



The Savola Group

Remuneration, and Nomination Committee Charter

This Charter, was firstly approved by the Shareholders Ordinary General Assembly
in its meeting held on 2nd November 2017
and it was amended based on the extraordinary Shareholders General Assembly
resolution in its meeting held on 29 April 2020 by adding the role of
Corporate Governance to the Committee's roles

1. Introduction

The "Remuneration, and Nomination Committee Charter of the Board of Savola Group" has been prepared to comply with articles (60 and 64) of the CG Regulations issued by the CMA Board pursuant to Decision No. (8-6-2017) Dated 13/2/2017, which required that the "The Company's General Assembly, based on the board recommendation, shall issue a regulation for the Remuneration, and Nomination Committee (RNC) including its procedure, duties and rules for selecting its members, the term of their membership and their remunerations."

2. Purpose

The purpose of the Remuneration, and Nomination Committee (RNC committee) is to assist the board in fulfilling its oversight responsibilities with respect to:

1. Overseeing the remuneration and incentive plan for Savola's employees and pursuing its implementation.
2. Overseeing the succession plan for key positions in the Group.
3. Overseeing the nomination process for the board, committees and executive management.
4. Overseeing the grievance policy for employees and ensuring its implementation.
5. Managing the process of assessing and evaluating board and committee members' performance.

3. Rules for selecting the RNC committee members, nomination process and the term of their membership:

1. The board appoint the RNC committee members for a period of three years starting and expiring with the official term of the board.
2. The committee shall consist of at least three (3) to five (5) members max; The Majority of members shall be non-executive directors and the Board may appoint persons other than board members either from shareholders or others, with a minimum of one independent member from Savola's board.
3. The chairman of the committee shall be from Savola's board members, and shall be independent. Savola's board shall appoint he/she or, if no such designation is made, he/she shall be selected by committee members and shall be independent board member.
4. The committee members shall have the appropriate experience and qualifications relevant to the duties, responsibilities and the nature of the committee's functions.
5. The board has the right to remove and/or replace all or any of the committee members at any time. In addition, each committee member is entitled to resign provided that the timing of the member's resignation is appropriate and accepted by the board.

6. If the position of a committee member became vacant, the board of directors may appoint a member in the vacant position, provided that he/she has the appropriate experience and qualifications, and the company shall inform the CMA within the statutory period from the date of appointment.
7. The Company shall notify the CMA of the committee members' names, the classification of their membership, and any changes in the future within the statutory period defined in the CG regulation issued by CMA.

4. Responsibilities and Duties

The committee shall assume responsibilities related to three areas: remuneration nomination, and corporate governance. Additionally, it is responsible for reporting its activities to the board regular. The committee duties and responsibilities includes the following:

4-1) With regard to remuneration

1. Prepare a clear remuneration policy for board members, its committees and the executive management that enhances management team motivation and helps in retaining employees. This policy shall be recommended by the committee to the board, and submitted to the GA for approval, provided that such policy follows standards that are linked to performance, be disclosed and implementation of such policy shall be ensured.
2. Clarify the relation between the paid remunerations and the adopted remuneration policy, and highlight any material deviation from that policy.
3. Review periodically the remuneration policy and assess its effectiveness in achieving its objectives.
4. Provide recommendations to the board in respect of the remunerations of its members, the committees' members and senior executives, in accordance with approved policy.
5. Review the CEO's remunerations, including long and short-term incentives, set the CEO KPIs, and recommend to the board in this regards.
6. Review and approve the CEO's recommendations concerning the General guidelines of the executive management remuneration and other benefits, which the CEO implement in light of the remuneration policy mentioned in item (4-1-1) above.

4-2) With regards to Nomination

1. Recommend clear policies and standards for board membership, executive management and Savola's representatives in subsidiaries and associates.
2. The annual review of the requirements suitable for membership of the board and executive management and the preparation of a description of the required capabilities and qualifications for such membership, including, inter alia, the time that a board member should reserve for the activities of the board.
3. Review the structure of the board, committees and executive management and provide recommendations regarding recommended changes.
4. Provide job descriptions for executive, non-executive, independent directors and senior executive management.
5. Set procedures to be followed if the position of a member of the board or a senior executive becomes vacant.
6. Assess performance of the board in terms of strengths and weaknesses and recommend necessary solutions in the best interests of the Company through:
 - a. Propose the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.
 - b. Help the Board in its responsibility toward carrying out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.
7. Review the composition of each committee of the board and recommend any changes to the board for its approval. The committee can recommend ~~additional~~ appointing new committee members to the board to fill vacancies as needed.
8. Ensure on an annual basis the independence of independent directors and ensure the absence of any conflicts of interest if a board member also acts as a member of the board of another company.
9. Study and review the CEO's recommendations concerning the appointment and termination of executive management team.
10. Study and review succession plans for the company in general and for the board, CEO and executive management in particular.
11. Provide an appropriate level of training and introduce new board and committee members about the company businesses and achievements to enable them to perform their role effectively and efficiently.

12. Develop the necessary mechanisms for board members and the executive management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.

