



The highlighted changes that occurred in the Regulations for the work of the Nominations and Remuneration Committee

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	Modified articles	Previous articles
1	Adding a table for policy validation and final approval	-
2	Adding the Authority matrix for document approval	-
3	Adding a list of definitions	-
4	Adding the purpose of the committee	-
5	Adding membership requirements	-
6	<p>Amendment to: The committee's term begins with the Board of Directors' decision to form it and ends with the end of the term of the company's Board of Directors. Committee members can be reappointed upon expiration of their term.</p> <p>Adding the following paragraph: If the position of a member of the Nominations and Remuneration Committee becomes vacant during the term of membership, the Board shall appoint another member to this vacant position and the new member shall complete the term of his predecessor.</p>	The duration of the committee's work shall be no more than three years and no less than one year.
7	<p>Adding a point regarding termination of membership and filling vacant positions</p> <p>The committee membership of a member of the Board of Directors shall terminate if he ceases to be a member of the Board for any reason, or upon his voluntary resignation from the Committee. If the committee member is not a member of the Board of Directors, his membership ends by voluntary resignation or by the end of the committee membership term.</p> <p>The Board of Directors has the right to dismiss or replace any or all members of the Nominations and Remuneration Committee if any of them violates the provisions stipulated in these regulations or for any reasons that the Board deems appropriate, provided that this decision is taken by a vote of the majority of members in a meeting attended by all members of the Board.</p> <p>When one of the positions becomes vacant during the term of the committee's work, the Council has the right, based on the recommendations submitted by the Chairman of the Nominations and Remuneration Committee, to appoint a</p>	-

	<p>new member to fill the vacant position, provided that he has the ability and competence.</p> <p>Any member of the Committee may resign by providing written notice to the Chairman of the Committee. The resignation becomes effective, provided that the Chairman of the Committee accepts it.</p>	
8	<p>Adding a point in the committee's nomination responsibilities:</p> <p>A. <u>Appointing/nominating members of the Board of Directors and its committees, including recommending independent members and members of Board committees. In addition, assessing whether members of the council committees have the required skills and competencies in accordance with the bylaws of the relevant committees and recommending additional members for the committees (from within or outside the council).</u></p> <p>B. Review the membership criteria specified in the regulations of the Board of Directors committees on an annual basis and provide guidance to the committee secretary regarding the required changes, if any.</p> <p>C. <u>Periodically reviewing the organizational structure that covers the Board of Directors committees and senior executive management and submitting recommendations to the Board of Directors to approve the size, composition, and other changes.</u></p> <p>D. Recommending key performance indicators for members of the Board of Directors, its committees and senior executive management.</p> <p>E. Supervising the annual evaluation of the independence of the independent members and ensuring that there is no potential or actual conflict of interest between the Chairman of the Board of Directors, the members of the Board of Directors, the CEO, and other members of senior executive management.</p> <p>F. Recommending the appointment or dismissal of senior executive management.</p>	<p>A. Recommending to the Board of Directors to nominate for Board membership in accordance with the approved policies and standards, considering not to nominate any person who has previously been convicted of a crime prejudicial to honor and honesty.</p> <p>C. Reviewing the structure of the Board of Directors and Executive Management and making recommendations regarding changes that can be made.</p>

	<p>G. Review and approve job descriptions for members of senior executive management.</p> <p>H. Reviewing the succession plan for the senior executive management, recommending it, and supervising its implementation after its approval by the Board of Directors.</p> <p>I. Supervising the development and implementation of effective education, guidance, and continuing education for members of the Board of Directors and its committees.</p> <p>J. <u>Assist the Board of Directors in evaluating the performance of the Board, its committees, and senior executive management in terms of identifying their strengths and weaknesses and recommending corrective measures to enhance their competencies.</u></p>	<p>J. Identify the weaknesses and strengths of the Board of Directors, and suggest addressing them in a manner consistent with the interest of the company</p>
<p>9</p>	<p>Adding a point of wages and members' rewards</p> <p>A. The specific remuneration policy for committee members includes the following items:</p> <ul style="list-style-type: none"> - Fixed fees for membership of the committee. - Attendance fees for attending committee meetings. - Compensation for actual expenses incurred for attending committee meetings, including travel and accommodation expenses. <p>B. The above-mentioned fees and compensations are paid in accordance with the company's approved remuneration policy. Details of the remuneration and other payments provided to committee members must be disclosed in the Board of Directors' annual report.</p>	

