

# Saudi Industrial Investment Group

## "Saudi Listed Joint Stock Company"

### Adjustment on SIIG Audit Committee Charter

Before Adjustment		After Adjustment	
Item No.	Article	Item No.	Article
	New Item	<b>1. Purpose</b>	<p>These Regulations aim to organize the Audit Committee affiliated to the Company's Board of Directors – BOD (hereinafter referred to as the "Committee") through the definition and determination of its tasks and powers, in addition to the controls and procedures of the Committee's work, the rules for selecting its members, and the manner of their nomination, in accordance with the Company's Articles of Association and the Capital Market Authority's Regulations.</p> <p>Words and phrases mentioned herein shall have the meanings assigned thereto in the relevant regulations of the Capital Market Authority unless the context requires otherwise.</p>



**Item 3 (Audit Committee).  
Chapter 5  
(Company Committees)**

**First: Rules for Selecting Audit Committee Members, Term of Membership and Remuneration**

1. The audit committee shall be formed by a resolution of the Company's Ordinary General Assembly based on the Board's recommendation, and the members of the audit committee shall be from the shareholders or others, provided that at least one of its members is an Independent Director and that no Executive Directors or those who perform technical or administrative work in the Company are among its members, even if for consultation purposes. The number of the members of the audit committee shall not be less than three or more than five, provided that one of its members is specialized in finance and accounting. The Board may dismiss the members of the Audit Committee in the event that any of them violates the provisions of these Regulations, or for any other reasons deemed appropriate by the Board. The Committee member has the right to withdraw provided that this is at an acceptable time for the Board, otherwise he is liable by the Company.
2. If the position of one of the members of the Audit Committee becomes vacant during the term of membership, the Board shall appoint another member to the vacant position and the new member shall complete the term of his predecessor, and the decision of the Board shall be submitted to the Assembly for approval.
3. The term of membership of the Audit Committee shall not exceed three years and not less than one year.
4. A member of the Audit Committee shall be entitled to an annual remuneration of SAR 100,000 for their work during the fiscal year.
5. A member of the Audit Committee shall be entitled to an attendance allowance of 3,000 riyals for each meeting.
6. A person who has worked or has been working during the past two years in the Company's executive or financial management, or for the Company's auditor, may not be a member of the Audit Committee.

**Second: Audit Committee Controls and Procedures**

**2. The Committee's Formation**

- 2.1 The Committee shall be formed by a decision of the Board of Directors, and the number of the Committee's members shall not be less than three (3) and not more than five (5) members, who shall be appointed for a period similar to the Board of Directors' session.
- 2.2 The Committee shall be composed of shareholders or other parties, provided that among its members is at least one independent member of the BOD, and that it does not include any of the BOD's Executive Members.
- 2.3 The Committee's members shall choose from among themselves a chairman for the term of the Committee's session. In the event that the Committee chairman is absent from the Committee meeting, where the legal quorum is fixed, the Committee members present shall appoint a chairman for the meeting.
- 2.4 The Committee may appoint a secretary from among its members or others, who will be responsible for preparing the minutes of its meetings and undertaking its administrative work. The Committee may determine remuneration for the secretary in return for these tasks, after obtaining the approval of the Board of Directors.
- 2.5 The Committee's session shall be identical to BOD's session, and the Committee member shall carry out his duties from the date of his appointment decision, and his membership shall be ended in one of the following cases, whichever comes first:
  - (A) The end of the Board of Directors session.
  - (B) Resignation, without prejudice to the Company's right to obtain compensation, in the event that the resignation occurred at an inappropriate time.
  - (C) Having a mental illness or a physical disability that prevents him from carrying out his duties in the Committee.
  - (D) Issuance of a court ruling declaring his bankruptcy or insolvency, or request to conclude a settlement with his creditors.
  - (E) His absence from three (3) consecutive or (5) disconnected meetings during the term of the board period without a legitimate excuse,



	<ol style="list-style-type: none"> <li>1. The Committee shall choose from its members a Chairman; and it may also choose, from its members or others, a Secretary who shall prepare the minutes of the meetings and undertake the administrative work of the Committee.</li> <li>2. The Audit Committee shall meet periodically provided that it shall not be less than four meetings during the fiscal year.</li> <li>3. The Audit Committee shall meet periodically with the Company's auditor and, if any, with the Company's internal auditor.</li> <li>4. The Committee shall meet at the invitation of its Chairman, at the request of two members of the Committee, or at the request of the Internal Audit Department or the Auditor.</li> <li>5. The meeting of the Committee shall not be valid unless attended by at least half of the members, and a member of the Committee may not delegate others to attend the meetings of the Committee. The decisions of the Committee shall be issued by the majority of the attending members, and the Committee's deliberations and decisions shall be recorded in minutes, which shall be signed by both the Chairman and the Secretary of the Committee; and the minutes shall be recorded in a special register, which shall be signed by both of them as well. A member of the Committee shall be deemed to have resigned if, without an acceptable excuse to the Committee, fails to attend the meetings of the Committee for more than three consecutive meetings.</li> </ol>		<p>where the BOD may, by virtue of their decision, consider such absence as a resignation.</p> <p>(F) Issuance of a decision by the Board of Directors to dismiss him from the Committee membership for any reason it deems appropriate, including his breach of his responsibilities, tasks and duties, without prejudice to the right of the dismissed member towards the Company to claim compensation, in the event that such the dismissal occurred for an unacceptable reason or at an inappropriate time.</p> <p>(G) Loss, at any time, any of the Committee membership's requirements prescribed by law or by virtue of these Regulations.</p> <p>2.6 In the event that the position of a Committee member becomes vacant for any of the aforementioned or other reasons during the Committee session, the BOD may appoint a substitute member in the vacant position, provided that he meets the appointment rules for Committee membership referred to in these regulations. The new member shall complete the term of his predecessor in accordance with to the controls referred to herein.</p> <p>2.7 The Company shall notify the Capital Market Authority and the Saudi Stock Exchange (Tadawul) (as the case may be) of the names of the Committee members and their membership descriptions and any changes occurs to the same within five working days of their appointment or from the date of any changes that require such notice, such as a change in the Committee formation or in the characteristics or term of memberships, as required by the relevant Laws and Regulations.</p> <p>2.8 Any change in the Committee formation shall be disclosed to the public without delay in accordance with the relevant Laws and Regulations.</p>
<p><b>Item 3 (Audit Committee). Chapter 5 (Company Committees)</b></p>	<p><b>Third: Audit Committee Tasks</b></p> <p>The audit committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements, and internal control systems. The duties of the Audit Committee shall particularly include the following:</p>	<p><b>3. The Committee's Duties and Responsibilities</b></p>	<p>In light of the Articles contained in the Companies Law, and the provisions stipulated in the Audit Committee Regulations in the Corporate Governance Regulations issued by the Capital Market Authority, the Committee's Duties and Responsibilities shall be as follows:</p>

**A) Financial Reports:**

1. Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
2. Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
3. Analyzing any important or non-familiar issues contained in the financial reports.
4. Accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
5. Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
6. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

**B) Internal Audit**

1. Examining and reviewing the Company's internal and financial control systems and risk management system.
2. Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
3. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the Company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties. If the Company has no internal auditor, the committee shall provide a recommendation to the Board on whether there is a need to appoint an internal auditor.

**3.1 Financial Reports**

- (A) Consider the Company's initial and annual financial statements before submitting them to the Board of Directors and expressing an opinion and recommendation in their regard; To ensure its integrity, fairness, and transparency.
- (B) Express a technical opinion - at the request of the Board of Directors - as to whether the Board of Directors' report and the Company's financial statements are fair, balanced, and understandable and include information that allows shareholders and investors to evaluate the Company's financial position, performance, business model and strategy.
- (C) Consider any important or unusual issues contained in the financial reports.
- (D) Examine carefully any issues raised by the Company's Financial Director or whoever assumes his duties or the Compliance Officer in the Company or the Auditor.
- (E) Verify the accounting estimates in material matters contained in the financial reports.
- (F) Consider the accounting policies followed in the Company and express an opinion and recommendation to the Board of Directors in this regard.

**3.2 Internal Audit**

- (A) Consider and review the Company's internal and financial control and risk management systems.
- (B) Consider the internal audit reports and follow up the implementation of the corrective measures for the notes contained therein.
- (C) Monitor and supervise the performance and activities of the Internal Auditor and the Internal Audit Department in the Company, to verify the availability of the necessary resources and their effectiveness in performing the works and tasks entrusted to them.

4. Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest his/her remunerations.
5. The Committee shall study and change the accounting policies adopted by the Company before adopting them, and then submit any proposals the Committee deems appropriate thereon, taking into account the appropriateness of the accounting policies to the nature of the enterprise's business, its impact on the financial position of the enterprise, and the results of its activities.
6. The Committee shall verify the adequacy of the design of control activities in the enterprise and the effectiveness of their design in an appropriate manner that enables the minimization of fraud and errors as well as detecting them as soon as they occur. It shall also verify the effectiveness of the implementation of control activities in a way that enables verification of the quality of the implementation of control activities and stability in their implementation, and it shall also supervise the investigations related to fraud or errors that occur in the Company or any other matters that the Committee deems important to investigate. The Committee shall also evaluate the effectiveness of the Company's assessment of the important risks that may be exposed to, and the steps taken by the Company's management to monitor and face such risks.
7. The Committee shall do the following with regard to internal audit:
  - a. Supervising the Company's internal audit for the purpose of verifying its effectiveness in performing the work and tasks assigned to by the Board.
  - b. Approving the Company's internal audit procedures.
  - c. Reviewing and approving the annual internal audit plan.
  - d. Evaluating the performance of internal audit.
  - e. Verifying the independence of internal auditors.
  - f. Analyzing the internal audit reports and preparing a written report on its opinions and recommendations thereon.

- (D) Recommend to the Board of Directors the appointment of a Director for the Internal Audit Unit or Department, or Internal Auditor, and suggest his remuneration if necessary.
- (E) The Committee shall consider the accounting policies adopted by the Company prior to their approval and any change in these policies, it shall also submit whatever proposals the Committee deems appropriate in this regard, taking into consideration the extent to which the accounting policies are appropriate to the nature of the Company's business, and its impact on the Company's financial position, and the results of its operations.
- (F) The Committee shall verify the adequacy of the Company's control activities design, and the effectiveness of their design in an appropriate manner that enables the reduction and limitation of fraud and errors, and detects them immediately upon their occurrence, and the effectiveness of the implementation of control activities in a manner that enables verification of the quality of implementation of control activities and consistency in their implementation, and it also supervises the investigations related to fraud or errors that occur in the Company or any other matters that the Committee deems important to investigate. The Committee shall also evaluate the effectiveness of the Company's assessment of the important risks that it may be exposed to and the steps taken by the Company's Management to monitor and confront these risks.
- (G) The Committee shall perform and carry out the following works with regard to an internal audit:
  1. Supervise the Company's internal audit in order to verify its effectiveness in carrying out the works and tasks assigned to it by the Board of Directors.
  2. Approve the Company's internal audit procedures.
  3. Review and approve the annual internal audit plan.
  4. Evaluate the performance of the internal audit.



