



NATIONAL METAL MANUFACTURING & CASTING CO. (MAADANIYAH)

Amendment Draft

Of

Policy of Remunerations of the Members of Board of Directors, its Committees and Senior Executive Management.

Current	After Amendment
<p>Introduction: The remuneration policy for the members of the Board of Directors, its committees and the executive management of the company has been prepared based on the company's articles of association, the companies system and the provisions contained in Article 61 of the Corporate Governance Regulations issued by the Capital Market Authority, which stipulates that "the Nomination and Remuneration Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors, the committees emanating from the Board and the executive management and submit it to the Board of Directors for consideration in preparation for approval by the General Assembly."</p> <p>Article (1): Objective: This policy aims to define clear criteria for the remuneration of members of the Board of Directors, its committees and senior executives in light of the requirements of the Companies Law and the rules and regulations of the Capital Market Authority, and also aims to attract cadres with a degree of efficiency, ability and talent through the adoption of incentive plans and programs for rewards linked to performance, which contributes to raising the efficiency of the company's performance.</p> <p>Article (2): Definitions:</p> <ol style="list-style-type: none"> 1- Board Members: includes all members of the Board of Directors of the Company (Executive Director, Non-Executive Director, Independent Director) 2- Board's Committees: Committees of the Board, including the Audit Committee, the Nomination and Remuneration Committee, or any committee approved by the Board. 3- Senior Executive Management: includes the Managing Director, CEO, General Manager, Deputy General Manager, or any position designated by the Nomination and Remuneration Committee or the Board of Directors. 	<p>Introduction: The remuneration policy for the members of the Board of Directors, its committees and the executive management of the company has been prepared based on the company's articles of association, the companies system and the provisions contained in Article 61 of the Corporate Governance Regulations issued by the Capital Market Authority, which stipulates that "the Nomination and Remuneration Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors, the committees emanating from the Board and the executive management and submit it to the Board of Directors for consideration in preparation for approval by the General Assembly."</p> <p>Article (1): Objective: This policy aims to define clear criteria for the remuneration of members of the Board of Directors, its committees and senior executives in light of the requirements of the Companies Law and the rules and regulations of the Capital Market Authority, and also aims to attract cadres with a degree of efficiency, ability and talent through the adoption of incentive plans and programs for rewards linked to performance, which contributes to raising the efficiency of the company's performance.</p> <p>Article (2): Definitions:</p> <ol style="list-style-type: none"> 1- Board Members: includes all members of the Board of Directors of the Company (Executive Director, Non-Executive Director, Independent Director) 2- Board's Committees: Committees of the Board, including the Audit Committee, the Nomination and Remuneration Committee, or any committee approved by the Board. 3- Senior Executive Management: includes the Managing Director, CEO, General Manager, Deputy General Manager, CFO or any position designated by the Nomination and Remuneration Committee or the Board of Directors.

Article (3): Remuneration Criteria:

Without prejudice to the statutory requirements, the Company's Articles of Association and the Company's Corporate Governance Regulations, the remuneration of the members of the Board of Directors, its committees and the Executive Management shall be subjected to the following criteria:

- 1- The company takes into account the compatibility of remuneration with the company's strategy and objectives and with the size, nature and degree of risk it has.
- 2- The remuneration of the members of the Board of Directors may be varied to reflect the extent of the member's experience, terms of reference, tasks entrusted to him, his independence, the number of meetings he attends and other considerations.
- 3- The remuneration should be for the purpose of urging the members of the Board, its committees and the executive management to raise the level of the company and its long-term success.
- 4- The payment of the bonus is suspended if it is found that it was approved based on inaccurate information.
- 5- If the General Assembly decides to terminate the membership of one of the members of the Board, he shall not be entitled to remuneration for the period following the last meeting he attended.
- 6- The Nomination and Remuneration Committee shall supervise the implementation of the Remuneration Policy for Senior Executives within the framework of the plans, programs and general guidelines approved by the Board.
- 7- The remuneration is granted at the end of each financial year or as directed by the recommender and the accreditation body.
- 8- This policy is reviewed when needed and evaluated to its effectiveness in achieving its objectives.

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Article (4): Controls for the Eligibility of Bonuses for Board Members and Subordinate Committees:

Considering the provisions of Article (2) of this policy, bonuses are payable in accordance with the provisions of the Company's Bylaws and Corporate Governance as follows:

1- Board of Directors:

Based on Article 45 of the Company's Bylaws, the Company's annual net profits, after deducting all general expenses and other costs, are distributed as follows:

- Board members are entitled to an annual bonus from the percentage stipulated in Article (76) of Companies Law, provided that the amount each member receives per year does not exceed SAR 500,000. The bonus entitlement to this bonus is proportional to the member's performance, and the bonus is proportional to the number of meetings attended and the Company's performance, in accordance with the Company's approved bonus policy.
- A meeting attendance bonus of SAR 3,000 is paid to each member who attends the meeting.
- If a member travels to attend a meeting, he or she will be reimbursed for travel expenses or a delegation allowance in accordance with the Company's applicable regulations.
- 5% of the remaining net profits after deducting all general expenses, other costs, and reserves—based on the Board's recommendation—and after distributing a profit to shareholders of no less than 5% of the Company's capital.

