

SABIC Remuneration Policy

(Current Vs Proposed Policy Comparison)

The Proposed Policy includes changes to align its language with best practices, international corporate governance codes and relevant regulations. Importantly, the introduced amendments do not require substantial changes to the Company's policies in this regard. Instead, they aim to clarify and formalize existing principles and practices.

Current Policy	Proposed Policy	Explanations
<p>Objective</p> <p>The objective of this Policy is to regulate the remunerations in a manner that attracts Board and committees members who possess appropriate academic qualifications and technical and administrative expertise that enable them to carry out their functions and duties at the highest standards of professionalism and efficiency, taking into consideration SABIC's business sectors and the skills and capabilities required to manage them.</p> <p>The Company aims to create an attractive work environment through which it can attract and retain talents with the required skills and expertise to secure its sustainable growth and achieve its vision. This is attainable through the remuneration framework for Executive Management, which is consistent with the relevant laws, regulations, legislations, and best practices.</p>	<p>1. Purpose</p> <p>1.1 The purpose of Saudi Basic Industries Corporation ('SABIC' or the 'Company') Remuneration Policy (the 'Policy') is to ensure that fair and proportionate remuneration arrangements are in place that shall attract and retain the Board Members, Committee Members and Executive Management, with the required qualifications, skills and expertise. It also seeks to ensure that executive remuneration arrangements are consistent with SABIC's strategy, objectives and risk appetite and linked to its performance, success and long-term sustainability. This Policy has been developed to align with the Capital Market Authority ('CMA') Corporate Governance Regulations and other relevant laws and regulations, the Company's By-Laws and best practice.</p>	<p>The item has been amended as follows:</p> <ol style="list-style-type: none"> 1. The item text has been totally redrafted, while the basic intension of the Policy is maintained, with a view to emphasis that the executive remuneration to be consistent with the SABIC's strategy, objectives, risk appetite and linked to the Company's performance and long-term sustainability. 2. The Policy application scope is added.

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	<p>2. Application</p> <p>2.1 This Policy applies to SABIC’s Board Members, Committee Members and Executive Management ('Relevant Individuals'). Relevant Individuals shall take responsibility for apprising themselves of the content of this Policy. Further, they shall familiarize themselves with any supporting documents that are approved by Executive Management. Any breach of the Policy shall be treated as an offence that may be subject to investigation or disciplinary action.</p>	
<p>PRINCIPLES & RULES FOR NUMERATION</p> <p>Considering the provisions regulating the remunerations for the members of the Board, committees and Executive Management, as provided for under the Companies Law, Corporate Governance Regulations, Regulatory Rules & Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies, and the Company’s By-Laws, the remunerations for the members of the Board, committees and Executive Management shall be according to the following principles and rules:</p> <p>A. Board and Committees Members</p> <ul style="list-style-type: none"> Based on the recommendations of the Remuneration and Nomination Committee, the Board determines the remunerations of the Board and committees members based on the following principles: 	<p>3.1 Key Principles</p> <p>The key principles in respect of this Policy are as follows:</p> <p>3.1. Remuneration shall attract Relevant Individuals with the required qualifications, skills and expertise.</p> <p>3.2. Remuneration shall be a motivating factor (without exaggeration) for the achievement of objectives, and to enhance the Company’s ability to grow and sustain its business.</p> <p>3.3. On the recommendation of the Remuneration and Nominations Committee, the Board of Directors determines remunerations of the Board Chairman and members at its discretion; provided, however, that the total of annual remuneration and financial or in kind benefits shall not exceed SR 1,800,000 (one million and eight hundred thousand Saudi riyals). To exceed that limit, the matter shall be presented to the General Assembly to decide thereon as it may deem appropriate.</p>	<p>The item has been amended as follows:</p> <ol style="list-style-type: none"> The item text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. The Proposed Policy introduces a number of principles allowing the Company to reclaim compensation for damages to its reputation and recover any remuneration or compensation incurred by the Company due to certain circumstances. Proposed Policy emphasizes the alignment of remuneration with the Company’s strategic objectives, as a motivating factor for achieving these objectives and introduces the pay for performance principles. Consideration of risk and compliance in determining executive