- g. Developing corrective actions for the observations contained in the internal audit reports.
- h. Reviewing the candidates for internal audit in the Company, their fees, nominating the most appropriate, with a statement of the reasons, considering the termination of the internal auditor in the event that his/her work is not performed as required, and submitting the recommendations reached in this regard to the Board.
- i. Meeting periodically with the Internal Auditor and discussing topics that the Committee deems necessary to discuss with in private.

8. The Committee shall be the liaison between the Board and the internal auditors.

**C) Auditor**

1. Recommending to the Board the nomination and dismissal of auditors, determining their fees and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2. Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3. Reviewing the Company's auditor's plan and activities, verifying that he/she does not offer any technical or administrative work outside the scope of the audit work, and providing its views thereon.
4. Answering the auditor's inquiries and observations on the financial statements and what was taken in this regard.
5. Analyzing the auditor's report and observations on the financial statements and following up on the decisions taken in this regard.
6. The Committee shall determine the scope of the external audit, which shall include, inter alia:
  - a. Evaluating the internal control system, including the accounting system, both in theory and practice.

5. Verify the independence of the internal auditors.
  6. Consider the reports of the internal audit, and prepare a written report on its opinions and recommendations in this regard.
  7. Develop corrective measures for the notes contained in the internal audit reports.
  8. Consider and evaluate the candidates for the Company's internal audit and their fees, nominate the most suitable one, with a statement of the reasons, consider the termination of the Internal Auditor's work in the event that he did not perform his work as required, and submit the recommendations concluded in this regard to the Board of Directors.
  9. Hold regular meetings with the Internal Auditor, and discuss issues that the Committee deems necessary to discuss with him privately.
- (H) The Committee shall be the link between the Board of Directors and the Internal Auditors.

**3.3 The Auditor shall**

- (A) Recommend to the Board of Directors the nomination and dismissal of auditors, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of the contract with them.
- (B) Verify the Auditor's independence, objectivity, fairness, and effectiveness of the audit work, taking into account the relevant rules and standards.
- (C) Review the Company's Auditor's plan and work, verify that he has not performed technical, administrative, or advisory work outside the scope of the audit work, and express its opinion in this regard.
- (D) Answer Auditor's inquiries and observations on the financial statements and the measures that have been taken in their regard.
- (E) Consider Auditor's report and his observations on the financial statements and follow up on the measures that have been taken in their regard.



	<p>b. Conducting tests on a selected sample of the Company's financial operations.</p> <p>c. Contacting the Company's debtors and creditors or others for the purpose of confirming balances or other purposes.</p> <p>d. Monitoring inventory operations, including those performed in the Company's branches and projects.</p> <p>e. Ensuring compliance with the auditing standards adopted in the Kingdom for the purpose of verifying that the financial statements as a whole:</p> <p>f. Fairly show the financial position of the Company and the results of its activities for the fiscal year ended on that date, in light of the presentation and disclosure of the information contained in the financial statements in accordance with generally accepted accounting standards, appropriate to the circumstances of the Company.</p> <p>g. Consistent with the requirements of the Companies Law and the Company Bylaws with respect to the preparation and presentation of financial statements.</p> <p>h. Informing the Company's officials in writing of the observations that the accountant finds when performing the audit.</p> <p>7. The Company's management shall invite the chartered accountants nominated by the Audit Committee, and this invitation shall include the scope of the task referred to in the preceding paragraph in addition to the conditions and obligations that the Company deems necessary to complete the audit process. The Board shall enable these accountants to have access to the data and clarifications they request for the purpose of identifying the size and nature of the Company's operations, and each accountant shall submit a presentation of the Company's accounts audit and an overview of their office, including in particular the following:</p> <p>a. Academic and professional qualification, names and nationalities of the team members who will conduct the audit.</p> <p>b. Overview of the quality control at the office.</p> <p>c. The entities that the office intends to employ for the purposes of auditing the Company's accounts (if any), the aspects in which they will</p>		<p>(F) The Committee shall determine the scope of the external review, provided that this includes several matters, including:</p> <ol style="list-style-type: none"> <li>1. Evaluate the internal control system, including the accounting system, from both theoretical and practical perspectives.</li> <li>2. Conduct tests on a selected sample of the Company's financial operations.</li> <li>3. Contact the Company's debtors and creditors or others for the purpose of confirming balances or for other purposes.</li> <li>4. Monitor inventory operations, including the inventory made in the Company's branches and projects.</li> <li>5. Commit to the audit standards approved in the Kingdom for the purpose of verifying that the whole financial statements fairly present the Company's financial position and the results of its operations for the fiscal year ending on that date, in light of the presentation and disclosure of the information contained in the financial statements in accordance with the generally accepted accounting standards, appropriate to the Company's circumstances and complies with the requirements of the Companies Law and the Company's Articles of Association with regard to the preparation and presentation of the financial statements.</li> <li>6. Inform the company's officials in writing of the observations made available to the External Auditor when carrying out the audit.</li> <li>7. The Company's Management shall invite the certified External Auditor who have been nominated by the Audit Committee, and such invitation shall include the scope of the task referred to in the previous paragraph in addition to the conditions and obligations that the Company deems necessary to complete the audit process, and the Board of Directors shall enable those External Auditor to have access to the data and clarifications they require for the purpose of identifying the size and nature of the Company's operations, and each External Auditor shall submit a proposal and</li> </ol>
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- participate, the nature of their participation, their qualifications, and the experience of the individuals who will be engaged in this regard.
- d. The office's previous experience in auditing similar companies.
  - e. The size and description of the office's branches, and the number of professional staff working in the office.
  - f. The number of hours scheduled for each member of the work team (partner, audit manager... etc.).
  - g. The kinship between the chartered accountant or the team that will conduct the audit and the Board members (if any), and the working relationship between the chartered accountant and the Company or any the Board member (if any).
  - h. The expected date for preparing the report on the Company's financial statements.
  - i. Audit fees:
1. The Company's management shall prepare a comparative table of the offers submitted by the chartered accountants in accordance with the data referred to in paragraph (7) and submit it to the Audit Committee accompanied by the offers and data submitted by the chartered accountants.
  2. The Audit Committee shall study the comparative table, presentations and data attached thereto; and it may invite the audit team of each office separately for a meeting during which their presentation will be discussed.
  3. The Committee shall prepare a letter to be presented to the Board stating the summary of the analysis of the submitted proposals, nominating one or more chartered accountants to audit the Company's accounts, and stating the basis on which the nomination was made.
  4. The Committee shall study the reports and observations submitted by the chartered accountant, and it shall act as the liaison between the external auditor and the Board, enabling the external auditor to perform the work without any restrictions or influences by the Company's Board and Management. The Committee shall also follow up the work of chartered

- offer to audit the Company's accounts and an overview of his firm, including in particular the following.
- (A) The academic and professional qualification of the teamwork members that shall carry out the audit, as well as their names and nationalities.
  - (B) A clarification on the quality control of the work in his firm.
  - (C) The entities he intends to use for the purposes of auditing the Company's accounts (if any), the aspects in which they would participate, the nature of their participation, their qualifications, and the experiences of the individuals who would be used in this regard.
  - (D) The Firm's previous experience in auditing the accounts of similar companies.
  - (E) The size and an indication of the branches affiliated to the Firm, and the number of technical staff working therein.
  - (F) The number of hours scheduled for each member of the teamwork (Partner, Audit Department Director, etc.).
  - (G) The kinship relationship between the chartered External Auditor, or the teamwork that would carry out the audit, and the members of the Board of Directors (if any) and the working relationship between the External Auditor and the Company, or any member of its Board of Directors (if any).
  - (H) The expected date for preparing his report on the Company's financial statements.
  - (I) Audit fees.
8. The Company's Management shall prepare a comparative table with the offers submitted by the certified External Auditors according to the data referred to in paragraph (7), and shall submit it to the Audit Committee, accompanied by the offers and data submitted by the certified External Auditor.
  9. The Audit Committee shall consider and review the comparative table, the offers, and the data attached therewith, and may invite



	<p>accountants and approve any activity outside the scope of the audit work assigned to them while performing the audit process.</p> <p>5. The Committee shall comply with the following tasks in relation to the external audit:</p> <p>Ensuring the independence of the Company's external auditor and the extent of commitment to impartiality and objectivity when presenting audit evidence and when reaching an opinion on the financial statements.</p> <p>Examining the scope and method of the external auditor's work and the extent to which he coordinates his activity with the activity of the Company's internal audit department and the lack of duplication between his tasks and the tasks of internal audit.</p> <p>Reviewing the financial disclosure submitted by the Company's management to the external auditor and providing its views thereon to the Board.</p> <p>Analyzing the divergence of views that may arise between the external auditor and the Company's management.</p> <p>Ensuring that external audit activities are coordinated in the event that there is more than one external auditor working for the Company.</p> <p>Meeting with the external auditor to discuss the Company's financial statements and ensure that it reflects the fair financial position of the Company and the observations he/she deems thereon.</p> <p>Discussing the report of the external auditor and making a relevant recommendation to the Board.</p> <p>Checking the performance of the external auditor and recommending the Board to reassign or terminate his/her contract.</p> <p><b>D) Ensuring Compliance</b></p> <ol style="list-style-type: none"> <li>1. The Audit Committee shall meet periodically with the Company's auditor and the Company's internal auditor, provided that it shall not be less than four meetings during the Company's fiscal year.</li> <li>2. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.</li> </ol>		<p>the audit team of each firm separately for a meeting during which the offer submitted by them shall be discussed.</p> <ol style="list-style-type: none"> <li>10. The Committee shall prepare a memorandum to be submitted to the Board of Directors, in which it shows a summary of its analysis of the submitted offers and nominates one or more External Auditor to audit the Company's accounts, and indicates the basis on which the nomination was made.</li> <li>11. The Committee shall consider and review the reports and observations submitted by the External Auditor, and the Committee shall be the link between the external auditor and the Board of Directors in a manner that enables the external auditor to carry out his work without any restrictions or influences from the Board of Directors and the Company's Management. The Committee shall also follow up on the work of the External Auditor, and approve any work outside the scope of the audit work assigned to them while carrying out the audit work.</li> <li>12. The Committee shall undertake the following tasks in relation to the external audit:             <ol style="list-style-type: none"> <li>(A) Ensure the independence of the Company's external auditor and the extent of his commitment to impartiality and objectivity upon presenting audit evidence and upon reaching an opinion on the financial statements.</li> <li>(B) Examine the scope and method of the external auditor's work and the extent to which he coordinates his activity with the activity of the Company's Internal Audit Department and the non-duplication between his duties and the duties carried out by the Internal Audit Department.</li> <li>(C) Review the financial disclosure submitted by the Company's Management to the external auditor, and express its views thereon to the Board of Directors.</li> <li>(D) Consider the divergence of points of view that may arise between the external auditor and the Company's Management.</li> </ol> </li> </ol>
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	<ol style="list-style-type: none"> <li>3. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.</li> <li>4. Reviewing the proposed Related Party transactions and contracts and providing its recommendations to the Board in connection therewith.</li> <li>5. Reporting to the Board any issues in connection with what it deems necessary to take action on and providing recommendations as to the steps that should be taken.</li> </ol>		<ol style="list-style-type: none"> <li>(E) Ensure the coordination of the external audit work in case that there is more than one external auditor for the Company's Accounts.</li> <li>(F) Meet with the external auditor to discuss the Company's financial statements and ensure that they indicate the Company's fair financial position and whatever observations he deems appropriate thereon.</li> <li>(G) Discuss the external auditor's report and make recommendations regarding its contents to the Board of Directors.</li> <li>(H) Consider the external auditor's performance and make recommendations to the BOD to reassign him or terminate the contract concluded with him.</li> </ol> <p><b>3-4 Commitment</b></p> <ol style="list-style-type: none"> <li>(A) Review the results of the Regulatory Authorities' reports and verify that the Company has taken the necessary measures in this regard.</li> <li>(B) Verify the Company's compliance with relevant laws, regulations, policies, and instructions.</li> <li>(C) Review the contracts and transactions proposed to be conducted by the Company with the related parties, and submit its opinions on this matter to the Board of Directors.</li> <li>(D) Submit to the Board of Directors the matters and issues it deems necessary to take action thereon and make its recommendations regarding the actions to be taken.</li> </ol> <p><b>3.5 Other Obligations</b></p> <p>The Board of Directors may assign the Committee to consider and review other issues - not specified herein - and to make recommendations thereon.</p>
<p><b>Item 3 (Audit Committee). Chapter 5 (Company Committees)</b></p>	<p><b>Fourth: Audit Committee Powers</b></p> <p>In order to perform its duties, the Audit Committee may:</p> <ol style="list-style-type: none"> <li>1. Review the Company's records and documents.</li> <li>2. Request any clarification or statement from the Board members or the Executive Management.</li> </ol>	<p><b>4. The Committee's Powers</b></p>	<p>The Audit Committee, in order to perform its duties, shall have the following powers:</p> <ol style="list-style-type: none"> <li>4.1 The right to examine the Company's records and documents and have access thereto.</li> </ol>

