



# **NOMINATION & REMUNERATION COMMITTEE CHARTER**

RIYADH CABLES GROUP

APPROVED BY THE GENERAL ASSEMBLY ON 01/11/1443 H CORRESPONDING TO 31/05/2022 G



# NOMINATION & REMUNERATION COMMITTEE CHARTER

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### Preamble:

Based on the provisions of Article (60) of the Corporate Governance Regulations of Riyadh Cable Group Company issued by the Board of Directors pursuant to Resolution No. (5) dated 13/09/1443 AH corresponding to 14/04/2022 A. D and approved by the General Assembly of Shareholders on 27/09/1443 AH corresponding to 28/04/2022 A. D, and the provisions of Articles (60) and (64) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/05/1438 AH (corresponding to 13/02/2017 A. D) and amended by CMA Board Resolution No. (1-7-2021) dated 01/06/1442 AH (corresponding to 14/01/2021 A. D), and based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437 AH, corresponding 11/11/2015 A. D, and its amendments, and further to paragraph (7) of Article (50) of the aforementioned Corporate Governance Regulations, which allows the merger of the Remuneration and Nomination Committees into one committee, this Regulation has been prepared to be the Regulations of the Nomination and Remuneration Committee of Riyadh Cable Group Company.

### Article No. (1) Definitions:

The words and expressions mentioned in these Regulations shall have the meanings assigned to them in the Corporate Governance Regulations of Riyadh Cable Group Company and the Corporate Governance Regulations issued by the Board of Directors of the Capital Market Authority.

### Article No. (2) Objects Regulation:

This regulation aims to clarify the controls and procedures of the Committee's work, its tasks, the rules for selecting its members, the duration of their membership and their remuneration.

### Article No. (3) Committee Organization:

#### Formation of the Committee and Terms of Membership:

- A. The committee shall be formed by a decision of the Board of Directors from non-executive members of the Board of Directors, provided that at least one of them is an independent member.
- B. The number of committee members shall not be less than three and not more than five.
- C. The company's General Assembly issues the work regulations of the committee based on the proposal of the Board of Directors.
- D. In addition to the conditions imposed by the relevant regulatory controls, the member of the committee must have the expertise and qualifications appropriate to the work and tasks of the committee, and he must abide by the principles of honesty, trustworthiness, loyalty, care and concern for the interests of the company and shareholders and prioritize them over his personal interests, and he must also adhere to the regulatory requirements and policies of the company's regulations regarding conflicts of interest and disclosure.
- E. The board of directors of the company must notify the Capital Market Authority of the names of the committee members and their membership descriptions within five working days from the date of their appointment, and any changes to that within five working days from the date of the changes.

### Chairman of the Committee

- A. The Board of Directors shall appoint a chairperson for the committee in its formation decision.
- B. The Chairman of the Committee shall not be the Chairman of the Board of Directors of the company.
- C. The Chairman of the Committee shall perform the following duties:
  - Organizing committee meetings and accessing all information and documents necessary to carry out its responsibilities.
  - Managing committee meetings and working to enhance their effectiveness.
  - Inviting the committee to convene, specifying the time, date and place of the meeting, in coordination with the committee members.
  - Adopting the agenda, taking into account the topics that a committee member wishes to include.
  - Ensuring that the topics presented to the committee are accompanied by sufficient information that enables the committee to make decisions regarding them.
  - Ensuring that sufficient time is available to discuss the items on the agenda of the committee meeting.
  - Enhancing the effective participation of members in the Committee's meetings by studying and discussing the issues on the agenda of its meetings, and by expressing their opinions in a way that contributes to achieving the Committee's objectives.
  - Ensure that complete and correct information is available to the members of the Committee in a timely manner; to enable them to perform their duties.
  - Approving periodic reports on the committee's activities and submitting its recommendations and findings to the Board of Directors.
  - Follow up on the implementation of the decisions issued by the committee.
  - Adopt the necessary arrangements to conduct periodic evaluation of the committee's performance.
- D. The chairman of the committee or whomever he delegates from among the committee members shall attend the General Assemblies to answer shareholders' questions and represent the committee before the Board of Directors.