10	<p>Adding a point of the Chairman of the committee</p> <p>9.1 Appointment of the Chairman of the Committee The Chairman of the Committee shall be appointed by a majority vote of the Committee members unless he is appointed by the Council, provided that the Chairman of the Committee shall be an independent member.</p> <p>9.2 Duties of the Committee Chairman:</p> <ul style="list-style-type: none"> a) Supervising the work of the committee and managing its meetings effectively. b) Cooperate with committee members to prepare and approve the agenda for committee meetings and invite all committee members to meet on a specific date and place for committee meetings. c) Ensure proper scheduling of all items that require committee approval or recommendations and are presented to the Board. d) Ensure that the issues and matters presented to the Committee are accompanied by sufficient information to enable the Committee to make decisions regarding them. e) Ensure that external consultants retained or retained by the Committee have appropriate qualifications and are independent. f) Ensure that the Committee has direct access to such members or senior management as the Board may request. g) Representing the committee before the Board of Directors, the General Assembly, or any other party and discussing the issues raised. Reservations expressed by the members present in the committee regarding any of the decisions or recommendations issued by the committee. 	-
11	<p>Adding a point of the Secretary of the committee</p> <p>10.1 Appointment of Secretary The committee appoints a secretary from the company's management team to review the preparations for the committee's meetings, prepare minutes of meetings, document, follow up, and implement the committee's</p>	-

recommendations, decisions, and work plans. The term of office of the Secretary shall be the same as the term of office of the Committee unless he is appointed for a shorter period. He can be appointed again after the end of his term.

10.2 Duties of the Secretary

- a) Ensuring that the committee's activities run smoothly and smoothly.
- b) Attending meetings, provided that the Secretary of the Committee does not have any right to vote regarding recommendations, directive orders and decisions if he is not a member of the Committee.
- c) Act as the main point of contact and source of information and provide advice and guidance to committee members regarding SPIMACO activities, to assist in the decision-making process.
- d) Keeping committee members fully informed of relevant information being considered during the decision-making process.
- e) Maintain and manage the committee's list and ensure the adequacy of the list to meet changes in working conditions and regulatory and supervisory requirements. Identify and highlight any changes that need to be made to the regulations for consideration by the Committee.
- f) Identify any changes that need to be made to the regulations for consideration by the committee.
- g) Preparing communication letters upon arrangement with the Committee Chair as needed, and sending them to Committee members, Board members, and other relevant parties. This includes handling the communications required to schedule or call committee meetings.
- h) Preparing information packages that should be circulated to committee members at committee meetings.
- i) Assist the Committee Chairman in developing and preparing agendas for committee meetings and circulating them to committee members at least five (5) working days before the meeting date.

	<p>j) Inviting relevant parties, including consultants, legal advisors, or any other party, to attend the committee meetings, upon a request from the committee chairman.</p> <p>k) Preparing minutes of committee meetings and circulating them within ten (10) working days to all committee members for adoption and approval. Minutes of meetings must include the following:</p> <ul style="list-style-type: none"> - Date and number of the meeting. - Meeting Place - Attendance Names - Statement on the reason for the absence of members who did not attend. - Topics discussed and discussions. - All decisions and recommendations issued. <p>l) Document and update the committee's proposed decisions and action items as well as key responsibility and target implementation date to facilitate tracking of open action points related to committee decisions.</p> <p>m) Circulate the committee's decisions/minutes to concerned parties.</p> <p>n) Follow up on outstanding issues and action items that require submission to the committee.</p> <p>o) Notifying the Chairman of the Committee of any obstacles to the progress of the Committee's work, including any delay in implementing its decisions and recommendations</p> <p>p) Preparing a report from the committee on the latest developments in its activities and the decisions and recommendations of its members to be presented to the Board of Directors.</p>	
12	<p>Adding a point for publishing the nomination announcement.</p> <p>The company must publish the nomination announcement on the company's website, on Tadawul, and in any other means determined by the Authority; This is to invite people wishing to run for membership in the Board of Directors,</p>	-