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<p>o The remunerations shall be consistent with the Company's strategic objectives, and be as a motivating factor for the members to achieve those objectives, and to enhance the Company's ability to grow and sustain its business.</p> <p>o Remunerations shall be appropriate to the nature of the Company' business and its size as well as the skills and expertise required.</p> <p>o The remunerations shall be a means for attracting Board members with the relevant expertise and qualifications to enhance the Company's ability to achieve its objectives.</p> <ul style="list-style-type: none"> • On the recommendation of the Remuneration and Nominations Committee, the Board of Directors determines remunerations of the Board Chairman and members at its discretion; provided, however, that the total of annual remuneration and financial or in kind benefits shall not exceed SR1,800,000 (one million and eight hundred thousand Saudi riyals). To exceed that limit, the matter shall be presented to the General Assembly to decide thereon as it may deem appropriate. • A member (other than a Board member) of a committee (including the Audit Committee) is entitled to annual remuneration of SR 300,000. • The Company is entitled to claim compensation for damage to its reputation and to recover any remuneration, 	<p>3.4. A member (other than a Board member) of a committee (including the Audit Committee) is entitled to annual remuneration of SR 300,000 (three hundred thousand Saudi riyals).</p> <p>3.5. The Company's philosophy of executive remuneration shall be based on pay for performance while maintaining compliance with applicable laws, regulations, internal policies, procedures and alignment with SABIC's sustainability plans, values and long-term interests.</p> <p>3.6. Risk and compliance shall be among the factors of determining executive remuneration to promote sound and effective risk management and to discourage risk-taking that exceeds the risk tolerance level.</p> <p>3.6. Executive remuneration shall be competitive in accordance with the market and peer practices to attract, motivate and retain talent.</p> <p>3.8. Executive remuneration shall be considered based on job level, level of performance, duties, responsibilities and practical experience.</p> <p>3.9. Executive remuneration packages shall consist of base salary, allowances, benefits in kind and incentive plans. The CEO shall receive additional remuneration for membership on the Board.</p> <p>3.10. The Board and Committee's Members remuneration shall consist of a fixed fee and an allowance for attendance at the Board and Committee meetings.</p>	<p>remuneration to promote effective and good risk management and discourage excessive risk taking.</p> <p>5. Ensuring competitive executive remuneration in line with market and peer practices to attract, motivate and retain talent.</p> <p>6. Consideration of executive remuneration based on job level, performance, duties and practical experience.</p> <p>7. Structuring executive remuneration packages to include base salary, allowances, benefits in kind and incentive plans. CEO to receive additional benefits for membership on the Board.</p>

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<p>compensation, allowance or any other costs incurred by the Company, in the event the member:</p> <ul style="list-style-type: none"> o Commits an offence of dishonesty, breach of trust, forgery, or violation of the laws and regulations of the Kingdom of Saudi Arabia or any other country. o Fails to carry out his/her responsibilities and duties to the extent that results in damage to the interest of the Company. o Membership is terminated by a decision of the General Assembly due to his/her absence from three consecutive meetings within one year without a legitimate excuse acceptable to the Board. <p>B. Executive Management</p> <ul style="list-style-type: none"> • Based on the recommendation of the Remuneration and Nomination Committee, the Board determines the remunerations of the Executive Management according to the following principles: <p>Remuneration and compensation shall:</p> <ul style="list-style-type: none"> o be commensurate with the Company's strategic objectives and be as a motivating factor for the Executive Management to achieve these objectives, and to enhance the Company's ability to grow and sustain its business; o be commensurate with the nature of the Company's business and size as well as with the required skills and expertise; 	<p>3.11. The Company shall be entitled to claim compensation for damage to its reputation or interests or in the event of the Board or Committee Members committing an offence or breaching their duties or responsibilities.</p> <p>3.12. The Company shall recover any remuneration, if remuneration was set based on inaccurate information.</p> <p>3.13. The Company reserves the right to claw back any excess compensation from Board Members, its Committees Members and Executive Management if it is determined that compensation was paid based on inaccurate information.</p>	

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<p>o enable the Company to attract senior executives with skills and qualifications necessary to enable the Company to achieve its objectives; and</p> <p>o not raise any conflict of interest that might adversely impact the Company’s interests and ability to achieve its objectives.</p>		
<p>Entry into Force</p> <ul style="list-style-type: none"> • This Policy shall take effect from the date of its approval by the General Assembly. The responsibility of its application rests with the Board of Directors. • The Board of Directors – through the Remuneration and Nomination Committee – shall review the remunerations criteria regularly to ensure its consistency with changes affecting the relevant laws and regulations, the Company’s strategic objectives, and the skills and qualifications required to achieve them. The Board shall provide recommendations to the General Assembly on the proposed changes to this Policy. 	<p>4. Policy Governance</p> <p>4.1. This Policy shall be reviewed regularly by the Board or if changes in business circumstances require it, following a recommendation from the Remuneration and Nomination Committee, before being recommended to the General Assembly for approval. The Policy owner is responsible for ensuring that it is communicated and implemented effectively. They shall also ensure that disclosures related to remuneration are made in line with the Capital Market Authority Corporate Governance Regulations and monitor compliance with the Policy.</p>	<p>The item has been amended as follows:</p> <ol style="list-style-type: none"> 1. The item text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Adding a responsibility on the Policy Owner to emphasize on their role in effective communication, implementation and monitoring compliance with the Policy.

SABIC Remuneration and Nomination Committee Charter

(Current Vs Proposed Charter Comparison)

The Proposed Charter incorporates several amendments aimed at aligning its language with leading best practices, international corporate governance codes and relevant regulations. Importantly, these amendments do not necessitate significant changes to the Committee's activities. In some instances, the activities are already being carried out by the Committee but are not explicitly articulated in the Current Approved Charter. These updates serve to clarify and formalize existing practices.

Current Charter	Proposed Charter	Explanation
<p>Article (1): Objective</p> <p>The objective of this Charter is to regulate the Remuneration and Nomination Committee function through determining its duties, authorities, working procedures and its members' selection rules, in accordance with regulatory rules for remuneration and nomination committees of listed joint stock companies as provided for in the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies, and in the Corporate Governance Regulations issued by the Capital Market Authority (CMA).</p>	<p>Article (1): Purpose</p> <p>1.1. The purpose of the Remuneration and Nomination Committee, (the 'Committee') is to assist the Saudi Basic Industries Corporation ('SABIC' or the 'Company') Board of Directors (the 'Board') in fulfilling its oversight responsibilities in relation to remuneration policy and reporting, setting remuneration, performance evaluation and composition, succession planning and appointments, Board membership and Board development. The Committee will operate under this charter (the 'Charter'), as recommended by the Board and approved by the General Assembly, and in accordance with the Companies Law and regulatory rules for activities of committees of listed joint stock companies as outlined in the Capital Market Authority ('CMA') Corporate Governance Regulations.</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. In line with the global best practices and peer review, a short summary of the key responsibilities of the Committee has been added.
<p>Article (2): Committee Formation</p> <ul style="list-style-type: none"> • The Committee is formed by a Board resolution. However, the Ordinary General Assembly sets forth the rules of selection of the Committee 	<p>Article (2): Committee Composition</p> <p>2.1. Committee Formation</p> <p>2.1.1. The Committee is formed by the Board in accordance with the Charter. The</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension

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<p>members and their tenure and remunerations as well as the Committee's duties and working procedures based on the Board's proposal.</p> <ul style="list-style-type: none"> • The Committee is formed among shareholders or others, other than non-executive Board members. The Committee shall be formed of not less than three nor more than five members, comprising an independent Board member, according to the following selection rules: <ul style="list-style-type: none"> ○ The candidate shall have a record of expertise relevant to the Remuneration and Nomination Committee's duties and responsibilities. ○ The candidate shall have a good awareness of the Company's business activities as well as the required skills and expertise necessary to manage them. ○ The candidate shall have a university degree. ○ The candidate shall have not been convicted of an offence of dishonesty, breach of trust or violation of the laws and regulations of the Kingdom of Saudi Arabia or any other country. ○ The selection of the candidate shall not violate the relevant laws, regulations and instructions. • Committee members elect, from among themselves, a chairman for the Committee term, who shall be an Independent Director. In the absence of the Committee's Chairman, the present members appoint a chairman to preside the meeting. 	<p>Board has the ultimate responsibility for the Committee's activities.</p> <p>2.1.2. The number of the Committee Members shall be neither less than three (3) nor more than five (5), consisting of Non-Executive Directors or persons other than the Board members either from shareholder or others, including at least one (1) Independent Member.</p> <p>2.1.3. The Board shall appoint a Member of the Committee as the Chairperson (the 'Chairperson'), provided that the Chairperson shall be an Independent Member. The Chairperson of the Board shall not be Chairperson of the Committee.</p> <p>2.1.4. The Committee as a whole shall have a record of expertise relevant to the Remuneration and Nomination Committee's duties and responsibilities.</p> <p>2.1.5. The appointments of the Committee's members, including both the Board members and non-Board members, shall be for a term of three (3) years or less as directed by the Board</p>	<p>maintained. A numbering scheme has been introduced.</p> <p>2. The Proposed Charter includes reference to the Board's ultimate responsibility for the activities of the Committee, and accordingly discharging the General Assembly of its responsibilities stated in the Current Charter.</p> <p>3. Adding a text stating that the Board Chairperson cannot be the Committee chairperson.</p> <p>4. Shifting the authority to appoint the Chairperson of the Committee from the Committee to the Board.</p> <p>5. Updating the skills and experience requirements to apply more broadly to the Committee as a whole.</p> <p>6. The Proposed Charter introduces a specific provision allowing the Board the flexibility to appoint the Committee members for a term of three (3) years or less.</p>

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<p>Article (2): Committee Formation (Second part)</p> <ul style="list-style-type: none"> • A Committee member shall carry out his/her role and responsibilities from the date of his appointment until one of the following cases takes effect: <ul style="list-style-type: none"> ○ Expiry of the Board’s term. ○ Submitting his/her resignation, without prejudice to the Company’s right to demand compensation if the resignation tendered at an inappropriate time. ○ The member has developed a mental illness or physical disability that prevents him/her from performing his/her Committee duties. ○ Issuance of a court order declaring the member’s bankruptcy or insolvency, or his request of settlement with creditors. ○ Conviction of committing an offence of dishonesty, breach of trust, forgery, or violation of the laws and regulations in the Kingdom of Saudi Arabia or any other country. ○ A resolution by the Board to terminate his/her Committee membership for any of the following reasons: <ul style="list-style-type: none"> ▪ The member’s breach of his/her responsibilities, duties and tasks to the extent that results in damage to the Company’s interests. ▪ Absence from three consecutive meetings within one year without a legitimate excuse. ▪ Other reasons as may be decided by the Board, without prejudice to the right of the dismissed member to claim compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. 	<p>2.2. Committee Membership Expiration</p> <p>2.2.1. A member’s term expires when the Board’s term expires. It may also expire upon his/her resignation, death or his/her becoming disqualified from the Committee’s membership pursuant to the laws and regulations of the Kingdom of Saudi Arabia or any other country.</p> <p>2.2.2. If a Member seat becomes vacant due to any reason during the Committee’s term, the Board may appoint a member to the vacant position, provided that the Committee’s membership requirements are met. The new member shall complete the remaining term of the Committee.</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Summarizing cases of Membership termination in one single point rather than enumerating them. 3. The text relating to the Committee Secretary has been moved to sub-article (4.3).