### Committee Secretary:

- A. The committee appoints a secretary.
- B. The secretary of the committee is responsible for coordinating the dates of the committee's meetings on an annual basis, documenting the committee's meetings, preparing minutes for it that include the discussions and deliberations that took place, indicating the place, date, start and end time of the meeting, documenting the committee's decisions and voting results, keeping them in a special and organized record, and recording the names of the attending members and the reservations they made. - If any -, and the signature of the minutes of all members present.
- C. The committee secretary shall provide the committee members with the committee agenda, working papers, documents and information related thereto, and any additional documents or information requested by any of the committee members related to the topics included in the meeting agenda according to the periods specified in these regulations.
- D. The committee secretary shall post periodic reports and minutes on the activities and work of the committee to the board of directors, and perform all other tasks that may be assigned to him by the committee.

E. The committee secretary is not entitled to participate in or vote on any of the committee's decisions.

### **Invited to committee meetings:**

No member of the Board of Directors or the Executive Management - other than the committee secretary - is entitled to attend its meetings unless the committee requests to hear his opinion or obtain his advice.

### **Confidentiality of the work of the committee.**

The committee member and other persons invited to the committee meetings must maintain the confidentiality of the information made available to him and the documents he has access to, and he is not allowed under any circumstances - even if his membership ends - to disclose it to any individual or entity unless he is authorized to do so by Board of Directors or to use any of this information to achieve personal benefit for him or one of his relatives or others, and the company has the right to claim compensation from him in the event of a breach of what was stated in this article as it applies to the committee secretary.

### **Committee Term:**

The term of the committee begins from the date of issuance of the Board of Directors' decision to form it, and ends with the termination of the session of the board that formed it, or until a decision is issued by the Board to terminate or re-form the committee. Also, the expiry of the term of the board or its dissolution for any reason ends the period of assignment of the committee, and it must be re-formed by the new board of directors.

### **Termination of service of committee members:**

- A. The membership of a committee member ends with the expiry of its term or in any of the following cases:
1. Death.
  2. Resignation without prejudice to the company's right to compensation in the event that the resignation occurred at an inappropriate time.
  3. The member is absent from attending three committee meetings per year without prior permission from the committee chairman or an excuse accepted by the committee.
  4. Loss of one or more membership conditions.
  5. The end of the term of the Board of Directors.
  6. Inability of the member from a health point of view to complete his duties in the committee.
  7. The issuance of a court ruling declaring the member's bankruptcy or insolvency, or his request for a settlement with his creditors.
  8. Conviction of committing a crime, breach of honor and trust, or forgery.
- B. The Board has the right to dismiss or replace any of the committee members at any time it deems appropriate.
- C. Any member of the Committee may resign from the membership of the Committee, by delivering a written notice to the Chairman of the Board of Directors with a copy of the Chairman of the Committee, and the resignation shall become effective as of the date of the Chairman's approval of the resignation or a later date specified by the Chairman of the Board.

- D. The committee has the right to nominate a replacement member in the vacant position, and the new member completes the remaining period, taking into account the conditions that must be met by the committee member, and he is appointed by the council.

### **Rewards and allowances of committee members:**

Without prejudice to the relevant statutory requirements and the company's articles of association, the committee members' remunerations shall be in accordance with the policy of remunerations for members of the board of directors, its committees, and the executive management approved by the company's general assembly.

### **Committee Meetings**

#### **A. Convening the Meeting:**

1. The committee meets at the invitation of its chairman. The committee chairman must also call for a meeting if two or more committee members submit a written request to the committee chairman.
2. The Committee meets regularly every year at least twice, or whenever the need arises, or at the request of the Committee Chairman or the Chief Executive Officer in exceptional or necessary cases. The Committee shall hold all its meetings at the company's head office or in any other place agreed upon by the members of the Committee.
3. The invitation to the meeting is sent by the committee secretary to each member of the committee well in advance of the meeting, and the time, date and place of the meeting and the agenda are indicated in the schedule along with the necessary documents and information.