provided that nominations remain open for at least one month from the date of the announcement.	
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Nomination and Remuneration committee charter

Updated Charter



**Saudi Pharmaceutical Industries &
Medical Appliances Corporation
(SPIMACO ADDWAEIH)**

**Nomination and Remuneration
Committee Charter**

Document Control

ORIGINAL RELEASE CONTROL SHEET

Version number: 2

Release date: DD/MM/YYYY

VERIFICATION AND SIGN-OFF

Board of Directors Sign Off			
This is to assure that this "Nomination and Remuneration Committee Charter, have been approved by General Assembly on the date mentioned above.			
	Name	sign	Date
NRC Secretary			
Governance Department			

Document Retention, Revision and Disposal

Nomination and Remuneration Committee Charter shall be retained by the Governance Department and Committee Secretary, in the original form and in any secure form. The Committee Secretary shall periodically review and update the document in consultation with the Governance Department. A Release Control Sheet and a Revision Control Sheet shall also be prepared on each occasion of release / revision.

DOCUMENT HISTORY

Version Number	Effective Date	Brief Description of Revision	Approved By	Signature and Date
1	24/12/2017	Version: 1	It was approved by GAM in 24/12/2017	
2		Version: 2		

Document Roles and Responsibilities / Authority Matrix

This table highlights the roles and responsibilities specifically related to the formation of this document including who is responsible for the preparation, review, endorsement and final approval of the document.

Stakeholders	Prepare/ Update/ Amend	Review	Endorse	Approve	Publish
Governance, Legal, and Compliance Team / Committee Secretary	YES				YES
Executive Director of Governance, Legal, and Compliance		YES			
Nomination and Remuneration Committee		YES			
Governance & Risk Committee		YES			
Board of Director			YES		
General Assembly				YES	

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1. Definitions

The following words and phrases, wherever mentioned in this regulation, shall have the meanings indicated here, unless the context of the text requires otherwise:

- **Company:** Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO ADDWAEIH).
- **The Board:** means the company's board of directors.
- **Chairman of the Board:** means the Chairman of the Board of Directors of the company.
- **Board Committees:** Consisting of non-executive directors and members from outside the board, established to advise, review, oversee, and approve management strategic plans, decisions, and actions in managing the company.
- **Committee:** Nomination and Remuneration Committee
- **Member:** the member of the committee appointed by the decision of its establishment and any member added to it or appointed as a substitute for a previous member in it. This word includes the head of the committee unless the context of the text indicates otherwise.
- **Day:** a working day in the Kingdom according to the official working days.
- **Committee Decisions:** Decisions that are voted on by the members of the Committee and are related to the work of the Committee.
- **Subsidiary:** A company owned and controlled by another company through the following:
 - Owning 30% or more of the voting rights in a company,
 - Having the right to appoint 30% or more of the Board of Directors.
- **Conflict of Interest:** A legal or factual situation in which a person is in a situation where he or she is assured that he or she has a special interest, or benefit, directly or indirectly, for himself or herself or otherwise affects his or her ability to perform job functions and responsibilities objectively, and impartially.
- **Executive Director:** A member of the Board who is a full-time member of the executive management team of the Company and participates in its daily activities.
- **Non-Executive Director:** A member of the Board who is not a full-time member of the management team of the Company and does not participate in its daily activities.
- **Succession Plan:** A plan for identifying and developing new leaders who can replace old leaders when they leave, retire or die.