4-3) With regards to Corporate Governance ⁽¹⁾

1. verify that the Company is in compliance with CG regulation issued by CMA and the Company's CG manual and policies.
2. review and update CG manual and rules pursuant to statutory requirements and best practices;
3. review and develop codes of professional conduct representing the Company's values and other internal policies and procedures in order to fulfill the Company's requirements, and comply with best practices; and
4. regularly inform the Board members of the developments in corporate governance and best practices.
5. oversee any matters relating to the implementation of governance, and provide the Board with its reports and recommendations annually at least.

4-4) Other responsibilities:

1. Assisting the board in establishing, reviewing the Group's organization structure and Operating model which organizes the relationship between the parent company and its subsidiaries.
2. Oversighting the implementation of the grievance policy and ensuring its effectiveness.

5. Resources and Authority

1. The committee shall have the authority to conduct investigations into or studies of matters within the scope of the committee's duties or any other matter specifically requested by the Board. The committee may seek legal and technical advice from any outsources/ external party or consultant as deemed necessary to help fulfill its duties.

¹ *Corporate Governance role and responsibilities was added to the charter based on the Shareholders Extraordinary General Assembly resolution in its meeting held on 29 April 2020.*

2. The committee shall also be authorized to access all data pertaining to the remunerations and compensations of Savola and all reports of the executives' management team succession plans.
3. The Company shall bear any costs required to support the committee doing its work.

6. The Committee's Meetings, Guidelines and Procedures:

1. The committee shall meet four times a year. However, the committee has the right to conduct exceptional meetings based on the business needs and the request of the committee chairman or any two members of the committee.
2. The committee meetings are scheduled in advance - prior to the beginning of the year - on an annual basis for the whole year, as part of the annual meetings calendar of Savola Group board, its subsidiaries and subcommittees.
3. The committee member may attend through video conference or telephone call and will be considered as physical attendance, if he/she could not attend the meeting physically due to any emergency reason.
4. A quorum is achieved upon the attendance of the majority of committee members.
5. A member of the committee shall not be authorized by more than one member to act as proxy on their behalf, if the chairman will not be able to attend the meeting he/she may authorize one of the committee members to chair the meeting. If the chairman did not authorize another member to chair the meeting, the committee members, who attended the meeting, may select one of them to chair the meeting.
6. Decision-making shall be based on the majority of votes present; in the case that a tie is reached, the chairman of the meeting shall have the casting vote.
7. The meeting agenda shall be agreed with the committee chairman ahead of the meeting and included as part of the invitation.
8. Meeting invitations shall be signed by the committee chairman or committee secretary if he/she has been authorized to do so by the committee chairman and shall be sent before sufficient time. The presentation and other materials to be discussed during the meeting shall also be sent to the committee members before sufficient time ahead of the meeting date.
9. No one other than the committee members shall be entitled to be present at a meeting of the committee; however, others (i.e. executive team members, directors, managers, employees, observers, etc.) may attend all or part of the meeting based on committee's request or invitation to provide the committee with the necessary information.

10. Minutes including recording the names of those present and absent members, and committee deliberations and decisions shall be drafted by the committee secretary, shared with the committee chairman and members within ten (10) days (2) from the date of the meeting and members shall send their comments (if any) within seven (7) days from the date of receipt. If no comments/feedback is received, the minutes shall be considered as approved, and shall be signed by the chairman of the committee, all attending members and the secretary during that meeting or signatures can be secured by circulation (if necessary), and such records shall be kept within the Company's important documents.
11. The Board will monitor the work and performance of the Committee, through its Chairman, and through periodic reports submitted to the Company's Board.

7. Committee secretary and Coordinator:

1. The committee members shall appoint a secretary whether from its members or from company's employees, without having the right to vote on the committee's (in case he/she isn't a committee member) decisions, and shall be responsible for meeting organization, administrative and logistical support, drafting agenda, resolutions, minutes of meetings, communication with members and other legalities, and carrying out the administrative process of the board nomination in cooperation with the Group's Corporate Governance and Compliance Officer. The committee shall determine his/her remuneration in light of the relevant policies in this regard.
2. The Company's Head of HR shall be appointed as a coordinator for the committee, without having the right to vote on the committee's decisions, and his / her role is to prepare the materials for the meeting, execute and follow-up on the committee's decisions with regards to HR, any other tasks assigned to him/her by the committee and update the committee about the overall progress in each meeting.

² The term "day" indicated in this charter means: "calendar day".

8. Committee Remuneration:

1. The annual remuneration of the committee members shall be determined based on the policy defined by the board and in accordance with the Company's Bylaws, GA resolutions, and related laws and regulations.
2. The committee member's remuneration shall be a specific sum in addition to meetings attendance fees and any other benefits stipulated in the remuneration policy defined by the board for its members, the committee's members and executive management. Payment shall be processed in line with the procedures set out in the remuneration policy.
3. The Company is obliged to cover the travel and accommodation expenses and any other expenses to enable the member to attend the committee meetings and participate in the committee activities.

9. Final Provisions

This Charter shall be implemented and complied with by the Company starting from the date it is approved by the GA. This Charter shall be published and made available to the shareholder and public in the Company's website after GA meeting approval. The content of this Charter shall be reviewed upon the recommendation of the board, provided that, any recommended changes are presented to the GA in the next meeting for approval.