#### **B. Meeting Agenda:**

1. The committee secretary, in coordination with its chairman - and with the executive management if necessary - prepares the agenda for the committee meeting, and schedules the topics for discussion according to their importance and priorities, provided that they are reviewed and approved by the committee chairman before distributing them to the members.
2. The committee approves its agenda as soon as it convenes, and in the event that any member objects to this agenda, this must be recorded in the minutes of the committee meeting. Each member of the committee has a proposal to add any item to the agenda.

#### **C. Quorum to attend and vote:**

1. For the validity of the committee meetings, the presence of the majority of its members is required.
2. A committee member may authorize another member to attend the committee meeting on his behalf or to vote on his behalf in the meetings.
3. The decisions of the committee are issued by the majority of the votes of the members present.
4. If it is not possible for a member of the committee to attend in person, he may use any of the available means of communication to attend the committee meeting, and in all cases, this must be documented in the minutes of the meeting.

#### **D. Adoption of minutes of meetings and decisions:**

1. The committee secretary shall send a draft of the minutes of the meeting to the chairman and members of the committee, within five working days from the date of the meeting, to review and express their observations thereon (if any).

2. Any member may have a reservation on any decision taken by the committee, provided that he indicates the reasons that prompted him to make the reservation. If any member left the committee meeting before its conclusion, then his reservation, if any, is limited to the decisions related to the items he attended for discussion, provided that he stipulates in the minutes the items he did not attend for discussion. Provided that he states in the minutes the items he did not attend for discussion if he expresses his desire in writing to do so.
3. The amendments are reflected by the committee secretary on the draft based on the notes received from the committee members on the minutes, and the amended draft is sent to the members within two working days from the date of receiving the notes after presenting it to the committee chairman.
4. The committee secretary prepares the minutes in their final form, and the minutes are considered official as soon as they are signed by all the attending members and the committee secretary. The committee secretary sends the approved and approved minutes to the committee members as soon as they are signed.
5. The committee follows up on the results of the implementation of the decisions issued by it and any other issues that were discussed in previous meetings. The secretary of the committee, in coordination with the executive management, submits a periodic report to the committee on the results of the implementation of its decisions.
6. The committee's deliberations and decisions are recorded in minutes signed by the members, including the chairman and the committee secretary. These minutes are recorded in a special register.

### E. Study of Subjects

The Committee shall study the issues that concern it or that are referred to it by the Board of Directors, and submit its recommendations to the Board to take a decision in their regard, or to take decisions if the Board delegates to it, taking into account that the mandate granted to the Committee is not a general or indefinite mandate.

### F. Resources and sources of information:

1. The committee has the right to access all the resources and information necessary for it, and to review the company's records and documents to enable it to perform its functions, functions and responsibilities to the fullest.
2. The committee has the right to seek assistance, when needed, from experts and specialists from within or outside the company within the limits of its powers, provided that this is included in the minutes of the committee meeting, with the name of the expert and his relationship with the company or the executive management mentioned.
3. The committee has the right to investigate everything that falls under its powers and competencies, as well as the matters entrusted to it.

### **Duties of a Committee Member**

- A. Comply with the provisions of the Companies Law, the Capital Market Law, their implementing regulations, the relevant laws, and the company's Articles of Association when exercising his duties, and refrain from doing or participating in any action that would harm the company's interests.
- B. To be aware of the tasks and responsibilities of the committee, and to allocate sufficient time to play its role in achieving them.

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- C. Carrying out his duties away from any external influence, whether from inside or outside the company, and he must not put his personal interests ahead of the interests of the company.
- D. Effective participation in the committee's meetings by studying and discussing the issues on the agenda of its meetings.
- E. Make an effort to know the organizational developments in the fields and topics related to the committee's tasks and responsibilities.
- F. Make every effort to know all developments in the field of the company's activities, business and other related fields.