2. Ownership and Maintenance

This Charter is owned and maintained by the Governance, Legal, and Compliance Team department. The Committee is also responsible for reviewing and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

3. Scope of Application

This policy applies to the Nomination and Remuneration Committee Members.

4. Responsibility for Implementation

The Nominations and Remunerations Committee, in coordination with the company's executive management, follows up the implementation of the policy, checks the integrity of the procedures taken, and evaluates any deviations that may arise when applying it. The committee shall be referred to the board of directors in every matter that so requires for the purpose of guidance.

5. Objective of the Committee

The purpose of the establishment of the Nomination and Remuneration Committee (hereinafter referred to as the 'Committee' or 'NRC') at Saudi Pharmaceutical Industries & Medical Appliances Corporation (hereinafter referred to as 'SPIMACO' or the 'Company') is to assist the Board of Directors (hereinafter referred to as the 'Board' or 'BOD') in performing its guidance and oversight functions effectively and efficiently in the following areas:

- Ensure that the appropriate policy and procedures exist to assess the remuneration levels of the Chairman, Non-Executive Directors, Executive Directors, CEO and other key positions in the company
- Govern the process of identifying suitable candidates for independent members, independent advisors and senior executives and ensuring that the policies and practices support the successful recruitment, development, retention, and succession of such key positions, and thus help SPIMACO realize its business objectives and sustainable development
- Ensure that the compensation, benefit scales and packages across the Company are fair and competitive
- Recommend to the Board, the additional directors to serve on each standing Committee of the Board
- Recommend to the board of directors to update the policies related to the membership of the Board of directors.
- Assist the Board in its annual review of the Board's and committee's performance.

6. Composition

6.1 Membership Requirements

The NRC shall be formed by majority vote of the Board and the number of members of the NRC shall not be less than three (3) or more than five (5), consisting of non-executive members or shareholders or others from outside the Board if required.

- a. At least one member of the Committee shall be from outside the board (either from shareholders or others), the Board may appoint Non-Executive Directors in the Committee.
- b. The Committee members, individually or collectively, shall possess the following skillset listed below:
 - Leadership experience in a reputed company
 - Working experience in Human Resource function of a reputed company

- Working experience in Pharmaceutical industry
 - NRC chairmanship / membership in a reputed company
- c. The following procedure shall be followed for the appointment of NRC members:
- If there is a gap in the skills, the NRC, in co-ordination with Human Capital department of the Company, shall identify suitable candidates (from within or outside of the Board) to meet the skills specified above. The number of candidates identified shall be more than the number of vacant positions to be filled.
 - Such identified candidates list shall be finalized with the Chairman of the Committee, and then recommended to BOD for appointment as NRC members.

6.2 Membership Term

- a. The term of the committee shall be starting from the Board's resolution to form the committee and ending with the end of the company's board term. Committee members can be reappointed upon expiry of their term by following the appointment procedure stipulated above in Section 6.1.
- b. If the position of a member of the Nomination and 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.

6.3 Termination of Membership & Filling of Vacancies

- a. The Committee membership of the Board member shall be terminated, if by any reason the member ceases to be a member of the Board, or upon his voluntary resignation from the committee. In case the committee member is not a board member, his membership shall expire by voluntary resignation or at the end of membership term of the committee.
- b. The Board of Directors have the right to remove or replace any or all the members of the Nominations and Remunerations Committee in the event that any of them violates the provisions contained in this charter or for any reasons the Board deems appropriate, provided that the decision is taken by the majority of its members in a meeting attended by all its members.
- c. In case of vacancy of membership during the term of the Committee, the Board, upon recommendation from the NRC Chairman, shall appoint a new member to fill the vacancy provided that he/she has the ability and competence.
- d. Any member of the Committee may resign by giving written notice to the Chairman of the Committee. The resignation shall take effect, subject to acceptance of resignation by the Chairman of the Committee.
- e. The committee member shall be considered legally resigned if he fails to attend the committee's meetings for more than three consecutive sessions without prior permission from the committee chairman or an acceptable excuse approved by the majority of the committee members present at a legal meeting.