	<p>3. Request that the Board calls for a General Assembly Meeting if its activities have been impeded by the Board or if the Company has suffered significant losses and damages.</p>		<p>4.2 Ask for any clarification or statement from the Board of Directors members of the Executive Management.</p> <p>4.3 Request the Board of Directors to call the Company's General Meeting to convene, in the event that the Board of Directors impedes its work or in the event that the Company suffers serious damage or losses.</p>
<p><b>Item 1 (General Provisions). Chapter 5 (Company Committees)</b></p>	<p><b>Second: Committees Membership and Studying Subjects</b></p> <ol style="list-style-type: none"> <li>1. A sufficient number of Non-Executive Directors shall be appointed to the committees which perform duties that may involve conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing Related Party transactions, nomination to membership of the Board, appointment of Senior Executives and determining the remuneration.</li> <li>2. The Company shall take into consideration while forming the Remuneration and Nomination Committees that their members are of the Non-Executive Board Members. The Board may appoint non-board members either from shareholders or others, provided that the chairmen of committees mentioned in this paragraph are of the Independent Directors.</li> <li>3. Chairman of the Board shall not be a member of the Audit Committee, yet he may be a member of other committees.</li> <li>4. Chairman of the Board shall not chair the Remuneration, Nomination, Risks, or Governance Committees, yet he may chair any other administrative committees.</li> <li>5. The committees may seek assistance from any experts or specialists, whether internal or external, within the scope of its powers. This shall be included in the minutes of the committee meeting, and the minutes shall state the name of the expert and his/her relation to the Company.</li> <li>6. Each committee shall assess the matters that fall within its authority or those referred to it by the Board and shall communicate its recommendations to the Board to issue decisions in connection therewith. The committees shall take decisions with regard to such matters if delegated by the Board.</li> </ol>	<p><b>5. Controls of the Committee Work</b></p>	<p><b>5.1 Powers and functions of the Committee's Chairman</b></p> <p>The Committee's Chairman shall:</p> <ol style="list-style-type: none"> <li>(A) Manage the Committee meetings and work to enhance their effectiveness.</li> <li>(B) Represent the Committee before the General Meeting and the BOD.</li> <li>(C) Invite the Committee to convene, and specify the time, date, and location of the meeting, after coordination with the Committee members.</li> <li>(D) Prepare the agenda, taking into account the subjects that a committee member wishes to include.</li> <li>(E) Ensure that the subjects presented to the Committee are accompanied by sufficient information that enables the Committee to take decisions in their regard.</li> <li>(F) Ensure the availability of sufficient time to discuss the items and clauses contained in the agenda of the Committee meeting.</li> <li>(G) Enhance the effective participation of members in the Committee's meetings by considering and discussing the issues contained in the agenda of its meetings, and by expressing their opinions in a way that contributes to achieving the Committee's purposes.</li> <li>(H) Ensure that complete and correct information is available to the Committee's members in a timely manner; to enable them to perform their duties.</li> <li>(I) Supervise the preparation of periodic reports on the Committee's activities and submit its recommendations and findings to the BOD.</li> </ol>



### Third: Committees Meetings

1. No member of the Board or the Executive Management except the secretary or a member of the committee may attend the meetings of a committee unless such committee requests his/her opinion or advice.
2. Committee meetings are valid if attended by a majority of its members. Resolutions of the committees shall be issued by a majority of the votes present and, in case of a tie, the chairman of the relevant committee shall have the casting vote.
3. Board meetings shall be documented and minutes including the discussions and deliberations carried during such meetings shall be prepared. Recommendations of the committees and voting results shall be documented and retained in a special and organized register, including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by all of the attending members.

### Fifth: General Provisions

1. A member of the Committee may not have a direct or indirect interest in the businesses and contracts made for the Company's account, nor may the Committee member participate in any business that would compete with the Company, or trade in one of the branches of the activity it is engaged in; otherwise, the Company may claim compensation from him, or the operations he undertook for his own account shall be considered to have been conducted for the Company's account.
2. The Company may not provide a cash loan of any kind to the members of the Audit Committee, or guarantee any loan concluded by one or more of them with third parties, and any contract concluded in violation of the provisions of these Regulations shall be considered null and void.
3. The members of the Audit Committee may not disclose to shareholders or to third parties the Company's secrets as a result of their work, otherwise they shall be removed and held accountable for compensation.

- (j) Follow up on the implementation of the decisions issued by the Committee.

### 5.2 The Committee Secretary's Competencies

The Secretary shall:

- (A) Coordinate the Committee's meetings, and develop a proposal for its agenda, in coordination with the Committee's Chairman.
- (B) Inform the Committee's Members of the meetings' dates, and provide them with its agenda and the necessary documents; to consider the items of the Committee's meeting.
- (C) Attend and document the Committee's meetings, prepare its minutes, and keep them in a special register.
- (D) Keep documents, registers, and reports submitted to or issued by the Committee.

### 5.3 Duties of a Committee Member

The Committee Member shall:

- (A) Comply with the provisions of the Companies Law, the Capital Market Law and its Implementing Regulations, the relevant Laws, and the Company's Articles of Association upon exercising his duties, and refrain from doing or participating in any activities that may harm the interests of the Company.
- (B) Be aware of the Committee's tasks and responsibilities, and he shall allocate sufficient time to carry out his role in achieving them.
- (C) Carry out his duties away and far from any external influence, whether from inside or outside the Company, and he shall not put his personal interests ahead of the Company's interests.
- (D) Not accept gifts from any person who has business dealings and commercial transactions with the Company.
- (E) Prepare for meetings, attend them, and not to be absent from them except for acceptable reasons notified to the Committee's Chairman in advance and accepted by the Committee.



**Item 3 (Audit Committee).  
Chapter 5  
(Company Committees)**

4. The Committee shall take the necessary measures to ensure that the Company does not violate the laws and regulations in force in the Kingdom.
5. The Committee may, whenever necessary, seek the assistance of independent consultants to conduct specialized studies to assist the Committee in performing its tasks; and the Committee shall also determine their fees.
6. The Committee shall prepare an action guide indicating the executive procedures that the Committee must adhere to in order to perform its tasks as well as the provisions contained in the general rules governing the work of the Internal Audit Committee.
7. If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board, or if the Board refuses to take into account the Committee's recommendation regarding the appointment and removal of the Company's auditor, determining his/her fees, evaluating his/her performance or appointing the internal auditor, the Board's report shall include the Committee's recommendation, its justifications, and the reasons for not taking it into account.
8. The Committee shall establish a mechanism that allows the Company's employees to submit their observations on any violation in financial or other reports confidentially. The committee should verify the application of this mechanism by conducting an independent investigation commensurate with the magnitude of the error or violation and adopting appropriate follow-up procedures.

- (F) Participate effectively in the Committee's meetings through prior consideration and discussions of the issues on the agenda of its meetings.
  - (G) Work to enhance knowledge of organizational developments in areas and subjects related to the Committee's tasks and responsibilities.
  - (H) Work to enhance knowledge of developments in the field of the Company's activities, business and other related fields.
- 5.4 The Committee's Meetings
- (A) The Committee shall meet at least 4 times, based on an invitation from its Chairman. The Committee Chairman shall also invite the Committee to meet in exceptional cases, that includes for example, if requested by the BOD, Two Members of the Committee, the Auditor, the Director of the Internal Audit Department, or the occurrence of circumstances so require, with an explanation of the reasons for calling for the extraordinary meeting.
  - (B) The Committee shall approve the dates and agenda of the meetings of the fiscal year before its start and invites to attend the Committee meeting at least (5) days prior to its date. The meeting invitation shall be accompanied by the agenda, documents, and information necessary to discuss the issues presented to the Committee meeting and take decisions in their regard.
  - (C) In exceptional cases, an invitation to attend the meeting may be sent at least one (1) day prior to its date, in accordance with the invitation procedures specified herein.
  - (D) The Committee shall hold its meetings in the Company's head office, and it may meet outside the head office after the approval of the BOD. Committee meetings may be held by videoconference or any other similar electronic means to ensure the participation of Committee members and their ability to debate and vote effectively.