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<ul style="list-style-type: none"> o Becoming disqualified due to losing any of the Committee’s membership conditions stated in this Charter. • If the position of a Committee member becomes vacant due to one of the preceding or other cases during the Committee’s term, the Board may appoint a member in the vacant position, provided that the Committee’s membership rules stated in this Charter are met. The new member completes the term of his/her predecessor. • The Committee shall have a Secretary General to be appointed by the Board. 		
<p>Article (3): Committee Duties and Responsibilities</p> <p>Pursuant to the regulatory rules for the remuneration and nomination committee stated in the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the Committee’s duties and responsibilities shall be as follows:</p> <p>A. Remuneration</p> <ul style="list-style-type: none"> • Developing the Company’s Remunerations Policy of Board Members, Committees Members and Executive Management and providing recommendations thereon to the Board for approval by the General Assembly. • Reviewing the Remuneration Policy regularly to ensure consistency with the possible changes in relevant legislation and regulations, the Company’s strategic objectives, and the skills and qualifications required, and recommending proposed changes to the Board. • Recommending to the Board the remunerations of the members of the Board, committees and Executive Management in accordance with the 	<p>Article (3): Committee Duties and Responsibilities</p> <p>The Remuneration and Nomination Committee shall have the following duties and responsibilities:</p> <p>3.1. Remuneration Policy and Reporting</p> <ul style="list-style-type: none"> 3.1.1. Develop and recommend the Remuneration Policy to the Board for onward recommendation to the General Assembly for approval. 3.1.2. Ensure the Remuneration Policy is developed in line with relevant legislation, regulations and strategic objectives. taking into account its competency of attracting the necessary skills and qualifications and reducing the risk of talents turnover and working on retaining the same. 3.1.3. Review the Remuneration Policy at the beginning of every term or in accordance to the Board resolutions. 	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Introducing additional requirements for the Remuneration Policy such that it takes into account various considerations including reduction of risk of talents turnover and retaining them, alignment with the Company culture, and the Policy competency of attracting the necessary qualifications and skills, 3. A new responsibility has been added requiring the Committee to compare the remuneration determined in accordance with the Remuneration Policy with the actual remuneration paid and to highlight any deviations.

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<p>policy approved by the Ordinary General Assembly.</p> <ul style="list-style-type: none"> • Preparing an annual report on remunerations granted to the members of the Board, committees, and Executive Management. • Specifying and recommending the types of rewards to employees of the Company. <p>B. Board of Directors</p> <ul style="list-style-type: none"> • Developing the Board Membership's Policy and Standards, and recommending it to the Board for approval by the Ordinary General Assembly. • Recommending to the Board nominees to Board membership according to the approved Board Membership Policy. • Conducting an annual review of the required skills for the Board membership and preparing a description of the required capabilities and qualifications. • Reviewing the Board Membership Policy regularly to ensure its consistency with the possible changes in the relevant legislation and regulations, the Company's strategic objectives, skills and qualifications required, and recommending to the Board proposed changes to the Policy. • Examining conflict of interest status for those who desire to run for the Board membership, and making related recommendations to the Board. • Examining the structure of the Board and recommending possible changes. • Reviewing the charters of the Board and the Board committees and updating them in accordance with the regulatory requirements and best practices. • Keep Board members always informed of latest developments in the field of corporate governance and best practices. 	<p>3.1.4 Clarify the relation between the remuneration paid and the Remuneration Policy, highlighting any material deviation from the Remuneration Policy.</p> <p>3.1.5. Review the annual remuneration disclosures and make recommendations to the Board for approval.</p> <p>3.2. Setting Remuneration</p> <p>3.2.1. Recommend to the Board remuneration of the Members of the Board, Committees and Executive Management in accordance with the Remuneration Policy approved by the Ordinary General Assembly.</p> <p>3.2.2. Review compensation arrangements and rewards made to Executive Management including long-term incentive plans to ensure alignment with SABIC's purpose, values and long term incentives, before making recommendations to the Board.</p> <p>3.2.3. Specify the types of employee rewards and recommend to the Board for approval.</p> <p>3.2.4. Ensure that appropriate and regular benchmarking of remuneration takes place to inform decisions.</p> <p>3.2.5. The Committee shall avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.</p>	<p>4. The Proposed Charter requires review of executives' long-term incentives plans to ensure alignment with SABIC's value, purpose, long-term strategy and no gender bias.</p> <p>5. As per the Proposed Charter, the review of structures includes committee structures in addition to the Board structure.</p> <p>6. Additionally, the Proposed Charter requires review of structures to ensure that both the board and committees have the combination of skills experience and knowledge required for their related activities.</p> <p>7. A new requirement has been added for the Committee to ensure appropriate and regular benchmarking of remuneration is conducted before making related decisions.</p> <p>8. Additional requirement that the remuneration setting shall not be based solely on benchmarking nor remuneration consultants' advice.</p> <p>9. The performance evaluation process now includes a review of the CEO's performance.</p> <p>10. Adding a new requirement of having arrangements for succession planning and appointments to ensure</p>