### Article No. (4) Functions and Duties of the Committee:

Without prejudice to the matrix of authorities approved in the company, the committee undertakes the following tasks and competences:

1. Suggest clear policies and criteria for membership in the Board of Directors and Executive Management.
2. Recommending to the Board of Directors to nominate and re-nominate its members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
3. Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and for occupying executive management positions.
4. Annual review of the necessary requirements of appropriate skills or experience for membership of the Board of Directors and executive management positions.
5. Reviewing the structure of the Board of Directors and executive management and making recommendations regarding changes that can be made.
6. Verifying annually the independence of the independent members, and the absence of any conflict of interests.
7. Develop a description of the executive members, non-executive members, independent members and senior executives.
8. Establishing special procedures in the event of a vacancy in the position of a member of the Board of Directors or a senior executive.
9. Determining the strengths and weaknesses of the Board of Directors, and proposing solutions to address them in line with the interest of the company.
10. Preparing a clear policy for the remuneration of members of the Board of Directors, the committees emanating from the Board, and the Executive Management, and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that the policy follows performance-related standards, discloses them, and verifies their implementation.
11. Clarifying the relationship between the remunerations given and the applicable remuneration policy, and indicate any material deviation from this policy.
12. Periodic review of the remuneration policy, and evaluation of its effectiveness in achieving the objectives set for it.
13. Recommend to the Board of Directors the remuneration of the members of the Board of Directors, its committees and senior executives of the company in accordance with the approved policies.

### Article No. (5) Conflict of Interest:

1. The Member must avoid situations that lead to a conflict of the interests of the company, and conflict of interest means the existence of a direct or indirect interest of any member in a subject on the agenda of the Committee and that interest would affect (or believe

- the influence of that interest) on the independence of the opinion of the member of the Committee, which is supposed to express his professional point of view.
2. If the member has any conflict of interest in a subject on the Council's agenda; He shall disclose that before the start of the discussion of the subject, provided that this is recorded in the minutes of the meeting. In this case, he may not attend the discussion of the relevant subject, participate in its discussion, or vote on it.
  3. A member of the committee may not have a direct or indirect interest in the contracts and works that are carried out for the company's account unless he obtains a license from the general assembly.
  4. He may not participate in any business that would compete with the company, or compete with the company in one of the branches of the activity that it practices, unless he obtains a license from the General Assembly.
  5. If the committee member fails to disclose his interest in the contracts and works that are carried out for the company's account, whether before or during his appointment as a member of the committee, or if he fails to disclose his participation in any business that would compete with the company or compete with the company in one of the branches of the activity it conducts; The company may claim compensation from him before the competent judicial authority.
  6. It is not permissible for a committee member to exploit or benefit - directly or indirectly - from any of the company's assets, information, or investment opportunities subject to its study - even if the decision is taken not to proceed with it - nor is it permissible to benefit from these investment opportunities even after the termination of his membership.
  7. In the event that the committee member is proven to have benefited from the investment opportunity, the company or any interested party may claim before the competent judicial authority the invalidation of any work, profit or benefit achieved from that investment opportunity. The company may also claim appropriate compensation.

### Article No. (6) General Provisions:

1. These regulations are issued with the approval of the General Assembly based on the proposal of the Board of Directors.
2. The Board of Directors follows up on the work of the committee to verify that it is carrying out the tasks entrusted to it, and proposes to the General Assembly its recommendations regarding amending its provisions.
3. These bylaws are effective from the date of approval by the General Assembly, and they are not amended unless the General Assembly approves these amendments.
4. These regulations are complementary to the company's Articles of Association, the company's corporate governance system, and the policies adopted by the company, which are related to the Board of Directors and its committees.
5. Everything that is not provided for in this regulation shall be subject to the relevant laws and regulations issued by the competent authorities.
6. This regulation cancels and replaces all procedures, decisions or internal regulations of the company that conflict with it.
7. This regulation shall be published and circulated to members of the Board of Directors, committees, executive management and major shareholders to ensure their knowledge and understanding of its provisions.