- (E) For the validity of the meeting, the majority of the Committee members shall be present.
- (F) No member of the BOD or the Executive Management, who is not a member of the Committee, shall be entitled to attend its meetings except upon an invitation from the Committee to listen to his opinion or obtain his advice.
- (G) The Committee's resolution shall be issued by the majority of the present members votes, and in the event of an equality of votes, the opinion which the chairman of the meeting voted on shall prevail.
- (H) A Committee member shall be entitled to object to any resolution taken by the Committee, provided that his objection is expressly recorded in the minutes of the meeting with a statement of the reasons for his objection, and his absence from the meeting in which the resolution is taken shall not be considered as a reason for exemption from liability unless it is proved that he was unaware of the resolution or was unable to object immediately after he became aware of it.

#### 5.5 Documentation of the Committee meetings

- (A) The Committee's Secretary shall prepare the minutes of documenting the Committee meetings, provided that they include at least the following:
1. The place, date, start, and end time of the meeting.
  2. The names of the members present and not present, indicating the names of those invited to attend the meeting, who are not members of the Committee.
  3. The Committee's deliberations and resolutions, indicating the results of voting thereon and the reasons for the objections, if any.
  4. Determination of the Entity responsible for implementing the resolution taken, the time frame for implementing them, and the mechanism for following them up.

			<p>(B) The Committee's Secretary shall send the meeting minutes copy to the Committee's members, and the Committee's members shall express their observations on the minutes copy- if any - within a maximum period of (5) working days from the aforementioned date of dispatch.</p> <p>(C) After addressing the Committee members' comments on the minutes copy, and after the approval of the meeting Chairman, the Committee Secretary shall send the amended copy to the Committee members in preparation for its approval at the next Committee meeting.</p> <p>(D) The meeting minutes, along with the meeting agenda and all the accompanying documents, shall be kept in a special register signed by the Committee Chairman and Secretary.</p> <p><b>5.6 Follow up on the Committee's Work</b></p> <p>The Committee Chairman shall submit its recommendations and findings to the Board of Directors, at the First BOD's meeting following the Committee meeting.</p> <p><b>5.7 Evaluation of the Committee's work</b></p> <p>The Committee shall periodically evaluate the results of its work based on performance indicators, such as the level of the Committee's effectiveness in carrying out the tasks assigned to it.</p>
	New Item	<b>6. The Committee's Report to the General Meeting</b>	The Committee shall prepare a report for the General Meeting, in accordance with the relevant laws and regulations, on its opinion on the adequacy of the Company's internal control system and on the other works it has undertaken that fall within the scope of its competence.
	New Item	<b>7. Confidentiality of the Committee's Work</b>	With the exception of the items that the regulations stipulated the contrary, the Committee's member shall maintain the confidentiality of the information made available to him and the documents he reviews, and he shall not be permitted under any circumstances - even in the event of the termination of his membership - to disclose it to any individual or entity unless he is authorized to do so by the Board of Directors, or to use any of this information to achieve personal benefit for himself or for one of his relatives or for others,

			and the Company shall be entitled to claim compensation from him in the event of a breach of the provision stipulated in this Article, as this provision shall be applied to the Committee's Secretary.
	New Item	<b>8. The Committee Members' Remuneration</b>	<p>8.1 The Committee member shall be entitled to remuneration in accordance with the Remuneration Policy.</p> <p>8.2 In the event that a resolution is issued by the Board of Directors to exempt a member from membership of the Committee due to absence from three (3) consecutive or (5) disconnected meetings within the term of the Board period without an excuse accepted by the BOD, such member shall not be entitled to any remuneration or compensation for the period following the last meeting he attended, and he shall return all the remuneration and compensation that were paid to him for that period.</p> <p>8.3 The Company shall be entitled to claim compensation for the damage it incurs and to recover what was paid in terms of remuneration, compensation, and any other costs incurred by the Company to facilitate the member's fulfillment of his responsibility, in the event that the member commits an act that is fraudulent, against honor and trust, or violates the laws and regulations in force and applicable in the Kingdom of Saudi Arabia or in any other country or when he fails to carry out his responsibilities, tasks and duties.</p>
	New Item	<b>9. The Regulations Review</b>	The regulations shall be subjected to periodic review for the purpose of developing and updating it in line with the relevant laws and regulations, and no amendment may be made to it except with the recommendation of the BOD and the approval of the General Meeting.
	New item	<b>10. Enforcement and effectiveness</b>	The Regulations shall be effective from the date of its approval by the General Meeting, which is 18/9/1444 AH (corresponding to 9/4/2023 AD).



# Saudi Industrial Investment Group

## "Saudi Listed Joint Stock Company"

### Adjustment on SIIG Remuneration and Nominations Committee Charter

Before Adjustment		After Adjustment	
Item No.	Article	Item No.	Article
	New item	<b>1. OBJECTIVE</b>	<p>The goal of this regulation is to organize the work of the Remuneration and Nomination Committee (referred to as "the Committee") by defining its duties and powers, as well as the rules and procedures of its work, the rules of selection of its members and their remuneration, in accordance with the Company's Articles of Association and the Regulations of the CMA including the Corporate Governance Regulation.</p> <p>The words and expressions in this Policy shall mean the meanings set forth in the relevant Capital Market Authority (CMA) Regulations unless the context requires otherwise.</p>



**Item 4 & 5 from  
Chapter 5  
(Company  
Committees)**

**First: Rules for Selecting Nomination Committee Members, Term of  
Membership and Remuneration**

1. The Nomination Committee shall not be less than three or more than five Non-Executive Directors including at least an Independent Director, provided that they are selected by the Company's Board for a term of no more than three years and not less than a year; and the membership of the Committee shall expire upon the expiry of the term of membership of the Board. The Board may dismiss the members of the Nomination Committee in the event that any of them violates the provisions of these Regulations, or for any other reasons deemed appropriate by the Board. The Committee member shall have the right to withdraw provided that this is at an acceptable time for the Board, otherwise he shall be held liable by the Company.
2. If the position of one of the members of the Nomination Committee becomes vacant during the term of membership, the Board shall appoint another member to the vacant position and the new member shall complete the term of his predecessor.
3. The term of membership of the Nomination Committee shall not exceed three years and not less than one year.
4. The Board shall determine the remuneration of the members of the Nomination Committee.
5. A member of the Nomination Committee may not be an executive member of the Board, or a person who performs technical or administrative work in the Company even if it is for consultation purposes.

**Article Five: Remuneration Committee**

**First: Rules for selecting Remuneration Committee Members, Term of  
Membership and Remuneration**

1. The Remuneration Committee shall not be less than three or more than five Non-Executive Directors including at least an Independent Director, provided that they are selected by the Company's Board for a term of no more than three years and not less than a year; and the membership of the Committee shall expire upon the expiry of the term of membership of the Board. The

**2. FORMATION  
OF THE  
COMMITTEE\***

- 2.1 The Committee shall be constituted by a resolution of the Board of Directors of the Company. The Committee's regulation of work shall be submitted to the General Assembly of the Company for approval upon the proposal of The Board of Directors
- 2.2 The Committee shall comprise of a non-executive member of the Board of Directors with at least one independent member whose members may be shareholders or others for a period similar to the Board period with the Committee's membership expiring at the end of the session of The Board of Directors. The Committee's membership shall not be less than three (3) and shall not exceed five (5), The Committee members shall, amongst themselves, be selected as Chairman of the Committee's session. In the absence of the Chairman of the Committee from the Committee's meeting, the members of the Committee attending the meeting shall be appointed as Chairman of the meeting.
- 2.3 The duration of the Commission's session shall be as the duration of the Board of Directors of the Company. The member of the Commission shall carry out its duties from the date of its appointment and shall expire in one of the following cases, whichever is the first:
  - (a) Expiry of the Board of Directors' session.
  - (b) Resignation, without prejudice to the company's right to compensation if the resignation occurred at an inappropriate time.
  - (c) Health injury that prevents the Committee member from carrying out its duties on the Committee.
  - (d) Issuance of a court ruling declaring a member of the committee bankrupt, insolvent, or requesting a settlement with its creditors.
  - (e) Commits an act of dishonesty or breach of trust, forgery, or violation of the laws and regulations of the Kingdom of Saudi Arabia or any other country.

- Board may dismiss the members of the Nomination Committee in the event that any of them violates the provisions of these Regulations, or for any other reasons deemed appropriate by the Board. The Committee member shall have the right to withdraw provided that this is at an acceptable time for the Board, otherwise he shall be held liable by the Company.
2. If the position of one of the members of the Remuneration Committee becomes vacant during the term of membership, the Board shall appoint another member to the vacant position and the new member shall complete the term of his predecessor.
  3. The term of membership of the Remuneration Committee shall not exceed three years and not less than one year.
  4. The Board shall determine the remuneration of the members of the Nomination Committee.
  5. A member of the Remuneration Committee may not be an executive member of the Board, or a person who performs technical or administrative work in the Company even if it is for consultation purposes.

- (f) the Board of Directors issues a resolution to exempt the committee member from membership in the committee for any of the following reasons:
  1. Fails to carry out his/her responsibilities and duties
  2. being absent from three consecutive or five disconnected meetings during the committee period without a legitimate excuse acceptable to the Board.
  3. Any other excuse the Board deems appropriate, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable excuse or at an inappropriate time.
  4. Failure to meet, at any time, any of the requirements for membership in the committee prescribed by law or under these bylaws.
- 2.4 The company is obligated to notify the Capital Market Authority and the Saudi Stock Exchange (Tadawul) (as necessary) of the names of the committee members and their membership descriptions and any changes that occur within five working days of their appointment or from the date of achieving any changes that require such notification, such as a change in the composition of the committee or in the characteristics of memberships or extend it, as required by the relevant laws and regulations.
- 2.5 If the position of a member of the Committee is vacant for any of the above-mentioned reasons during the Committee's session, the Board may appoint a substitute member to the vacant position, subject to those who meet the selection rules for membership of the Committee referred to in these Rules, and the new member shall complete the term of his or her predecessor in accordance with the Regulations.
- 2.6 The Committee may appoint a secretary from among its members or others to be responsible for the preparation of the minutes of its meetings and the management of its work. The Committee may