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<ul style="list-style-type: none"> • Identifying weaknesses and strengths of the Board and proposing remedies in line with the Company’s interest. • Establishing procedures to deal with the vacancies of the Board or committees and making recommendations thereon. • Providing recommendations to the Board on performance measures to evaluate the Board’s activities, members, and committees. <p>C. Board Members</p> <ul style="list-style-type: none"> • Defining the time that the Board member shall allocate for performing Board duties. • Verifying, annually, the independence of independent directors and absence of any conflict of interest in case the independent director is also a member of the Board of another Company. • Verifying whether a Board member is engaged in any business that competes with the Company’s businesses, or competes in any activity or a branch of an activity carried out by the Company (“Competing Business”), and making recommendations to the Board in that respect after receiving the member’s notification about the Competing Businesses in which he/she desires to be engaged based on the concept of the Competing Businesses according to the following criteria and standards: <ul style="list-style-type: none"> A. Conducting a technical examination of the member’s notification on the Competing Business in which he/she desires to be engaged; B. Studying the market(s) in which the Competing Business or any of its related products are found; 	<p>3.3. Performance Evaluation and Composition</p> <p>3.3.1. Develop and oversee the performance evaluation process for the Board, the Board Committees and Directors individually, including the CEO.</p> <p>3.3.2. Assess skills, knowledge, experience, , in addition to the appropriateness of the Board as a whole , succession planning, the Board diversity and all other relevant areas, as part of the annual Board performance evaluation, and make recommendations to the Board.</p> <p>3.3.3. Review the structure, size and composition of the Board and its Committees and make recommendations to the Board.</p> <p>3.3.4. Determine weaknesses and strengths of the Board and propose remedies in line with the Company’s interest.</p> <p>3.4. Succession Planning and Appointments</p> <p>3.4.1. Ensure there is a formal, rigorous and transparent procedure and effective succession plan in place for the Board, its emanating Committees and Executive Management, in accordance to objective criteria based on aptitude, eligibility capabilities and skills while promoting diversity of gender, social and ethnic</p>	<p>there is a formal, rigorous and transparent procedure in place.</p>

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<p>C. Studying the relationship between the Competing Business and the Company's Strategy and future directions.</p> <ul style="list-style-type: none"> • The Committee shall have the right to obtain the information it needs for the sake of conducting the abovementioned investigation, and to consult a proper party to conduct needed studies or evaluation. • Reviewing status of the member's competition against the Company's businesses (approved by the General Assembly) on an annual basis. To that end, the Committee is authorized to obtain the information required for conducting such review. • Developing job descriptions of Executive, Non-executive, and Independent directors. • Recommending to the Board re-nomination or dismissal of a Board member or committee member. <p>D. Orientation Program to New Board Members</p> <ul style="list-style-type: none"> • Recommending to the Board an orientation program for new Board members. The program should cover the Company's activity, nature of its business, and its financial and legal aspects. <p>E. Senior Executives</p> <ul style="list-style-type: none"> • Recommending to the Board appropriate policies and standards for the appointment of Senior Executives and identifying the required capabilities and skills; and reviewing such policies and standards regularly to ensure their consistency with changes in the Company's strategic objectives and the required skills and qualifications to achieve them. • Developing job descriptions for Senior Executives, reviewing the Company's organizational structure, 	<p>backgrounds, cognitive as much as possible.</p> <p>3.4.2. Establish procedures to deal with the vacancies of the Board or its committees.</p> <p>3.4.3. Ensure availability of job descriptions of Executive, Non-Executive, and Independent Directors.</p> <p>3.4.4. Ensure availability of job descriptions for senior executives.</p> <p>3.4.5. Review the structure of the Board and Executive Management and make recommendations regarding any changes to the Board.</p> <p>3.4.6. Evaluate the balance of the Board as a whole including skills, knowledge, experience and diversity before making recommendations on individual candidates.</p> <p>3.4.7. Identify, assess and recommend to the Board candidates for appointment to the Board and Board Committees, in line with the Board Membership Policy.</p> <p>3.4.8. Verify ,before making recommendations to the Board, any potential or actual conflict of interest for those individuals who desire to run for the Board membership..</p> <p>3.4.9. Recommend re-appointment of the Board and the Committee Members to the Board based on performance and ability to continue to contribute to the Board.</p>	

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<p>and making recommendations on possible changes.</p> <ul style="list-style-type: none"> Developing succession planning processes for cases of vacancy of the position of any Senior Executive, and making recommendations thereon. 	<p>3.4.10. Recommend appropriate policies and standards for the appointment of senior executives to the Board and review such policies and standards regularly to ensure their consistency with changes in the Company's strategic objectives and the required skills and qualifications to achieve them.</p> <p>3.5. Board Membership</p> <p>3.5.1. Develop the Board Membership Policy and Standards and recommend to the Board for onwards recommendation to the Ordinary General Assembly.</p> <p>3.5.2. Review the Board Membership Policy regularly to ensure consistency with relevant legislation and regulations, the Company's strategic objectives, skills and qualifications required, and propose changes to the Board.</p> <p>3.5.3. Verify the independence of Independent Directors and absence of any conflict of interest among all directors, on an annual basis.</p> <p>3.5.4. Verify whether a Board Member is engaged in any business that competes with the Company's businesses, or any activity or a branch of an activity carried out by the Company, and make recommendations to the Board, upon receipt of notifications in accordance</p>	

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	<p>with the following criteria and standards:</p> <p>3.5.4.1. Conducting a technical examination of the member's notification on the competing business in which he/she desires to be engaged;</p> <p>3.5.4.2. Studying the market(s) in which the competing business or any of its related products are found;</p> <p>3.5.4.3. Studying the relationship between the competing business and the Company's strategy and future directions.</p> <p>3.5.5. Review the status of the Board or Committee Member's competition against the Company's businesses, where approved by the General Assembly on an annual basis.</p> <p>3.5.6. Recommend dismissal of a Board or Committee Member to the Board, if required.</p> <p>3.6. Board Development</p> <p>3.6.1. Oversee, review and make recommendations to the Board on induction of the Board and Committee Members and the training and development program to ensure the Members receive briefings on relevant material developments.</p>	