6.4 Members' Remuneration

- a. The remuneration policy defined for the Committee members shall include the following components:
 - Fixed fee for membership in the Committee
 - Sitting fees for attending Committee meetings
 - Reimbursement for actual expenses incurred to attend Committee meetings, including travelling and accommodation expenses.
- b. The above fees and reimbursements shall be paid in accordance with the Company's approved remuneration policy. The details of remunerations and other payments made to the Committee members shall be disclosed in the annual BOD's report.

6.5 Induction and Orientation

Upon appointment of new committee members, governance, legal and compliance department shall provide necessary induction and orientation to the new member in order to enable them to perform their duties with respect to the committee. For that purpose, they shall be provided with the following information and documents:

- Introduction to the Company and its subsidiaries.
- Key strategic and ongoing transformational initiatives.
- Information about the Committee and its Charter.
- Roles and Responsibilities of the Committee as per the Charter.
- Information about the aspects overseen by the Committee such as nomination, remuneration and performance evaluation.
- Decisions taken by the Committee through resolutions and minutes.
- Key documents being monitored by the Committee including the CVs of candidates currently being considered for Board Committees as well as executive management, remuneration policies, recent remuneration trends, etc.

7. Committee Meetings

7.1 Frequency of Meetings

- a. The Committee shall meet at least once a year. Exceptional meetings may be scheduled as determined by the Chairman of the Committee, or upon the request of the majority of its members as needed.
- b. The Committee shall schedule meetings in advance, before the beginning of the year and to include it in the yearly schedule of Board and Committees meetings.

- c. The invitation to attend the committee's meetings shall be sent in writing or by electronic correspondence, by the chairman of the committee or whoever delegated by him from among its members or by the secretary of the committee before a sufficient period from the date of the meeting. The members of the committee shall be provided with the meeting agenda and the necessary documents and information to be discussed before the date of the meeting.

7.2 Attendance of Invitees

Besides the attendance of the members comprising the Committee, non-committee members may be invited to attend the Committee meetings. Such attendees can be involved in the discussions but shall not have any voting rights. Invitations shall be approved by the Chairman and indicated in the meeting agendas circulated prior to meeting dates.

The Committee has the right to request the attendance of any directors, officials, employees of the company, or any persons the company needs to consult and negotiate with, at any meeting of the Committee in order to provide the necessary information requested by the Committee.

7.3 Quorum & Voting

1. The meetings of the Committee shall be held only in the presence of majority of the members, including the Chairman of the Committee. In the case the Chairman of the Committee is unable to attend, he/she may delegate one of its members to chair the meeting.
2. A member of the Committee may participate in the meeting using modern communication techniques.
3. A member may delegate another member to represent him/her in the meeting if he/she is unable to attend, provided a member cannot represent more than one member in the same meeting.
4. Each member of the committee shall have one vote.
5. All the decisions of the Committee shall be made by a majority of its members present at a meeting duly called and held. In the case of a tie, the Chairman of the Committee shall have the casting vote.
6. The decisions of the Committee could also be approved through circulations, upon discretion of the Chairman of the Committee. Any decision of the Committee reduced to writing and signed by all of its members shall be as effective as if it had been made at a meeting duly called and held.

8. Duties and Responsibilities of the Committee

In light of the provisions regulating the remuneration of members of the Board of Directors and its sub-committees and stipulated in the company's Bylaws, corporate governance regulations, and regulatory controls and procedures issued in implementation of the Companies' Law for Listed Companies, and the Company's Bylaws, the remunerations of the members of the Board of Directors and its committees emanating from it and the executive management shall be in accordance with the following principles and rules:

8.1 Remuneration Responsibilities

Members of the Board of Directors and its sub-committees

- a. The company's Bylaws indicate the method of distributing the remunerations of the members of the Board of Directors.