			<p>determine remuneration for such duties after obtaining the approval of The Board of Directors</p>
<p><b>Item 4 &amp; 5 from Chapter 5 (Company Committees)</b></p>	<p><b>Item 4: Nomination Committee</b> <b>Second: Nomination Committee Controls and Procedures</b></p> <ol style="list-style-type: none"> <li>1. The Committee shall choose from its members a Chairman; and it may also choose, from its members or others, a Secretary who shall prepare the minutes of the meetings and undertake the administrative work of the Committee.</li> <li>2. A member of the Committee shall be deemed to have resigned if he fails to attend the meetings of the Committee for more than three consecutive meetings, without prior permission from the Chairman of the Committee, or an acceptable excuse approved by the majority of the members of the Committee present at a legal meeting .</li> <li>3. The Committee shall meet at the invitation of its Chairman, and the meeting of the Committee shall not be valid unless attended by at least half of the members. Members of the Committee may not delegate others to attend the meetings of the Committee, and the decisions of the Committee shall be issued by the majority of the members present. The deliberations and decisions of the Committee shall be recorded in minutes, which shall be signed by the Chairman and Secretary of the Committee, and such minutes shall be recorded in a special register. After each meeting, the Committee shall submit a report to the Company's Board, which includes a description of all the actions taken by the Committee during the meeting.</li> <li>4. The Committee shall have the right to form sub-committees for any purpose it deems appropriate, and it shall also be entitled to grant such sub-committees some of its powers and competencies whenever it deems appropriate, provided that the number of members of any of these sub-committees shall not be less than two.</li> <li>5. The Committee shall have the right to request the presence of any of the Company's directors, executives, or employees, or any persons with whom the Company needs to consult and deliberate, at any meeting to provide the necessary information requested by the Committee.</li> </ol>	<p><b>3. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE</b></p>	<p>In the light of the rules governing the Remuneration and Nominations Committee in the CMA's Corporate Governance Regulation, the duties and responsibilities of the Committee are as follows:</p> <p>3.1 The Remunerations</p> <ol style="list-style-type: none"> <li>a) Preparing the remuneration policy for the Board of Directors members, its committees and the Company's senior executives and to recommend it to the Board of Directors for approval by the General Assembly of the Company.</li> <li>b) Reviewing the remuneration policy periodically and ensuring its suitability with changes that occur in relevant legislation and regulations, the company's strategic objectives, and the skills and qualifications necessary to achieve them, and recommending to the Board of Directors the proposed changes to this policy.</li> <li>c) Recommending to the Board of Directors the remuneration of the Board of Directors members, its committees, and senior executives of the company in accordance with the approved policy.</li> <li>d) Identify and clarify the relationship between the awards and the applicable remuneration policy and indicate any material deviation from this policy.</li> </ol> <p>3.2 THE BOARD OF DIRECTORS</p> <ol style="list-style-type: none"> <li>(a) Preparing a policy and standards for membership of the Board of Directors, and providing recommendations to the Board regarding it, for approval by the company's General Assembly.</li> <li>(b) Recommending to the Board of Directors the names of candidates for membership of the Board in accordance with the approved membership policy.</li> <li>(c) Annual review of the required skills or experience requirements for membership of the Board of Directors and updating a description of the required capabilities and qualifications whenever required.</li> </ol>



6. The Nomination Committee shall meet at least once a year.

**Third: Nomination Committee Tasks and Policy**

1. The Committee shall provide recommendations for the nomination to the Board, taking into account that the nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
2. The Committee shall prepare a description of the capabilities and qualifications required for the Board Membership, and accordingly the candidates for the new term of the Board shall be selected, taking into account updating such requirements in line with the Board's needs of skills and experience.
3. The Committee shall annually review the necessary skills and expertise required of the Board members and prepare a description of the capabilities and qualifications required for the Board Membership, including determining the time to be allocated by the member for the work of the Board.
4. The Committee shall review the structure of the Board and provide recommendations regarding changes that may be made.
5. The Committee shall determine the strengths and weaknesses of the Board and recommend remedy solutions that serve the Company's interests.
6. The Committee shall annually ensure the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of directors of another company.
7. The Committee shall provide job descriptions for the Executive, Non-Executive and Independent Directors and Senior Executives.
8. When nominating members for the Board, the terms and conditions stated in these regulations along with the requirements adopted by CMA shall be observed.

**Item 5: Remuneration Committee**

**Second: Controls and Procedures of Remuneration Committee**

1. The Committee shall choose from its members a Chairman; and it may also choose, from its members or others, a Secretary who shall prepare the

- (d) Studying the number and composition of seats on the Board of Directors and providing recommendations on possible changes when required.
- (e) Developing procedures in the event of a vacancy in the position of a member of the Board of Directors or members of committees and providing recommendations in this regard.
- (f) Recommending to the Board of Directors performance standards to evaluate the Board of Directors, its members, and its committees.
- (g) Evaluating of the Board of Directors and its committees based on performance principles, informing the Board of the evaluation results, and proposing ways to address the results in accordance with the interest of the company when requested, based on the Committee's opinion.

**3.3 THE BOARD OF DIRECTORS MEMBERS**

- (a) Determine the time a member must allocate to the work of The Board of Directors
- (b) Ensure on an annual basis the independence of the independent members.
- (c) Develop a job description for executive members, non-executive members, and independent members.
- (d) Recommend to the Board of Directors the re-nomination or removal of members of the Board or committees.

**3.4 New Board Members' Induction plan**

- (a) Recommending to the Board of Directors to develop an induction program for the new members of the Board, so that the program includes the company's activity, the nature of its business, and its financial and legal aspects.

**3.5 Senior executives**

- (a) Recommend to the Board of Directors appropriate policies and standards to appoint senior executives and determine the required capabilities and skills, and review it periodically to ensure that it is suited to changes in the company's strategic objectives and the skills and qualifications required to achieve it.



	<p>minutes of the meetings and undertake the administrative work of the Committee.</p> <ol style="list-style-type: none"> <li>2. A member of the Committee shall be deemed to have resigned if he fails to attend the meetings of the Committee for more than three consecutive meetings, without prior permission from the Chairman of the Committee, or an acceptable excuse approved by the majority of the members of the Committee present at a legal meeting.</li> <li>3. The Committee shall meet at the invitation of its Chairman, and the meeting of the Committee shall not be valid unless attended by at least half of the members. Members of the Committee may not delegate others to attend the meetings of the Committee, and the decisions of the Committee shall be issued by the majority of the members present. The deliberations and decisions of the Committee shall be recorded in minutes, which shall be signed by the Chairman and Secretary of the Committee, and such minutes shall be recorded in a special register. After each meeting, the Committee shall submit a report to the Company's Board, which includes a description of all the actions taken by the Committee during the meeting.</li> <li>4. The Committee shall have the right to form sub-committees for any purpose it deems appropriate, and it shall also be entitled to grant such sub-committees some of its powers and competencies whenever it deems appropriate, provided that the number of members of any of these sub-committees shall not be less than two.</li> <li>5. The Committee shall have the right to request the presence of any of the Company's directors, executives, or employees, or any persons with whom the Company needs to consult and deliberate, at any meeting to provide the necessary information requested by the Committee.</li> <li>6. The Remuneration Committee shall meet at least once a year.</li> </ol>		<ol style="list-style-type: none"> <li>(b) Develop job descriptions for senior executives, review the organizational structure in the company, and make recommendations regarding changes that can be made to The Board of Directors</li> <li>(c) Developing job succession procedures for senior executive positions and recommending them to The Board of Directors</li> <li>(d) Conduct annual review of the necessary skills or experience requirements for senior executive positions.</li> </ol>
	<p><b>New Item</b></p>	<p><b>4. THE COMMITTEE'S POWERS</b></p>	<p>In order for the Remuneration and Nominations Committee to carry out its duties, it has the following powers:</p>



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- (a) Requesting information and data that would assist the committee in addressing the topics of the Company's subject matter, or those referred to it by The Board of Directors
- (b) After obtaining the approval of the Board of Directors, the committee may - at the expense of the company - seek the assistance of experts or specialists it deems appropriate to address the topics that fall within its duties and responsibilities.



**Item 1 from  
Chapter 5  
(Company  
Committee)**

**Second: Committees Membership and Studying Subjects**

1. A sufficient number of Non-Executive Directors shall be appointed to the committees which perform duties that may involve conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing Related Party transactions, nomination to membership of the Board, appointment of Senior Executives and determining the remuneration.
2. The Company shall take into consideration while forming the Remuneration and Nomination Committees that their members are of the Non-Executive Board Members. The Board may appoint non-board members either from shareholders or others, provided that the chairmen of committees mentioned in this paragraph are of the Independent Directors.
3. Chairman of the Board shall not be a member of the Audit Committee, yet he may be a member of other committees.
4. Chairman of the Board shall not chair the Remuneration, Nomination, Risks, or Governance Committees, yet he may chair any other administrative committees.
5. The committees may seek assistance from any experts or specialists, whether internal or external, within the scope of its powers. This shall be included in the minutes of the committee meeting, and the minutes shall state the name of the expert and his/her relation to the Company.
6. Each committee shall assess the matters that fall within its authority or those referred to it by the Board and shall communicate its recommendations to the Board to issue decisions in connection therewith. The committees shall take decisions with regard to such matters if delegated by the Board.

**Third: Committees Meetings**

1. No member of the Board or the Executive Management except the secretary or a member of the committee may attend the meetings of a committee unless such committee requests his/her opinion or advice.

**5. THE  
COMMITTEE'S  
WORK CONTROLS**

5.1 Duties and responsibilities of the Chairman of the Committee

- (a) Managing and enhancing the effectiveness of the Committee's meetings.
- (b) Representation of the Committee before the General Assembly and (BOD).
- (c) Inviting the committee to hold, and determining the time, date, and place of the meeting, after coordination with the committee members.
- (d) preparing the agenda, taking into account the subjects falling within its competence that any of the members of the Committee has requested its Chairman to submit to the Committee.
- (e) Ensuring that the topics before the Committee are accompanied by sufficient information to enable the Committee's decision-making.
- (f) Ensuring sufficient time to discuss the agenda items of the Committee's meetings.
- (g) Promoting the active participation of members in the meetings of the Committee by examining and discussing the topics on the agenda and by expressing their views in a manner that contributes to the achievement of the Committee's objectives.
- (h) Ensuring that full and correct information is available to Committee members in a timely manner to enable them to carry out their duties.
- (i) Preparation of periodic reports on the Committee's activities and submission of its recommendations and its findings to the (BOD).
- (j) Following up on the implementation of the Committee's resolution.
- (k) Arranging the periodic evaluation of the Committee's performance.

5.2 The competencies of the secretary



2. Committee meetings are valid if attended by a majority of its members. Resolutions of the committees shall be issued by a majority of the votes present and, in case of a tie, the chairman of the relevant committee shall have the casting vote.
3. Board meetings shall be documented and minutes including the discussions and deliberations carried during such meetings shall be prepared. Recommendations of the committees and voting results shall be documented and retained in a special and organized register, including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by all of the attending members.

- (a) Coordinating committee meetings, and developing a proposal for its agenda, in coordination with the committee chairman.
- (b) Informing the committee members of the dates of the meetings and providing them with their agenda and the necessary documents; to study the items of the committee meeting.
- (c) Attending and documenting committee meetings, preparing their minutes, and keeping them in a special record.
- (d) Keeping documents, records, and reports submitted to or issued by the committee.

