



The Savola Group Remuneration, and Nomination Committee Charter

This Charter was approved based on the Savola Group Extraordinary General Assembly's resolution in its meeting held on May 10th 2023

<u>DISCLAIMER</u>	<u>تنويه هام لأخذه في الاعتبار</u>
<p>This English version of this document is a translation of the original Arabic document and has been made for the purpose of informing non-Arabic speakers of the said document.</p> <p>In case of any discrepancy or misinterpretation of any clause or article, the original Arabic document shall prevail.</p>	<p>هذه النسخة الإنجليزية من هذه الوثيقة تمثل ترجمة للنسخة الأصلية الصادرة باللغة العربية، والغرض منها تعريف الناطقين بغير اللغة العربية بهذه الوثيقة، وفي حالة وجود اختلاف في الترجمة أو خطأ في تفسير النص لأي بند أو مادة من هذه الوثيقة يُعتبر النصّ الأصلي الصادر باللغة العربية هو الحاكم.</p>

1. Introduction

The " Remuneration, and Nomination Committee Charter of the Board of Savola Group" has been prepared to comply with articles (57 and 61) of the CG Regulations issued by the CMA Board pursuant to Decision No. (8-6-2017) Dated 13/2/2017 amended by Capital Market Authority Board resolution No. (8-5-2023) dated 18/01/2023, which required that the *"The Company's General Assembly, based on the board recommendation, issues 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."*⁽¹⁾ The words and expressions/terms in this charter shall mean the meanings set forth in the relevant CMA Regulations unless the context requires otherwise.

2. Purpose

The purpose of the Remuneration, and Nomination Committee (RNC) 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 members, nomination process and the term of their membership

1. The board appoints the RNC members for a period of four 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 committee members shall have the appropriate experience and qualifications relevant to the duties, responsibilities, and the nature of the committee's functions.
4. The Board of Directors shall appoint from its independent members a Chairman for the Committee. If that appointment did not take place, the committee members shall

⁽¹⁾ The first copy of this Charter was issued pursuant to the Ordinary General Assembly's resolution in its meeting held on November 2nd, 2017 corresponding to 13 Safar 1439 AH.

choose from amongst them a Chairman provided that he is an independent Board member. The Chairman of the Board shall not be the chairman of the committee.

5. The RNC membership shall expire in one of the following cases:
 - a. Issuance of a Board of Directors resolution to remove and/or replace all or any of the committee members at any time.
 - b. Resignation of the committee member pursuant to a written notice submitted to the Committee chairman and secretary and the resignation shall take effect from the date specified in the notice.
 - c. Loss of legal capacity or having a physical disability that prevents the committee member from carrying out his/her responsibilities and duties.
 - d. Failure to attend three consecutive meetings or five non-consecutive meetings during the course of the membership without an excuse acceptable to the board.
 - e. Failure to meet, at any time, any of the requirements for membership in the committee in accordance with laws and this charter.
6. If the position of a committee member became vacant for any of the above-mentioned reasons, 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. Committee and Chairman's Responsibilities and Duties

a) RNC Competencies, powers, and responsibilities:

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 regularly. The committee duties and responsibilities include the following:

4-1) With regards 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 regard.
6. Review and approve the CEO's recommendations concerning the General guidelines of the executive management remuneration and other benefits, which the CEO implements 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. Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
3. 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.
4. Allocate the time that a board member should reserve for the activities of the board.
5. Review the structure of the board, committees and executive management and provide recommendations regarding recommended changes.
6. Provide job descriptions for executive, non-executive, independent directors and senior executive management.
7. Set procedures to be followed if the position of a member of the board or a senior executive becomes vacant.
8. 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.

9. 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.
10. 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.
11. Study and review the CEO's recommendations concerning the appointment and termination of the executive management team.
12. Study and review succession plans for the company in general and for the board, CEO and executive management in particular.
13. Provide an appropriate level of training and introduce new board and committee members, and executive management about the company businesses, activity, strategy, objectives, and financial and operational aspects of the Company and achievements to enable them to perform their role effectively and efficiently, as well as inform them of the obligations of the Board members and their duties, responsibilities and rights and the duties and competencies of the Company committees.
14. 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. 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;
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.

b) Chairman powers and responsibilities:

1. Manage and chair the committee meetings and work to enhance their effectiveness, and in the event that the Committee Chairman is not present, he may delegate one of its members to preside over the specific session.
2. Attend the General Assembly meetings to answer shareholders questions regarding committee mandates and activities and the chairman may delegate this to one of the committee members.
3. Invite the members to attend Committee meetings in writing before a sufficient time from the date of the meeting.
4. Provide committee members with the meeting agenda, and ensure having sufficient time to discuss the items and clauses contained in the agenda.
5. Ensure that committee members are provided with the necessary presentations, documents, and the sufficient information regarding subjects presented to the Committee before a sufficient time ahead of the meeting date that enables the Committee to take decisions in this regard.
6. Submit periodic reports to monitor the work and performance of the Committee, and its recommendations to the Company's Board. The said report may be verbal or written.
7. The committee chairman may delegate any of the abovementioned authorities to any of the committee members or the secretary.

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.
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 Committee has the right to form a team from within itself for any reason it deems appropriate to achieve its goals, and it has the right to delegate to the team some of its authorities as deemed necessary provided that such a team is comprised of not less than two (2) members.
4. The Company shall bear any costs required to support the committee in doing its work.

6. The Committee's Meetings, Guidelines and Procedures

1. The committee shall meet four times a year in the company head office or any other place. Meetings of the Committee may be held by Video Conference or by any other

similar electronic means to permit the participation of members of the Committee and their ability to debate and vote effectively. However, the committee has the right to conduct exceptional meetings based on the business needs and the request of the committee chairman or any member 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 boards, and its committees.
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. 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.
8. Minutes including recording the names of present and absent members, place, date, start, and time of commencement and adjournment of the meeting, the summary of deliberations and resolutions 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, Governance Officer 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, also means of technology may be used to obtain signatures, record deliberations and decisions, prepare meeting minutes, and the said minutes shall be archived among important documents in the Company.
9. A Committee member has the right to object to any resolution taken by the Committee, provided that the objection is expressly recorded in the minutes of the meeting with a statement of the reasons for objection, and the member absence from the meeting in which the resolution is taken shall not be considered as a reason for exemption from

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

liability unless it is proved that he was unaware of the resolution or was unable to object immediately after becoming aware of it.

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, keeping documents, records, and reports submitted to or issued by the committee, 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 polices 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.

8. Confidentiality of the Committee's Work

The Committee's members shall maintain the confidentiality of the information made available to them and the documents they review, and they shall not be permitted under any circumstances - even in the event of the termination of their membership - to disclose it to any individual or entity, or to use any of this information to achieve personal benefit for themselves or for one of their relatives or for others, and if they did they shall be removed from the committee membership. This provision shall be applied to the Committee's Secretary as well.

9. 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.

4. Committee meetings attendance compensation for the Committee Secretary amounting to 3,000 Saudi Riyals for each session. The Committee may revise the allowances for the Committee secretary periodically as deemed necessary

10. 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 shareholders 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.

<u>Screening Committee</u>	<u>General Assembly Secretary</u>	<u>General Assembly Chairman</u>
Signature:.....	Signature:.....	Signature:.....
Date: .././2023G corresponding to .././1444H		