Current Charter	Proposed Charter	Explanation
<p>Article (4): Committee Authorities</p> <p>The Committee shall have the following authorities to carry out its duties:</p> <ul style="list-style-type: none"> • Requesting the information and data that may assist the Committee in studying the matters falling within its competencies, or otherwise referred thereto by the Board. • Subject to the Board approval, using the services of any expert, specialist or others to study the matters that fall within its duties and responsibilities. 	<p>Article (7): Authorities and Reporting</p> <p>7.1. The Committee shall review the charters of the Board and the Board Committees and recommend updates in accordance with the relevant regulatory requirements and best practices.</p> <p>7.2. The Committee shall have access to the necessary resources to enable it to fulfil its functions, duties, and responsibilities.</p> <p>7.3. The Committee, with the Board’s prior approval, is authorized to engage the services of external experts or specialists, with relevant experience and expertise it considers necessary in respect of matters that fall within its duties and responsibilities. Details of experts engaged shall be documented in the Committee minutes.</p> <p>7.4. The Committee shall work and liaise with other Committees of the Board, as necessary.</p> <p>7.5. The Committee shall report and recommend to the Board the actions to be taken in matters that the Committee deems necessary</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Enabling the Committee to have unrestricted access to information and records, replacing the previous language that the Committee requests access to information and records. 3. Requiring that details of any experts engaged to be documented in the Committee’s minutes. 4. The Proposed Charter requires the Committee to work and liaise with the other Board committees . 5. Adding an explicit text on the Committee responsibility to provide the Board with reports and recommendations on matters that the Committee deems necessary.
<p>Article (5): Committee Working Procedures</p> <ul style="list-style-type: none"> • Authorities of the Chairman and Secretary • The Committee Chairman shall have the following duties: <ul style="list-style-type: none"> ○ Leadership of the Committee meetings and seeking to enhance their effectiveness. 	<p>Article (4): Committee Members, Chairperson and Committee Secretary Duties and Responsibilities</p> <p>4.2. Committee Chairperson</p> <p>4.2.1. The Board appoints the committee Chairperson who will be an</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Additional authority for the Chairperson to delegate a committee

Current Charter	Proposed Charter	Explanation
<ul style="list-style-type: none"> ○ Representing the Committee before the Board. ○ Convening the Committee meetings, and specifying their times, dates, and venues in coordination with Committee members. ○ Preparing meeting agenda, taking into consideration the topics that any Committee member wishes to include. ○ Ensuring that the topics presented to the Committee are accompanied by sufficient information to enable decision-making. ○ Ensuring that sufficient time is made available for the discussion of agenda items. ○ Enhancing the active participation of the Committee members in the Committee meetings through their study and discussion of the agenda items and expressing their views in such a manner that contributes to the achievement of the Committee’s objectives. ○ Ensuring provision of complete and correct information to Committee members in a timely manner to enable them performing their duties and responsibilities. ○ Preparing regular reports on the Committee’s activities and submitting them with its recommendations and conclusions to the Board. ○ Following up the implementation of the Committee decisions. 	<p>Independent Board Member for the Committee’s term. In the absence of the Committee’s Chairperson, the present Committee Members appoint a member to chair the meeting.</p> <p>4.2.2. The Chairperson shall have the following duties:</p> <p>4.2.2.1. Prepare meeting agenda with the Committee Secretary assistance.</p> <p>4.2.2.2. Chair the Committee’s meetings and seek to enhance meeting effectiveness.</p> <p>4.2.2.3. Represent or delegate a Committee Member to represent the Committee before the General Assembly and the Board and answer any questions raised by them.</p> <p>4.2.2.4. Ensure agenda items are accompanied by supporting papers with sufficient detail to provide required insights and enable decision-making.</p> <p>4.2.2.5. Encourage the Committee Members to prepare for meetings and participate effectively at meetings, express their views in a manner that contributes to achieving the Committee’s objectives.</p>	<p>member to represent the Committee before the Board and General Assembly</p> <p>3. Additional responsibility of the Chairperson to arrange the Committee’s annual performance evaluation .</p>

Current Charter	Proposed Charter	Explanation
<ul style="list-style-type: none"> ○ Arranging for conducting the Committee’s periodical performance evaluation. ● Committee Activities Follow-up <p>The Committee Chairman submits the Committee’s recommendations and conclusions to the Board at the first Board meeting following the Committee meeting.</p>	<p>4.2.2.6. Submit the Committee’s recommendations and conclusions to the Board at the first Board meeting following the Committee meeting.</p> <p>4.2.2.7. Arrange the Committee’s annual performance evaluation.</p>	
<p>Article (5): Committee Working Procedures</p> <p>A. Authorities of the Secretary (second part)</p> <ul style="list-style-type: none"> ● The Secretary General shall have the following duties and responsibilities: <ul style="list-style-type: none"> ○ Coordinating the Committee’s meetings and proposing agenda items in coordination with the Committee Chairman. ○ Notifying the Committee members of meeting dates and providing them with meeting agenda and information necessary for studying the agenda items. ○ Attending and documenting the Committee meetings and preparing the minutes of meeting and maintaining them in a special record. ○ Maintaining documents, records and reports submitted to or issued by the Committee. ○ Providing assistance and advice to the Committee in matters falling within its competencies. 	<p>4.3 Committee Secretary</p> <p>4.3.1 The Committee Secretary (the ‘Committee Secretary’) shall be appointed by the Board. If the Committee Secretary is unavailable, the Board Secretary General, or his\her nominee, will act as the Secretary of the Committee.</p> <p>4.3.2. The Board determines the remunerations paid to the Committee Secretary and has the power for his dismissal.</p> <p>4.3.3.The Committee Secretary shall have the following duties:</p> <p>4.3.3.1. Ensure actions and resolutions are communicated to the responsible party within the Company for implementation.</p> <p>4.3.3.2. Communicate the meeting dates, agendas and papers to the Committee Members to enable them prepare for the meeting.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Adding responsibilities to the Secretary, including: <ul style="list-style-type: none"> – Communicating the Committee’s actions and resolutions to responsible parties in the Company for implementation. 3. The Committee Secretary is appointed by the Board. 4. Adding a procedure for dealing with the Committee Secretary absence. 5. Stating that the Board determines the remuneration paid to the Committee Secretary and his dismissal.