#### 5.3 Duties of a committee member

- (a) Compliance with the provisions of the Companies Law, the Capital Market Law and its implementing regulations, related laws, and the Company's By-Laws when exercising its duties, and refraining from doing or participating in any action that would harm the company's interests.
- (b) Be aware of the Commission's duties and responsibilities and must devote sufficient time to fulfilling its role in achieving them.
- (c) Carrying out its duties away from any external influence that affects its impartiality, whether from inside or outside the company, and it must not put its personal interests ahead of the interests of the company.
- (d) Not accepting gifts from anyone who has business dealings with the company, in accordance with the company's policies.
- (e) Preparing for meetings, committing to attending them, and not being absent from any meetings except for acceptable excuses notified to the committee chairman in advance and accepted by the committee.
- (f) Effective participation in committee meetings through the prior study of the topics on the agenda of its meetings and discussions.



- (g) Promoting knowledge of organizational developments in fields and topics related to the committee's duties and responsibilities.
- (h) Promoting knowledge of developments in the field of the company's activities, business, and other related fields.

#### 5.4 The Committee meetings

- (a) The committee holds a meeting at least 2 times per year , based on an invitation from its chairman. The committee chairman must also hold it in exceptional cases, including, for example, if requested by the board of directors or two (2) members of the committee, or if circumstances so require, clarifying the reasons for calling the extraordinary meeting.
- (b) The Committee proposes the dates and agenda items for the meetings of the fiscal year before its beginning, an invitation to attend the Committee meeting shall be sent at five (5) days prior to its date. The meeting invitation shall include the agenda, documents, and information necessary to discuss the topics presented to the Committee meeting and take decisions thereon. The Committee shall, at its discretion, waive the above-mentioned terms of invitation.
- (c) The Committee shall hold its meetings at the head office of the company or any other place after the approval of the Chairman of the Committee. Meetings of the Committee may be held by video conference or by any other similar electronic means to permit the participation of members of the Committee and their ability to debate and vote effectively.
- (d) The validity of the meeting requires the attendance of the majority of the Committee's members.
- (e) The meetings of the Committee shall be attended only by its members. No member of the (BOD) or senior executives shall be entitled to attend its meetings except by the invitation of the

Committee to hear his or her opinion or advice, or by any other person invited by the Committee member.

- (f) The Committee's resolution shall be taken by a majority vote of the attending members.
- (g) A member of the committee has the right to object to any resolution taken by the committee, provided that his/her objection is expressly recorded in the minutes of the meeting, indicating the reasons for his/her objection. Being absent from attending the meeting in which the decision was issued is not a reason for exemption from liability unless it is established that he/she was not aware of the decision or was unable to object to it immediately after his/her knowledge of it.

#### 5.5 Documentation of committee meetings

- (a) The minutes documenting the meetings of the Committee shall be prepared by the Secretary of the Committee, provided that it includes at least the following:
  1. Place, date, start, and end of meeting.
  2. The names of the attending and non-attending members, including the names of non-members of the Committee invited to attend the meeting.
  3. Summary of the Committee's deliberations and resolutions, indicating the results of the voting and the reasons for objections, if any.
  4. Identify the body responsible for implementing the resolutions taken, set the time Schedule for starting to implement it, and, if requested by the Committee, the mechanism for its follow-up.
- (b) The Secretary of the Committee shall send the draft minutes of the meeting to the Committee members. The Committee members shall make their comments on the draft minutes, if any, as soon as possible from the date of sending referred to.
- (c) After addressing the comments of the members of the Committee on the draft minutes, and after approval by the Chairman of the

			<p>meeting, the Secretary of the Committee shall send the draft after the amendment to the members of the Committee in order to be adopted at the Committee's next meeting.</p> <p>(d) The minutes of the meeting shall be kept annexed to the meeting's agenda and all accompanying documents in a special record signed by the Chairman of the Committee and the Secretary.</p> <p>5.6 Follow-up to the committee`s work The Chairman of the Committee shall submit its recommendations and findings to the Board of Directors or at the first meeting of the Board following the Committee's meeting.</p> <p>5.7 The Committee's work evaluation The committee periodically evaluates the results of its work based on performance indicators such as the effectiveness level of the committee in carrying out the tasks assigned to it, informing the board of the results of the evaluation, and proposing ways to address the results in accordance with the interest of the company when requested, based on the opinion of the committee.</p>
	New Item	<b>6. THE CONFIDENTIALITY OF THE COMMITTEE`S WORK</b>	<p>Except as otherwise stipulated in these Regulations, the member of the Committee shall be obliged to maintain the confidentiality of the information made available to him or her and the documents to which he or she is accessed. In no case shall he or she - even if his or her membership ends - disclose it to any individual or entity unless authorized by the Board of Directors or to use any such information for the personal benefit of him/her or of one of his/her relatives or of others; The Company shall have the right to claim compensation in the event of a breach of this article, as is applicable to the Secretary of the Committee.</p>
	New Item	<b>7. COMMITTEE MEMBERS' REMUNERATIONS</b>	<p>7.1 The committee member is entitled to an annual remuneration in accordance with the remuneration policy.</p> <p>7.2 In case of a decision by the board of directors to exempt the member from membership of the Committee due to being absent from three</p>



			<p>(3) consecutive or (5) disconnected meetings during the committee period without a legitimate excuse acceptable to the Board, the member shall not be entitled to any remunerations or compensation for the period following the last meeting he/she attended, and shall return all remunerations and compensation paid to him/her for that period.</p> <p>7.3 The Company is entitled to claim compensation for the damage suffered and to recover any remunerations, compensation or other costs incurred by the Company to facilitate the Member's performance of its liability, in case the Member Commits an act of dishonesty or breach of trust, forgery, or violation of the laws and regulations of the Kingdom of Saudi Arabia or any other country or when Failing to carry out his/her responsibilities and duties.</p>
	New Item	<b>8. REGULATION REVIEW</b>	The committee shall review this bylaw periodically in order to develop and update it in line with the relevant laws and regulations, and no amendment thereto may be made to it except with a recommendation from the Board of Directors, provided that it is submitted to the General Assembly for approval
	New Item	<b>9. EFFECTIVENESS</b>	The Regulations shall be effective from the date of its approval by the General Meeting, which is 18/9/1444 AH (corresponding to 9/4/2023 AD).

\* SIIG has combined the Nomination Committee and the Remuneration Committee in one committee.

# Saudi Industrial Investment Group

## "Saudi Listed Joint Stock Company"

### Adjustment on SIIG Remuneration Charter

Before Adjustment		After Adjustment	
Item No.	Article	Item No.	Article
	New Item	<b>1. OBJECTIVE</b>	<p>The objective of this Policy is to organize the remuneration of board members, committees, and seniors to attract professional and practical expertise, taking into consideration the company's business environment and the required skills to run it.</p> <p>The Company aims to create an attractive environment to attract human resources with the skills and expertise required to ensure the company's growth and its ability to achieve its vision. through applying the Company's remuneration framework that is consistent with the relevant regulations, and legislation.</p> <p>The words and expressions in this Policy shall mean the meanings set forth in the relevant Capital Market Authority (CMA) Regulations unless the context requires otherwise.</p>

**Item 4  
(Remuneration  
Policy) from  
Chapter 5  
(Company  
Committee)**

**c) Remuneration General Criteria**

The Remuneration Committee shall be responsible for recommending to the Board the remuneration of the Company's Board members, sub-committees' members (standing committees, specific-purpose committees, membership in the affiliates' boards and committees) and Senior Executives in accordance with the criteria in place, as follows:

1. Remuneration shall be determined based on the incumbent's job grade, assigned tasks and responsibilities, academic qualifications, work experience, skills, and performance level.
2. The remuneration shall be fair and commensurate with the member's competencies, experience, activities and responsibilities performed and borne by the members of the Board or committees, besides the objectives set by the Board to be achieved during the fiscal year.
3. Taking into account the sector in which the Company operates, its size, the practices of other companies and the prevailing trend in the labor market in determining remuneration, while avoiding what may arise from this unjustified increase in remuneration and compensation within the limits stipulated in the Companies Law and its Implementing Regulations.
4. The remuneration should be reasonably sufficient to attract and motivate appropriately qualified and experienced board members to support the Company's continuity.
5. The remuneration of the Board members may vary in amount to reflect the extent of the member's experience, competencies, assigned tasks, the number of sessions attended, and other considerations.
6. The remuneration of the Board members may be shares in the event of developing a program to grant shares in the Company to the Board members, executive management, and employees, whether these shares are newly issued or purchased by the Company; and this shall be done under the supervision of the Remuneration Committee and in accordance with the Company's Bylaws and the Capital Market Authority's relevant laws and regulations.

**2. REMUNERATION  
PRINCIPLES AND  
REGULATIONS**

- 2.1 Considering the provisions governing the remuneration of members of the Board of Directors and its committees and senior executives as stipulated in Companies Law, the Corporate Governance Regulations, the "Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies", and the Company's By-Laws —remuneration of the members of the Board of Directors, its committees and senior executives, shall be in accordance with the principles and rules set forth in this policy.
- 2.2 The company shall insure any person occupying the position of a member of the Board of Directors or considered a senior executive, against any liability or claim brought against that person, or incurred, in his/her capacity, or any liability or claim arising because of his/her capacity whether the company has the power to indemnify that person with respect to that liability or claim or not.
- 2.3 In case a program is developed to grant shares in the Company to members of the Board of Directors, Executive Management, and its employees, whether it be a new issue or shares purchased by the Company, this shall be under the supervision of the Remuneration Committee and Nominations and in conformity with the Company's By-Laws and the regulations, legislation of the relevant CMA.



**Item 4  
(Remuneration  
Policy) from  
Chapter 5  
(Company  
Committee)**

**D. Board Members Remuneration Criteria**

1. Without prejudice to the regulatory rules and procedures issued to joint stock companies, the Board shall determine (upon the recommendation of the Remuneration Committee) the annual remuneration of the Board members and its sub-committees.
2. The remuneration of the Board members shall be one of the following:
  - a. Specific amount.
  - b. Allowance for attending meetings
  - c. In-kind benefits
  - d. Percentage of profits
3. Two or more of these benefits may be combined, and in all cases the remuneration and other financial or in-kind benefits received by a Board member shall not exceed the amount stipulated by the provisions of the Companies Law and Regulations and in accordance with the controls set by the competent authorities.
4. It shall be taken into account that the remuneration of Independent Directors should not be a percentage of the profits achieved by the Company or that it should be based directly or indirectly on the profitability of the Company.

**3. THE BOARD  
MEMBERS**

3.1 The Remuneration Committee shall recommend to the Board members and the committee members (standing committees, committees formed for specific purposes, membership in the boards and committees of subsidiaries) and the Company's senior executives, in accordance with the principles, as follows:

- (a) Remunerations are determined based on the level of employment, the duties and responsibilities assigned to its occupancy, the scientific qualifications, practical experience, skills, and level of performance.
- (b) Remuneration shall be fair and proportionate with the member's competencies, experience, work, and responsibilities undertaken by it and borne by The Board of Directors members or the committees, in addition to the goals set by The Board of Directors members to be achieved during the fiscal year.
- (c) Taking into account the sector of business of the company, its size, the business of other companies, and what is prevalent in the labor market in determining remuneration, while avoiding what may arise from an unjustified increase in remuneration and compensation within the limits of what is stipulated in the Companies -by laws and its implementing regulations.
- (d) The remuneration shall be reasonably sufficient to attract and motivate the Board of Directors members with appropriate competence and experience to support their sustain.
- (e) The remuneration of the Board of Directors members may vary in amount to reflect the extent of the member's experience, competencies, duties assigned to him/ her, and his /her independence in the number of sessions he/she attends and other considerations.

