



Nomination and Remuneration Committee Charter

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Introduction

The charter of the Nomination and Remuneration Committee ("Committee") of the Board of Directors ("Board") of Elm Company ("Company") has been developed in order to comply with the Corporate Governance Regulations that require the Ordinary General Assembly, upon a proposal from the Board, to approve the Nomination and Remuneration Committee charter. This Charter shall include work controls and procedures, tasks, rules for selecting members, term of membership, and remunerations of the Committee's member.

Article)1:(Objective

The Nomination and Remuneration Committee aims to assist the Company's Board in carrying out the following tasks and responsibilities:

1. Supervising the remuneration and incentives plan for the Company's employees, and following up on its implementation.
2. Overseeing succession plans for key positions, such as membership of the Board, its committees, and the Executive Management.
3. Supervising the nomination process for the membership of the Board, committees, and the Executive Management in the Company, and ensuring that it is linked to performance.
4. Supervising and ensuring the implementation of the personnel grievance policy.
5. Managing the process of evaluating the performance of Board members and committees.

Article)2:(Rules for Selecting Members of the Nomination and Remuneration Committee, the mechanism to Nominate them, and the Term of their Membership:

1. The Nomination and Remuneration Committee shall be formed by a decision of the Board for a period of (3) three years, starting from the beginning of the Board's term and ends at the expiry of the Board's term.
2. The Committee should be formed of at least (3) three members, and shall not exceed five (5) members, all of them shall be a non-executive Board members. It is allowed to appoint members who are not Board members, whether shareholders or third parties. The Committee shall include at least one independent member from the Company's Board.
3. The Board shall appoint one of its members as the Chairman of the Committee, provided that this member is an independent board member. If this appointment is not made by the Board, the members of the Committee shall choose, at its first meeting at the beginning of

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each new term, or in case of a re-formation of the Committee, from among themselves, a chairman for the Committee, provided that he is one of the independent Board members.

4. The Chairman of the Board may not occupy the position of Chairman of the Committee.
5. Committee members must have appropriate experience and qualifications that are relevant to the Committee's duties, responsibilities and work nature.
6. By a decision of the Board, the membership of the entire Committee members, or of one of its members, may be terminated.
7. Any member of the Committee may resign from its membership by submitting a written notice to the Chairman of the Board and the Chairman of the Committee.
8. If a seat in the Committee member becomes vacant, the Board may appoint a member in the vacant seat, provided that he has sufficient experience and competence, and CMA must be notified within the statutory period starting from the date of the appointment.
9. The Company shall notify CMA of the names of Committee members and their Designation once they are appointed, and of any changes that may occur during the statutory period specified by the Corporate Governance Regulations issued by CMA.

Article)3(: Membership Obligations

1. Committee members shall address any conflict of interest of any of its members, which may arise in any of the topics presented to it, in a manner that achieves justice and efficiency and is in accordance with the relevant provisions.
2. A Committee member shall disclose any direct or indirect interest he/she has in any of the topics presented to the Committee, and the member must refrain from attending and voting on the subject matter of the conflict of interest.
3. The Chairman of the Committee, or whomever is authorized from among the members of the Committee, shall attend the General Assembly and answer the questions raised by the shareholders.
4. A Committee member shall vote on the topics presented to the Committee, with the exception of topics in which he/she has a direct or indirect interest.
5. A Committee member shall attend meetings, and inform the Committee Chairman in the event that he/she is unable - for any reason - to attend any meeting of the Committee.
6. A Committee member shall not delegate another person to attend on its behalf in case of being absent from any meeting of the Committee.
7. The membership of the Committee member shall be ended if the member fails to attend the Committee's meetings for more than three consecutive meetings without prior permission

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from the Committee Chairman or an acceptable excuse approved by the majority of the present Committee members.

