets and information. They are prohibited from disclosing any of the information they have obtained during the course of their duties as members of the Committee to shareholders or any other parties.
Article Thirteen: General Provisions:	This regulation must be reviewed periodically to keep abreast of developments and events.	Article Eleven: General Provisions: 1- This Regulations replace any other regulation approved by the Company. 2- The Regulations shall be approved by the Company's Board of Directors and presented to the first General Assembly for voting upon the recommendation of the Board. 3- This Regulations shall be effective from the date on which they are adopted by the General Assembly.
Article Fourteen: Enforcement:	(and any subsequent amendments thereto)	Article Twelve: Enforcement: This Regulations shall enter into force from the date of their adoption and approval by the General Assembly. This Policy shall be made available for viewing on the Company's website to ensure accessibility for shareholders, employees, stakeholders, and the public. Alternatively, the Policy may be published in accordance with regulatory requirements imposed by the competent authority.