3.2 The remuneration of the Board of Directors members shall be either a specific amount, attendance allowance for sessions, in-kind benefits, or a percentage of the profits, and two or more of the benefits mentioned in this paragraph may be combined. It must be taken into account that the remuneration of the independent members of the



			<p>Board of Directors shall not be a percentage of the profits earned by the company or be based directly or indirectly on the profitability of the company.</p> <p>3.3 The Board of Directors member participating in the board committees on its behalf shall be entitled to an additional annual remuneration based on the recommendation of the Remuneration and Nominations Committee, and it shall be repeated according to the number of committees in which he/she is a member.</p> <p>3.4 The Company is entitled to claim compensation from the Board of Directors members and its committees for damage to its reputation, and recover any paid remuneration, compensation, or other costs it incurred, in the event that the member:</p> <ol style="list-style-type: none"> <li>Commits an act of dishonesty or breach of trust, forgery, or violation of the laws and regulations of the Kingdom of Saudi Arabia or any other country.</li> <li>If it turns out that the remuneration, compensation, or any other costs were granted based on inaccurate information provided by the Member.</li> <li>Fails to carry out his/her responsibilities and duties</li> <li>Membership is terminated by a decision of the General Assembly – for being absent from three consecutive or five disconnected meetings during the committee period without a legitimate excuse acceptable to the Board.</li> </ol>
<p><b>Item 4 (Remuneration Policy) from Chapter 5 (Company Committee)</b></p>	<p><b>E. Committee Members Remuneration Criteria</b></p> <ol style="list-style-type: none"> <li>Upon the recommendation of the Remuneration Committee, the Board shall approve the remuneration, attendance allowances, and other entitlements of its sub-committees' membership - with the exception of the Audit Committee.</li> <li>The remuneration for the sub-committees' membership of the Board shall consist of an annual remuneration (a specific amount), meeting attendance allowances and other benefits.</li> <li>The remuneration for membership of the Audit Committee shall be approved by the General Assembly of Shareholders upon the recommendation of the</li> </ol>	<p><b>4. THE BOARD OF DIRECTORS MEMBER</b></p>	<p>4.1 The Board of Directors approves membership remuneration for its committees, attendance allowances, and other entitlements based on a recommendation from the Remuneration and Nomination Committee.</p> <p>4.2 The membership remuneration of the Board of Directors committees shall consist of an annual remuneration (a Specific amount), allowance for attending the Board meetings, and other entitlements, provided that the remunerations of the Audit Committee shall be in accordance</p>

	<p>Board in accordance with the Law, and such remuneration shall not be included in the calculation of the maximum limit received by a Board member stipulated in the Companies Law.</p>		<p>with the provisions of the Regulations of the Audit Committee approved by the General Assembly.</p> <p>4.3 Committees incentive paid semi-annually</p>
<p><b>Item 4 (Remuneration Policy) from Chapter 5 (Company Committee)</b></p>	<p><b>F. Executive Management Remuneration Criteria</b></p> <ol style="list-style-type: none"> <li>1. Based on the recommendation of the Remuneration Committee, the Board shall determine the types of remuneration to be granted to the Company's Senior Executives such as fixed, performance-related, and incentive remuneration.</li> <li>2. The Remuneration Committee shall periodically review and approve Senior Executives' salaries, allowances, and the incentive program and plans based on a recommendation from the Executive Management.</li> <li>3. The Executive Management's allowances and remuneration shall include the following: <ol style="list-style-type: none"> <li>a. (Basic salary) to be paid at the end of each calendar month on a monthly basis.</li> <li>b. Allowances that include (but are not limited to): <ol style="list-style-type: none"> <li>1) Housing allowance.</li> <li>2) Transportation allowance.</li> <li>3) Education allowance for children.</li> <li>4) Phone allowance</li> </ol> </li> <li>c. Medical insurance benefits for the employee and his/her family.</li> <li>d. Life insurance policy (including work injuries, partial and total disability and death at work).</li> <li>e. An annual reward linked to performance indicators according to the annual evaluation conducted in this regard.</li> <li>f. Short-term incentive plans associated with exceptional performance, and long-term incentive plans such as stock options programs (where applicable).</li> <li>g. Other benefits include, but are not limited to, annual leave, annual travel tickets, and end of service gratuity.</li> </ol> </li> </ol>	<p><b>5. EXECUTIVE MANAGEMENT</b></p>	<p>5.1 Based on the recommendation of the Remuneration and Nomination Committee, the Board specifies Executive Management's remuneration, such as fixed, performance-related, and incentive remunerations, according to the following principles:</p> <ol style="list-style-type: none"> <li>a) Should be commensurate with the company's strategic objectives and be a motivating factor for Executive Management to meet these objectives and enhance the company's ability to grow and sustain its business.</li> <li>b) Should be commensurate with the nature of the company's business and size as well as with the required skills and experience.</li> <li>c) Enables the Company to attract senior executives with skills and qualifications necessary to enable the Company to meet its strategic objectives.</li> <li>d) The remunerations shall be designed to prevent conflicts a conflict of interest that would negatively affect the interest of the company and its ability to achieve its strategic objectives.</li> </ol> <p>5.2 Based on the recommendation of the executive management, The Remuneration Committee should periodically review the salaries and allowances of senior executives, the incentive program and plans, and approves them.</p> <p>5.3 Executive management allowances and remunerations may include the following:</p> <ol style="list-style-type: none"> <li>a) Basic salary (paid at the end of each calendar month on a monthly basis)</li> <li>b) Allowances that include housing allowance, transportation allowance, children's education allowance, and telephone allowance.</li> <li>c) Medical insurance benefits for the employee and their family.</li> </ol>



	<p>4. The Chief Executive Officer shall implement the remuneration policy for the employees and Senior Executives in light of the general plans and programs approved by the Committee.</p>		<p>d) Life insurance policy (including work injuries, partial and total disability, and death on the job).</p> <p>e) Annual remuneration associated with performance indicators according to the annual assessment made in this regard.</p> <p>f) Short-term motivating plans associated with exceptional performance, long-term motivating plans such as stock option plans (if applicable).</p> <p>g) Other benefits include, but are not limited to, annual leave, annual air tickets, and end-of-service rewards.</p> <p>5.4 The Executive Chief shall implement the remuneration policy for employees and senior executives in light of the overall plans and programs approved by the remunerations Committee.</p>
<p><b>Item 4 (Remuneration Policy) from Chapter 5 (Company Committee)</b></p>	<p><b>I. Final Provisions (Review, Amendment and Publication of Remuneration Policy)</b></p> <p>1. The provisions of this policy shall be effective and shall be adhered to by the Company as of the date of its approval by the General Assembly of Shareholders.</p> <p>2. This policy shall be reviewed periodically, when needed, by the Remuneration Committee.</p> <p>3. Any amendments proposed by the Remuneration Committee shall be presented to the Board, which shall study and review the proposed amendments and recommend them to the General Assembly of Shareholders for approval.</p> <p>4. This policy shall be effective once approved by the Company's General Assembly.</p>	<p><b>6. FINAL PROVISIONS</b></p>	<p>6.1 The Board of Directors, in cooperation with the Remuneration and Nomination Committee, shall review this policy periodically to assess its effectiveness, and the Remuneration and Nomination Committee shall recommend the extent of the need to amend it to the Board. In case the Board decides that there is a need to amend this policy, the Board shall submit the proposed amendments to the General Assembly for its approval.</p> <p>6.2 The Regulations shall be effective from the date of its approval by the General Meeting, which is 18/9/1444 AH (corresponding to 9/4/2023 AD).</p>

# Saudi Industrial Investment Group

## "Saudi Listed Joint Stock Company"

### Adjustment on SIIG Board Membership Charter

Before Adjustment		After Adjustment	
Item No.	Article	Item No.	Article
	New Item	<b>1. Purpose</b>	This Policy aims to define the standards and procedures that govern the membership in the Company's Board of Directors, which have been developed to enhance the Company's ability to achieve its objectives, develop and sustain its business, and achieve compliance with the regulatory requirements and related instructions.
<b>Item 1 (Policies, Criteria and Procedures for Board of Directors Membership) from Chapter 3 (Board of Directors)</b>	<b>Third: Board Membership Criteria</b> <ol style="list-style-type: none"> <li>1. Members should have an appropriate level of qualifications, skills, knowledge, and experience to contribute to the protection of the Company's gains and prosperity.</li> <li>2. The combined members must have the qualifications, skills, and experience necessary for establishing the Board, and that they are distributed in a balanced manner among the members to achieve effectiveness and provide</li> </ol>	<b>2. The Rules Governing the Membership of the Board of Directors</b>	Subject to the provisions governing the membership of the Board of Directors stipulated in the Companies Law and the Regulations of the Companies Law for the listed Joint-Stock Companies and the Corporate Governance Regulations, the standards and procedures of BOD membership shall be as follows:  <b>2.1 Standards of Membership in the Board of Directors</b>

sufficient expertise to the Board; and it is not necessary that each member has all the required skills.

3. The members should have, after consideration, a strategic perspective, a good management vision, the ability to manage and supervise, knowledge of the legal and financial aspects, and knowledge of the Company's business and activities in particular.
4. The Nomination Committee shall determine the qualifications, experience, and skills to be available in the members.
5. The Company shall disclose the availability of the approved criteria in existing and/or new members.

#### **Fifth: Board Membership Nomination Procedures**

1. Each shareholder has the right to nominate himself/herself or one or more other persons for the Board membership within the limits of their ownership percentage in the capital.
  1. The Company shall publish the candidacy announcement on the Company's website, the Exchange's website and any other means specified by CMA in order to invite persons wishing to nominate for the Board membership, provided that the nomination door remains open for at least one month from the date of the announcement.
  2. The Nomination Committee shall submit its recommendations to the Board regarding candidacy for the Board membership in accordance with the criteria set out in this policy.
  3. Each candidate for the Board membership shall submit their nomination application to the Company during the announced nomination period, accompanied by the following:
    - a. The candidacy application for the Board membership submitted to the attention of the Nomination Committee's Secretary.
    - b. Filling out the CMA's form for the candidate's CV for the membership of a listed joint stock company's board,

- (A) Members shall possess an appropriate level of qualifications, skills, knowledge, and experience, in order to contribute to the protection of the Company's gains and prosperity.
- (B) Members shall collectively possess the qualifications, skills, and experience necessary for the establishment and formation of the BOD, and they are distributed in a balanced manner among the members, to achieve effectiveness and provide sufficient experience for the BOD. It is not necessary that each of the members possess all the required skills.
- (C) Members shall have farsightedness, strategic perspective, good management perception, ability to manage and supervise, understanding of legal and financial aspects, and knowledge of the Company's business and activities in particular.
- (d) Members shall possess all required qualifications, experience, and skills, as determined by the Nominations Committee.