- b. Recommend clear policy for the remunerations of the Board, and its Committees.
- c. The Board of Directors, based on a recommendation from the Nominations and Remunerations Committee, determines the remunerations of the members of the Board of Directors and its sub-committees in accordance with the following principles:
 - The remuneration organization should be in line with the company's strategic objectives, and a factor in motivating the members of the Board of Directors and its sub-committees to achieve those objectives, and enhancing the company's ability to develop its business and its sustainability.
 - To be appropriate to the nature of the company's business, its activity, its size, and the required skills and experience.
 - To be a factor in attracting members of the Board of Directors with the expertise and qualifications required to enhance the company's ability to achieve its goals.
- d. A member of the Board of Directors is entitled to an annual remuneration in accordance with the relevant laws and regulations, in return for his membership in the Board based on a recommendation from the Nominations and Remunerations Committee.
- e. A member of the Board of Directors participating in the committees emanating from him is entitled to an annual remuneration, in a manner that does not violate the relevant laws and regulations, and upon the recommendation of the Nomination and Remuneration Committee.
- f. The company has the right to claim compensation for damage to its reputation and recover the rewards, compensation and any other costs incurred by the company in the event:
 - The member commits an act of dishonesty, fraud, or violation of laws and regulations in the Kingdom of Saudi Arabia or in any other country.
 - Failure to perform his responsibilities, tasks, and duties, which would result in harm to the company's interest.
 - Termination of membership, by a decision of the General Assembly, due to absence from three consecutive meetings within one year without a legitimate excuse accepted by the Board of Directors.
- g. The member's contribution, attendance and participation in the issues raised, and any contributions that serve the interest of the company, are taken into consideration when approving the remuneration of the members of the Board of Directors and its committees.
- h. The remuneration of the members of the Board of Directors and its sub-committees may be decided differently according to the tasks, responsibilities and achievements achieved.
- i. If the remunerations approved for a member of the Board of Directors or its sub-committees are based on inaccurate information or false results, the case will be submitted to the Board of Directors to take the appropriate decision regarding it, and the relevant regulations must be taken into account when considering them.

Executive Management

- a. Recommend clear policy for the remunerations of the Senior Executive Management.

- b. The Board of Directors, based on the recommendation of the Nominations and Remunerations Committee, determines the remunerations of the executive management, provided that they are in accordance with the following principles:
- that the remunerations and compensation are compatible with the company's strategic objectives, and a factor to motivate the executive management to achieve those objectives, and enhance the company's ability to develop its business and its sustainability.
 - To be appropriate to the nature of the company's business, its activity, its size, and the required skills and experience.
 - To enable the company to attract executives with the capabilities, skills and qualifications necessary to enable the company to achieve its goals.
 - Not to cause any conflict of interest that would negatively affect the company's interest and its ability to achieve its objectives.
- c. The company's adopted policies in this regard must be considered when approving the executive management reward and its achievement of the set objectives.
- d. The remuneration approved for each employee in the executive management may vary according to the results achieved during the year under evaluation.
- e. The upper ceiling of the executive management remuneration may be reviewed annually, and any proposed amendments may be submitted to the Board in accordance with the regulations governing this.
- f. This policy must be consistent with the company's strategy and objectives and in line with the performance and evaluation applicable to the company in terms of executive management remuneration.
- g. If the remuneration approved for the executive management is based on inaccurate information or false results, the case is submitted to the Board of Directors to take the appropriate decision regarding it, and the relevant regulations must be taken into account when considering them.

8.2 Nomination Responsibilities of the Committee

- a. Facilitating the appointment / nomination of Board and Committee members, including recommending independent members and board committee members. Also, assess if Board Committees consist of members with the skillsets and competencies required as per the charter of respective committees and recommend additional committee members (from within or outside of the Board).
- b. Review membership criteria specified in the Board Committees charters on an annual basis and provide directions to the Committee Secretary on the changes required if any.
- c. Periodically review the organizational structure covering the Board Committees and Senior Executive Management and make recommendation to the Board for approval of size, composition, and other changes.
- d. Recommend KPIs for members of the Board, Board Committees and Senior Executive Management.