Current Charter	Proposed Charter	Explanation
	<p>4.3.3.3. Attend the Committee's meetings and prepare the minutes.</p> <p>4.3.3.4. Maintain minutes and documents, records and reports submitted to or issued by the Committee.</p> <p>4.3.3.5. Provide assistance and advice to the Committee on matters falling within its remit.</p>	
<p>B. Member's Duties and Responsibilities</p> <ul style="list-style-type: none"> • Complying with the provisions of the Companies Law and its Implementing Regulations, the Capital Market Law and its Implementing Regulations, other related laws and regulations, and the Company's By-Laws in exercising his/her duties. He/ She shall refrain from engaging or participating in any transaction that may harm the interests of the Company. • Acquainting himself/herself of the Committee's duties and responsibilities, and devoting sufficient time to exercise his/her role in achieving them. • Carrying out his duties free from any external influence, whether from inside and outside the Company, and not prioritizing his/her personal interests over those of the Company. • Refraining from acceptance of gifts from any person who has business dealings with the Company. • Preparing for and attending the meetings, and not absenting himself/herself except for valid reasons that are notified to the Committee Chairman in advance and be acceptable to the Committee. 	<p>Article (4): Committee Members, Chairperson and Committee Secretary Duties and Responsibilities</p> <p>4.1. Committee Members</p> <p>The Committee Members shall have the following duties:</p> <p>4.1.1. Exercise independent judgement and discretion when authorizing remuneration outcomes or when evaluating the advice of external third parties and when receiving views from Executive Directors and Executive Management.</p> <p>4.1.2. Comply with the provisions of relevant laws and regulations in exercising their duties.</p> <p>4.1.3. Refrain from participating in any business that may conflict with or, harm the interest of the Company.</p> <p>4.1.4. Be familiar with the Committee's duties and responsibilities and devote sufficient time to exercise their role.</p> <p>4.1.5. Avoid any conflict of interest situations, carry out duties free from influence of other parties, and do not prioritize personal interests over those of the Company in line with the Conflicts of Interest Policy.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Requiring the Committee members, Committee Secretary and each attendee to maintain confidentiality of the information and documents to beyond termination of membership, unless authorized under defined controls. 3. In relation to the Conflict of Interest matters, the relevant provisions have been added under sub-articles 4.1.3 and 4.1.6 of the Proposed Charter. 4. Requiring Committee members to assess remuneration outcomes, evaluate advice from external third parties and consider input from executive directors and Management.

Current Charter	Proposed Charter	Explanation
<ul style="list-style-type: none"> • Participating effectively in Committee meetings through his/her prior examination and discussion of agenda items. • Seeking to acquaint himself/herself with the regulatory updates related to the areas and subjects relevant to the Committee's duties and responsibilities. • Seeking to acquaint himself/herself with the recent developments related to the Company's activities and business, and other relevant areas. 	<p>4.1.6. Notify the Committee of any intention to engage in any business that would compete with the Company's businesses or competes in a branch of an activity carried out by the Company.</p> <p>4.1.7. Maintain confidentiality of the information and documents including after termination of membership, unless authorized by the Board; and not using such information for personal benefit or the benefit of relatives or third parties. This also applies to the Committee's Secretary and other attendees.</p> <p>4.1.8. Refrain from accepting gifts from any person having business dealings with the Company.</p> <p>4.1.9. Attend meetings without absence unless there is a valid reason and participate effectively in the Committee's meetings through prior review of the Committee packs.</p> <p>4.1.10. Enhance knowledge of matters falling in the Committee's remit, and relevant regulatory updates and recent developments in the areas related to the Company's activities and business.</p>	<p>5. Obligating Committee members to notify the Committee of their intent to engage in any business that would compete with the Company's businesses or competes in a branch of an activity carried out by the Company.</p>