#### **2.2 Nomination Procedures for Membership of the Board of Directors**

- (A) Each shareholder shall be entitled to nominate himself or one or more other persons for membership of the Board of Directors.
- (B) The Company shall publish the nomination announcement on the Company's website and the CMA's website and in any other means specified by the Authority, in order to invite persons wishing to nominate for membership of the Board of Directors, provided that the nomination door remains open for at least one month from the date of the announcement.
- (C) The Nominations Committee shall submit its recommendations to the Board of Directors regarding the nomination for membership of the BOD in accordance with the standards set out in herein.
- (D) Each nominee for membership of the Board of Directors shall submit his / her application for nomination to the Company during the announced nomination period, accompanied by the following:
  - (1) The application for nomination for membership of the BOD



	which was prepared for this purpose and can be accessed on the CMA's website.		submitted to the attention of the Secretary of the Nominations Committee, and (2) The CV form of the Capital Market Authority of the nominee for membership of Board of Directors of a listed Joint Stock Company, which was prepared for this purpose, and which can be obtained from the Capital Market Authority website shall be filled out. Plus, any other models and the submission of any documents required by the same regulations.
	<p><b>Eighth: Selecting Board Members Procedures</b></p> <ol style="list-style-type: none"> <li>1. Nomination: The Board shall approve the recommendation of the Nomination Committee to nominate the members of the Board in accordance with the approved policies and criteria.</li> <li>2. Election: The Assembly selects the members from among the candidates, and fairness shall be observed in the representation of the minority in the Board through the voting system, and that sufficient information on the candidates shall be provided in advance of the Assembly meeting.</li> <li>3. Reporting: After the election results are approved, the elected members shall be informed, and they shall be officially provided with their competencies and duties, the time required to be adhered to, their remuneration, the regulations and rules governing conflict of interest and confidentiality, the induction program (orientation), evaluation and access to information sources</li> </ol>	<p><b>3. Procedures for Selecting Members of the Board of Directors</b></p>	<ol style="list-style-type: none"> <li>3.1 Nomination: The BOD shall approve the Nomination Committee's recommendation to nominate the BOD members in accordance with approved policies and standards.</li> <li>3.2 Election: The General Meeting shall select members from among the nominees, taking into account that sufficient information about the nominees is provided before holding the General Meeting.</li> <li>3.3 Notices: Elected members shall be notified, after the approval of the election results, and shall be officially provided with their terms of reference and duties, the time required to be adhered to, their rewards, the laws and rules regulating the conflict of interest, confidentiality, the induction program (preparation), the calendar, and access to information sources.</li> </ol>
	<b>New Item</b>	<p><b>4. Final Provisions</b></p>	<ol style="list-style-type: none"> <li>4.1 The Board of Directors shall, with the Remuneration and Nominations Committee, review this Policy periodically to assess its effectiveness, and the Committee shall recommend to the BOD the need to amend it. In the event that the BOD decides that there is a need to amend this Policy, the BOD shall submit the proposed amendments to the General Meeting for its approval.</li> <li>4.2 This Policy shall be effective from the date of its approval by the General Meeting on 18/9/1444 AH (corresponding to 9/4/2023 AD).</li> </ol>

# Saudi Industrial Investment Group

## "Saudi Listed Joint Stock Company"

### Adjustment on SIIG Competition Standards

Before Adjustment		After Adjustment	
Item No.	Article	Item No.	Article
	New Item	<b>1. Purpose</b>	These Controls aim to regulate the following: (1) The controls that shall be applied to determine whether a member of the Company's Board of Directors (the "BOD") or a member of one of its Committees participates in a business that would compete with the Company, or compete with the Company in one of the branches of activity that it is engaged in, in accordance with the Corporate Governance Regulations issued by the Capital Market Authority, and (2) disclosure requirements and approvals that shall be applied to members of the Board of Directors and its Committees who participate in businesses competing with the Company. Words and phrases mentioned herein shall have the meanings assigned thereto in the relevant regulations of the Capital Market Authority unless the context requires otherwise.

**Item 7  
(Competing with  
the Company)  
from Chapter 4  
(Regulating  
Conflicts of  
Interest)**

**Article Seven: Competing with the Company**

Without prejudice to Article (72) of the Companies Law and other relevant provisions in these regulations, if a member of the Board desires to engage in a business that may compete with the Company or any of its activities, the following shall be taken into account:

1. Notifying the Board of the competing businesses he/she desires to engage in and recording such a notification in the minutes of the Board meeting.
2. The conflicted member shall abstain from voting on the related decision in the Board meeting and Shareholders Assemblies.
3. The chairman of the Board shall inform the Ordinary General Assembly, once convened, of the competing businesses that the member of the Board is engaged in, after the Board assesses the board member's competition with the Company's business or if he/she is in competition with one of the branch activities that it conducts in accordance with the standards issued by the Ordinary General Assembly upon a proposal from the Board and published on the Company's website, provided that such businesses are assessed on annual basis.
4. Obtaining an authorization of the Ordinary General Assembly of the Company for the member to engage in the competing business, provided that such an authorization is renewed on annual basis.

**2. The  
Company's  
Competition  
Controls**

- 2.1 BOD's members may not participate in a business that would compete with the Company or compete with it in one of the branches of activity that it is engaged in, without obtaining authorization from the General Meeting - or from the BOD, in the event that it is authorized by the General Meeting in accordance with the controls set by the Competent Authority -.
- 2.2 Subject to the provisions stipulated in Article (27) of the Companies Law, in the event that a member of the Board of Directors or one of the committees members in a business that would compete with the Company or compete with it in one of the branches of activity that it is engaged in, he shall obtain an authorization from the General Meeting that authorize the member to practice competing business in accordance with the following:
  - (A) Inform the Board of Directors of the competing business that he practices, and record this notice in the minutes of the Board of Directors meeting.
  - (B) Non-participation of the interested member of the Board in voting on the decision issued in this regard (whether in the Board of Directors, or Shareholders' Meeting).
  - (C) The Board of Directors informs the Ordinary General Meeting, when it convenes, of the competing businesses that a member of the BOD, after the Company's Management verifies that the member of the BOD is competing with the Company or competing with it in one of the branches of activity that it is engaged in, in accordance with these Controls.
  - (D) The Board member shall obtain an authorization from the Company's Ordinary General Meeting or from the Board of Directors under an authorization from the Ordinary General Meeting that authorize the member of the BOD to practice the competing business.





			<p>2.3 In the event that any of the Company's employees wish to participate in a business that would compete with the Company or compete with it in one of the branches of activity that it is engaged in, the following shall be taken into account:</p> <p>(A) Inform the Board of Director of the competing business he wishes to practice.</p> <p>(B) Obtain authorization from the Board of Director that authorizes the employee to practice the competing businesses.</p>
<p><b>Item 8 (Concept of Competing Businesses) from Chapter 4 (Regulating Conflicts of Interest)</b></p>	<p><b>Article Eight: Concept of Competing Businesses</b></p> <p>The following shall be deemed a participation in any business that may compete with the Company or any of its branch activities:</p> <ol style="list-style-type: none"> <li>1. The Board members' establishing a company or a sole proprietorship or the ownership of a controlling percentage of shares or stakes in a Company or any other entity engages in business activities that are similar to the activities of the Company or its group.</li> <li>2. Accepting membership in the Board of a company, an entity that competing with the Company or its group or managing the affairs of a competing sole proprietorship or any competing company of any form, except the Company's affiliates.</li> <li>3. The Board member's acting as an overt or covert commercial agent for another company or entity competing with the Company or its group.</li> </ol>	<p><b>3. The Concept of Business Competition</b></p>	<p>The concept of participating in any business that would compete with the Company or compete with it in one of the branches of activity that it is engaged in shall include the following:</p> <p>3.1 The BOD's member establishing a sole company or establishment or owning an effective percentage of stocks or shares in a company or other establishment, engaged in an activity similar to that of the Company or its Group.</p> <p>3.2 Acceptance of membership in the board of directors of a company or facility competing with the Company or its Group, or taking over the management of a competing sole establishment or a competing company in any form, with the exception of the company's subsidiaries.</p> <p>3.3 The member obtains a commercial agency or the like, whether apparent or hidden, for a company or other establishment competing with the Company or its Group.</p> <p>A person nominated for membership of the Board of Directors shall disclose to the BOD any business he is engaged in that would compete with the Company in accordance with the relevant rules and regulations.</p>
<p><b>Item 5 (Refusal to Renew License) from Chapter 4</b></p>	<p><b>Article Five: Refusal to Renew License</b></p> <p>If the General Assembly rejects renewing the authorization pursuant to Articles (71) and (72) of the Companies Law, the Board member shall resign within a period specified by the General Assembly; otherwise, his/her membership in the Board shall</p>	<p><b>4. Refusal to Grant the Authorizations</b></p>	<p>4.1 In the event the Board of Directors refuses to grant authorization to the BOD's member who has an interest or a competitor to the Company in accordance with the relevant regulations, the member of the Board of Directors shall submit his resignation</p>



<p><b>(Regulating Conflicts of Interest)</b></p>	<p>be deemed terminated, unless he/she decides to withdraw from the contract, transaction, or competition or regularize his/her situation in accordance with the Companies Law and its Implementing Regulations prior to the end of the period set by the General Assembly.</p>		<p>within a period specified by the Board of Directors, otherwise his membership in the BOD shall be considered terminated unless he decides to waive the contract, transaction or competing business, or regularize his status in accordance with the Companies Law and its Regulations before the expiration of the period set by the Board of Directors.</p> <p>4.2 In the event that the General Meeting refuses to grant the authorization under the provisions stipulated in Article (27) of the Companies Law and Article (65) of the Executive Regulations for listed Joint-Stock Companies, the member of the Board of Directors shall submit his resignation within a period specified by the General Meeting, otherwise his membership in the BOD shall be considered terminated, unless he decides to waive the contract, transaction or competing business, or regularize his status in accordance with the Companies Law and its Regulations before the expiration of the period set by the General Meeting</p>
	<p><b>New Item</b></p>	<p><b>5. Final Provisions</b></p>	<p>These Competition Controls may be amended from time to time based on a recommendation from the Board of Directors, provided that they are submitted to the General Meeting for approval.</p> <p>These Controls shall be effective from the date of their approval by the General Meeting on 18/9/1444 AH (corresponding to 9/4/2023 AD).</p>