2- Committees Subordinate to the Board of Directors:

A- Committee members are entitled to an attendance allowance of SAR 3,000, a business-class flight from the member's headquarters, and a secondment allowance in accordance with the Company's secondment policy.

B- Committee members are entitled to an annual bonus based on the recommendation of the Nominations and Remuneration

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2- Committees Subordinate to the Board of Directors:

A- Committee members are entitled to an attendance allowance of SAR 3,000, a business-class flight from the member's headquarters, and a secondment allowance in accordance with the Company's secondment policy.

B- A member of the Committee shall be entitled to an annual remuneration as recommended by the Nomination and Remuneration Committee to be submitted to the Board for

Committee, which is submitted to the Board for approval by the General Assembly.

Article (5): Executive Management Remuneration:

The Board of Directors determines the annual bonus for senior executives based on the recommendation of the Nominations and Remuneration Committee. The Nominations and Remuneration Committee shall review the annual bonus based on the performance indicators approved by the Board of Directors.

Article (6) General Provisions:

- 1- The Board of Directors' annual report must include the following:
 - A- All remuneration and allowances received by the Board of Directors during the fiscal year, including, but not limited to, salaries, profit share, attendance allowance, expenses, and other benefits.
 - B- All amounts received by the Board of Directors as employees or administrators, or what they received for technical, administrative, or consulting work previously approved by the Company's General Assembly.
- 2- A Board member may not vote on the item of Board of Directors' remuneration at the General Assembly meeting.
- 3- Remuneration for the Board and committees shall be determined based on the recommendation of the Nominations and Remuneration Committee and shall be approved by the Board for submission to the General Assembly for approval.
- 4- The annual remuneration shall be paid to a Board member and a committee member in proportion to the number of meetings attended during the fiscal year.
- 5- The attendance allowance and other entitlements related to the Board of Directors and committee meetings shall be disbursed immediately after each meeting. The annual bonus is disbursed after approval by the General Assembly.
- 6- The annual bonus for committee membership shall not exceed the annual bonus for board membership.

approval – considering the application of the regulations and regulations of the regulatory authorities.

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- 2- A Board member may not vote on the item of Board of Directors' remuneration at the General Assembly meeting.
- 3- ~~The remuneration shall be approved by the Board of Directors to determine the remuneration to the Board and the committees~~ based on the recommendation of the Nomination and Remuneration Committee, ~~provided that the Board submits the recommendation of the Board of Directors' remuneration to the Assembly for voting. And the adoption of the Council to submit it to the General Assembly for approval.~~ **provided that the Board submits the recommendation of the Board of Directors' remuneration to the Assembly for voting.**
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<p>7- A board member or committee member shall not be entitled to a travel ticket allowance if attending meetings via modern technology means.</p> <p>8- The entitlement to the annual bonus includes a resigned member and a member removed by a resolution of the General Assembly for a legitimate reason, subject to the controls set forth in Article (4) of this policy.</p> <p>Article (7): Publication and Enforcement:</p> <p>1- This policy is complementary to the company's articles of association and corporate governance regulations.</p> <p>2- The provisions of this policy shall be implemented and adhered to by the company's executive management as of its approval by the General Assembly.</p> <p>3- The policy shall be reviewed as necessary, and any proposed amendments shall be presented to the board for review and recommendation to the general assembly for approval.</p>	<p>6- The annual bonus for committee membership shall not exceed the annual bonus for board membership.</p> <p>7- A board member or committee member shall not be entitled to a travel ticket allowance if attending meetings via modern technology means.</p> <p>8- The entitlement to the annual bonus includes a resigned member and a member removed by a resolution of the General Assembly for a legitimate reason, subject to the controls set forth in Article (4) of this policy.</p> <p>Article (7): Publication and Enforcement:</p> <p>1- This policy is complementary to the company's articles of association and corporate governance regulations.</p> <p>2- The provisions of this policy shall be implemented and adhered to by the company's executive management as of its approval by the General Assembly.</p> <p>3- The policy shall be reviewed as necessary, and any proposed amendments shall be presented to the board for review and recommendation to the general assembly for approval.</p>
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NOTE:

The Green color is the adding.

The Red color with strikethrough is the deleting