Article)4(: Roles and Responsibilities

The Committee assumes roles and responsibilities related to the following three aspects: nominations and remunerations, in addition to its responsibility for submitting periodic reports on its activities to the Board. The Committee's duties and responsibilities are:

A. With respect to nominations:

The Committee shall, without limitation:

1. Propose clear policies and criteria for membership on the Board of Directors, executive management, and the Company's representatives on the boards of directors of subsidiaries.
2. Make recommendations to the Board of Directors on the nomination and re-nomination of Directors in accordance with the approved policies and standards, provided that such nomination not include any person convicted of a breach of trust.
3. Conduct an annual review of the necessary skills or experience required for membership on the Board of Directors and Board committees and for executive management positions, and prepare a description of the required capabilities and qualifications for Board membership and executive management positions, including determining the amount of time that a member must allocate to Board functions.
4. Review the structure of the Board, Board committees, and executive management, and make recommendations regarding the size and composition thereof and any other recommended changes.
5. Establish the roles and responsibilities of executive members, non-executive members, independent members, and senior executives.
6. Establish special procedures for vacancies on the Board of Directors or among Senior Executives.
7. Determine the strengths and weaknesses of the Board and recommend solutions that serve the Company's interests by:
 - a. proposing the necessary mechanisms to annually assess the performance of the Board, its members and committees, and the executive management using appropriate performance indicators linked to the extent to which the

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strategic objectives of the Company have been achieved, the quality of risk management, and the efficiency of the internal control systems, among others; and

- b. assisting the Board in making the necessary arrangements for the evaluation of its performance by a competent third party every three years and supervising the evaluation process.
8. Submit its recommendations to the Board in the event of a vacancy on any of the Board's committees regarding the appointment of new members when necessary.
 9. Annually verify the independence of the independent Directors, and ensure that there is no conflict of interest among the Chairman, the Board of Directors, the Directors, the CEO, and other key administrative positions, and whether a Director is a member of the board of directors of any other company.
 10. Consider and review the administrative succession plans or replacement of the Board, the Chief Executive Officer, and the Senior Executives in particular.
 11. Provide appropriate training and introduction for new members on the Board and Board committees regarding the Company's tasks and achievements so that they can perform their work with the required efficiency.
 12. Develop the necessary mechanisms for the Directors and executive management to continuously enrol in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.
 13. Draft job descriptions for executive, non-executive, and independent Directors and Senior Executives.
- B. With respect to remuneration:**
1. Develop a clear policy for remuneration of Directors, Board committee members, and the Chief Executive Officer that follows performance-related standards, further motivates the administrative personnel, and maintains distinguished cadres, review and recommend such policy to the Board of Directors preliminary to approval by the General Assembly, and disclose and ensure the implementation of such policy. This policy shall:
 - be consistent with the Company's strategy and objectives;
 - be consistent with the magnitude, nature, and level of risk faced by the Company; and
 - attract and retain talented Directors and executive management and motivate them to achieve the Company's success and enhance long-term shareholder value.

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- Determine remuneration based on job level, duties, responsibilities, educational qualifications, practical experience, skills, and performance level.
- 2. Clarify the relationship between paid remuneration and the adopted remuneration policy, and highlight any material deviation from that policy.
- 3. Periodically review the remuneration policy and assess its effectiveness in achieving its objectives.
- 4. Make recommendations to the Board with respect to the remuneration of the Directors, Board committee members, and the Chief Executive Officer of the Company in accordance with the approved policy.
- 5. Review the CEO's financial remuneration, including long and short-term incentives, define the ceiling of expected results to be achieved by the CEO, and make recommendations to the Board in this regard.
- 6. Review the compensation and retirement plan and incentive policies and plans for employees.
- 7. Provide the Board and executive management with adequate information and external advice to ensure that remuneration is set based on informed decisions.

Article)5(: Committee Secretary

The Committee chooses its Secretary from among its members or from the Company's employees, provided that the secretary does not have the right to vote on any decisions (if the secretary is not among its members). The Secretary is responsible for preparing for Committee's meetings and activities, preparing its minutes and documentation, following up on the implementation of its recommendations, directives and decisions, and communicating between its members and administrative procedures. The secretary is also responsible for administrative and logistic actions and other work assigned to it by the Committee, in addition to the administrative support for the nomination to membership of the Board in cooperation with the corporate governance officer of the Company. The Committee determines its remuneration and its method of payment in light of the policies adopted in this regard.

Article)6(: Committee Meetings, Procedures and Controls

1. The Committee meets at least four times during the year. It may also hold exceptional or urgent meetings as required in the business interest, based on an invitation from

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the Committee Chairman, or if two members of the Committee submit a written request addressed to the Committee Chairman.