- e. Oversee annual assessment of independence of independent members and ensure that there are not any potential or actual conflicts of interests between the Chairman of the Board, members of the Board and CEO and other Senior Executive Management.
- f. Suggest clear policies and standards for the Executive Management positions.
- g. Recommend the appointment or dismissal of Senior Executive Management.
- h. Review and approve job descriptions for the Senior Executive Management.
- i. Review and recommend Senior Executive Management succession plan and oversee its implementation upon approval by the Board.
- j. Oversee establishment and implementation of effective induction, orientation, and continuous education of members of the Board and its Committee.
- k. Assist the Board in evaluating the performance of the Board, its Committees and Senior Executive Management in terms of determining their strengths and weaknesses and recommending corrective actions to enhance their competencies.

8.3 Other Responsibilities

- a. Provide recommendations to the Board with regard to matters related to the Company's human resources, referred to it by the Board.
- b. Work in conjunction with other Committees for the specific matters requiring involvement of multiple functions to discharge their duties.
- c. Review prior Committee minutes of meeting and follow up on decisions taken and documented in the action sheet of prior Committee meetings in order to ensure that matters raised have been resolved.
- d. Review and reassess the adequacy of this Charter annually or earlier as needed and recommend any proposed changes to the Board for approval.
- e. Report to the Board, all decisions and recommendations made by the Committee.
- f. Conduct periodic evaluation of the committee's performance and each of its members.
- g. Perform other tasks and responsibilities assigned to it by the Board.

9. Committee Chairman

9.1 Appointment of Chairman

The Chairman of the Committee shall be appointed by majority vote of the Committee members unless appointed by Board, and he should be an independent member.

9.2 Role of Chairman

- a. Oversee functioning of the Committee and conduct of its meetings effectively.
- b. Collaborate with the Committee members to develop and approve the agenda for the Committee meetings and invite all the Committee Members to meet on a certain date and place for Committee meetings
- c. Ensure that all items requiring Committee approval or Committee recommendations to the Board are appropriately presented.
- d. Ensure that the issues before the Committee are accompanied by sufficient information to enable the Committee to take decisions on them.
- e. Ensure that external advisors retained or to be retained by the Committee are appropriately qualified and independent.
- f. Ensure that the Committee has direct access to such members of senior management as may be required by the Board.
- g. Represent the Committee in front of the Board, General Assembly or any other party and discuss matters raised.

10. Committee Secretary

10.1 Appointment of the Secretary

The Committee shall appoint the Secretary from the company's management team to carry out preparations for the meetings of the Committee, preparations of the minutes, documentation and follow up and implementation of its recommendations, decisions, and action plans. The term of the Secretary shall be same as the term of the Committee, unless if he is appointed for a shorter term. He/she can be reappointed after the expiry of his term.

10.2 Role of the Secretary

- a. Ensure smooth running of the Committee's activities.
- b. Attend the meetings, given that the secretary of the committee should not have any voting rights regarding recommendations, directives, and decisions in case he is not committee member.
- c. Act as a primary point of contact and source of information, provide advice and guidance for Committee members regarding SPIMACO activities, in order to support the decision-making process.
- d. Keep the Committee members fully briefed on relevant information considered during decision making.
- e. Maintain and administer the Committee Charter and ensure adequacy of the Charter to cater with the changes in business conditions and regulatory requirements. Identify and highlight any changes required in the Charter to the Committee for its consideration.
- f. Identify and highlight any changes required in the Charter to the Committee for its consideration.