2. The Committee meetings are scheduled in advance on an annual basis for the whole year, in accordance with the annual schedule of the Company's Board meetings.
3. The Committee members may meet by means of modern communication or in person.
4. A Committee member may participate in the Committee meetings by modern means of communication, and this participation in the event of the meeting being held in person, is considered as physically attending, if the member is unable to attend for any urgent reason.
5. The quorum of the Committee's meeting is the attendance of the majority of its members.
6. A Committee member (who is present on its behalf) may not represent more than one member in the same meeting.
7. In the event that the Committee Chairman is unable to attend, he/she is entitled to delegate one of the Committee members to chair that meeting. If the Committee Chairman does not delegate a chairperson to the meeting, the members of the Committee shall choose a member from among themselves to chair the meeting on a temporary basis.
8. The decisions of the Committee are issued by the majority of the opinions of the attending members, and in the event of an equal voteing, the Chairman of the meeting shall have a casting vote.
9. The meeting agenda, which shall be included in the meeting invitation, is prepared in coordination with the Chairman of the Committee prior to the meeting.
10. The invitation to attend the meeting shall be sent by the Committee Chairman or the Committee's Secretary, if delegated to do so by the Chairman, a sufficient time prior to the date of the meeting, provided that the invitation shall indicate the time, date, place of the meeting and its agenda, in addition to the documents that will be discussed in the meeting.
11. The Committee shall hold all its meetings at the head office of the Company or at any other place as agreed upon by the members of the Committee.
12. Only members of the Committee and its Secretary are entitled to attend its meetings, and, when necessary, other people may be invited to attend all or part of the meetings at the request or invitation of the Committee in order to provide it with necessary

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information, provided that the invitees do not have the right to vote on any decision taken by the Committee.

13. Invitees may not participate in any discussion regarding their appointment, benefits, termination of services, or any other matter concerning them, unless the Committee has asked them to participate in such discussions.
14. Committee members and other persons invited to Committee meetings shall not disclose the Company's secrets, and they shall maintain the confidentiality of meetings and its discussions, and the documents reviewed by attendees.
15. The Secretary of the Committee shall prepare a draft of the Committee's meeting minutes (including a statement of the names of present and absent members, in addition to discussions, deliberations and decisions), and send it to the Chairman and members of the Committee within (10) business days from the date of the meeting for review; any comments (if any) shall be made on the meeting minutes within (5) business days from the date of sending it via e-mail, and in the event no comments are received, it is considered approved, and the Committee's Chairman, its Secretary and all the members present shall sign it, and it can be signed by circulation if necessary. These minutes shall be kept among the important documents of the Company.
16. The Board monitors the work and performance of the Committee through its Chairman and through periodic reports submitted to the Company's Board.

Article)7(: Committee Powers

1. The Committee has the right to investigate any matter that falls within its competencies and tasks, or any subject specifically requested by the Board.
2. It has the right to seek legal and technical advice from within the Company, or from any third party or other independent advisory body, whenever necessary, to assist the Committee in performing its tasks, provided that this is included in the Committee's meeting minutes, mentioning the name of the expert and his relationship with the Company or Executive Management.
3. The Committee has the right to review all data, information and records related to the Company's remuneration and compensation, and to review reports on the administrative succession of the executives.
4. The Company shall bear any costs necessary for the Committee to carry out its work.

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Article)8(: Reports

The Committee submits its reports to the Board as follows:

1. After each Committee meeting.
2. On any other matters related to the Committee's responsibilities.
3. On main activities, decisions or recommendations as the Committee deems appropriate.
4. The report may be submitted to the Board, orally or in writing, by the Committee's Chairman or any of its members who are appointed by the Committee to submit the report.
5. The report of the Nomination and Remuneration Committee includes the compensation of the members of the Board, the Committee and the Executive Management, in addition to the number of meetings held during the year, and the number of meetings attended by each member, which will be included in the Board's report.

Article)9(: Remuneration of Committee Members

The annual remuneration and allowances for attending meetings for the Committee members and its Secretary, and any other benefits, shall be determined based on the remuneration policy of the Board members and its committees.