- g. Prepare communication letters upon arranging with the Committee Chairman as the need arises, and addressing the same to the Committee members, BOD, and other relevant parties. This includes handling the required communication to schedule / call for Committee meetings.
- h. Prepare information packages that need to be circulated to the Committee members during Committee meetings.
- i. Assist the Committee Chairman to set and prepare Committee meeting agendas, and circulate the same to Committee members, at least five (5) working days in advance of the meeting dates
- j. Invite the relevant parties including consultants, legal advisors, or any other party to Committee meetings, upon a request from the Chairman.
- k. Prepare the minutes of meeting and circulate the said minutes within ten (10) working days to all Committee members for approval. The minutes of the meeting shall include the following:
 - Date and number of the meeting
 - The venue
 - Names of attendees
 - A statement of reason for the absence of those who did not attend
 - Topics presented and discussions
 - All decisions and recommendations taken
 - Reservations made by the present members of the Committee to any of the resolutions or recommendations issued by the Committee
- l. Document and update the decisions and action items suggested by the Committee along with primary responsibility and target date of implementation in order to facilitate tracking of the open action points pertaining to the decisions of the Committee
- m. Circulate Committee decisions / minutes to the concerned parties
- n. Follow up on open issues and action items that are required to be presented to the Committee
- o. Notify the Committee Chairman of any impediments to the functioning of the Committee, including any delay in the implementation of its decisions and recommendations
- p. Prepare a Committee report on the updates of the committee's activity, decisions and recommendations that were done by the members to be presented to the BOD.

11. Conflict of interest

- A committee member may not have a direct interest in the business and contracts that are carried out for the account of the company, otherwise the company may demand compensation from him/her, or consider the operations that they have undertaken for their own account to have been conducted for the account of the company. This shall be disclosed in the minutes of the committee's meeting and submitted to the company's board of directors shall be performed as per the conflict of interest policy.
- Members of the Nominations and Remunerations Committee may not disclose to the shareholders or to third parties what they found out about the company's information due to undertaking of their work, otherwise they must be dismissed and held accountable for compensation.

- The company may not provide a cash loan of any kind to members of the Nomination and Remuneration Committee, or guarantee any loan contracted by one or more of them with third parties, and any contract concluded in violation of the provisions of this charter shall be considered null and void.

12. Remuneration Policy

The objective of the remuneration policy for members of the Board of Directors and its sub-committees is to organize remuneration to attract members of the Board or committees with scientific, technical, and administrative competence and commensurate experience, so that they can perform their tasks and duties professionally and with high efficiency, taking into account the sector in which the company operates and the skills necessary to manage it. The company also aims to create an attractive environment to work in, through which it can attract and retain human resources with the required skills and expertise to sustain its growth and achieve its vision, through the organizational framework for rewarding senior executives in the company, in compliance with relevant regulations, legislation and applications.

13. Publishing the Nomination Announcement

The Company shall publish the nomination announcement on the Company's and the Exchange's websites, as well as through any other medium specified by the Authority, in order to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period remains open for at least a month from the date of the announcement.

14. Policy Review and Amendment

- This policy is periodically reviewed by the Nomination and Remuneration Committee, whenever necessary, to verify its alignment with the objectives set for it and in accordance with the relevant regulations.
- The committee works on the participation of the executive management in any amendments or proposals to this policy and explores its views and observations in order to achieve its objective.
- The Committee shall submit any amendments or proposals to this policy to the Board for study and endorsement, and then submit it as a proposal to the General Assembly for approval.

15. Disclosure

- a. The Board of Directors is obligated to disclose the remuneration policy and how to determine the remuneration of the members of the Board of Directors, its committees, and the executive management of the company.
- b. provide an accurate, transparent and detailed disclosure in the Board report on the remunerations granted to the Board members and Executive Management, directly or indirectly, without any omission or misleading information, and whether these were in 55 cash or other benefits of any nature. In case they were shares of the Company, the value of the shares is the market value on the due date;
- c. Clarify the relationship between the granted rewards and the applicable rewards policy and indicate any material deviation from it.

- d. A statement of the necessary details of the remuneration and compensation paid for each of the following shall be made separately:
- Members of the Board of Directors.
 - Members of committees emanating from the Board of Directors.
 - Five of the company's senior executives who received the highest rewards, including the CEO and the CFO.
- e. The disclosure of the details of the remuneration and compensation contained in the previous paragraph shall be in accordance with the appendix on remuneration contained in the Corporate Governance Regulations issued by the Capital Market Authority.