<p>C. Committee Meetings</p> <ul style="list-style-type: none"> • The Committee meets at least once every six months at the Chairman’s invitation. The Committee Chairman shall also convenes a meeting in an exceptional case such as when it is requested by the Board or two Committee members; or if the circumstances so require, provided that the reasons for such exceptional meeting are stated. • The Committee adopts the dates and agendas of meetings of a fiscal year prior to its commencement. The meeting’s invitation shall be issued at least 15 days in advance and be accompanied by the agenda as well as documents and information necessary for discussing and deciding on the agenda items. • In exceptional cases, meeting invitations may be issued at least five days prior to the meeting date in accordance with the invitation procedures specified in this Charter. • The Committee holds its meetings at the Company headquarters; however, they may be held elsewhere if necessary, subject to the Board approval. • The quorum of the Committee’s meeting requires attendance of a majority of its members. A member – in cases of necessity – may attend using one of the forms of communication, subject to the Committee approval. • The Committee meeting shall be attended by its members only. However, a member of the Board or Executive Management, who is not a member to the Committee, may only attend that meeting upon invitation by the Committee to take his/her opinion or advice. 	<p>Article (5): Meeting Procedures</p> <p>5.1. Committee Meetings</p> <p>5.1.1. The Committee will meet at least once (1) every six (6) months.</p> <p>5.1.2. Meetings of the Committee shall be scheduled by the Committee Secretary in coordination with the Committee Chairperson. In exceptional cases and when necessary, the Chairperson may also call a meeting upon the request of the Board, or a Committee Member.</p> <p>5.2. Invitations & Agenda</p> <p>5.2.1. The Committee approves the preliminary dates and agendas of meetings prior to the commencement of the financial year. Meeting invitations and documentation, including agendas, shall be issued at least ten (10) calendar days in advance of meetings.</p> <p>5.2.2. In exceptional cases, meeting invitations and documentation may be issued in less than five (5) calendar days prior to the meeting.</p> <p>5.2.3. Any Committee Member shall have the right to suggest adding an agenda item prior to or during the meeting subject to the Committee’s approval.</p> <p>5.2.4. The Committee holds its meetings at the Company headquarters; however, they may be held elsewhere, if necessary. In exceptional cases, a virtual meeting may be held through electronic means approved by the</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Reducing the required number for calling the Committee meeting to one (1) member instead of two (2). 3. Meeting invitation and supporting documents can be issued at least 10 days. 4. Any committee member has the right to suggest an agenda item prior to or during the meeting, subject to the Committee approval. 5. Quorum requires at least one (1) independent member attending the meeting. 6. Provisions of the Proposed Charter requires members to notify the Chairperson if they plan to attend a meeting virtually.
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Current Charter	Proposed Charter	Explanation
<ul style="list-style-type: none"> • Committee decisions are made by a majority vote of the present members. When votes are equal, the Chairman’s vote shall be casting. • A Committee member is entitled to object to any Committee’s decision, provided that his/her objection is expressly stated in the meeting minutes together with the reasons for the objection. Absence from a meetings at which a decision is made, does not preclude the member’s liability for implementing the decision unless it is proven that the member was unaware of the decision or was unable to challenge it immediately after knowing of it. 	<p>Company which enable the Committee Members to participate in deliberations on agenda items and vote on resolutions.</p> <p>5.3. Quorum</p> <p>5.3.1. The quorum necessary for the transaction of business will be a majority of the Committee’s Members including at least one (1) Independent Member.</p> <p>5.3.2. The Committee Members are expected to attend in person. However, if necessary, they may attend the meeting virtually through electronic means, approved by the Company, after notifying the Chairperson.</p> <p>5.3.3. Only the Committee Members and the Secretary are entitled to attend the Committee meetings. Other individuals, such as a Member of the Board or Executive Management, who is not a Committee Member, may be invited to attend all or part of any meeting, when and as appropriate.</p> <p>5.3.4. The Committee’s resolutions are made by a majority vote of the present Members. In the case of a split vote, the Chairperson has the casting vote.</p> <p>5.3.5. A Committee Member is entitled to object to any Committee resolution, provided that the objection is expressly stated in the meeting</p>	

Current Charter	Proposed Charter	Explanation
	<p>minutes together with the reasons for the objection. Absence from a meeting at which a resolution is made, does not preclude the Member's liability for implementing the resolution unless it is proven that the Member was unaware of the resolution or was unable to challenge it immediately after knowing of it.</p>	
<p>D. Meetings Documentation</p> <ul style="list-style-type: none"> • The Committee Secretary prepares minutes of meeting, which must include: <ul style="list-style-type: none"> ○ The venue, date, and start and end times of the meeting. ○ Names of present and absent members as well as the names of invitees who are not Committee members. ○ Committee deliberations and resolutions, together with stating the results of votes and reasons for objections, if any. ○ Specifying the party to be responsible for implementing resolutions issued as well as setting the implementation timeline and follow-up mechanism. • The Committee Secretary sends the draft minutes of the meeting to Committee members who must record their comments, if any, on the draft within a maximum of five working days from the date of dispatch. • After incorporating the Committee members' comments into the draft minutes, and obtaining the meeting's Chairman approval, the Committee Secretary sends the amended draft to the Committee members in preparation for its approval at the next Committee meeting. 	<p>5.4. Minutes</p> <p>5.4.1. The Committee Secretary, in consultation with the Committee Chairperson, prepares the minutes of meeting, which shall include:</p> <ul style="list-style-type: none"> 5.4.1.1. The venue, date, and start and end time of the meeting. 5.4.1.2. Names of present and absent Members and any additional attendees. 5.4.1.3. The Committee's deliberations and resolutions setting out the results of votes and reasons for objections, if any. 5.4.1.4. Specifying who is responsible for implementing the resolutions and setting the implementation timeline. <p>5.4.2. The Committee Secretary sends the draft of the minutes of the meeting to the Committee Members within fourteen (14) calendar days following the Committee's meeting. Committee Members shall record their comments, if any, on the draft within ten (10) calendar days.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Emphasizing collaboration between the Committee Secretary and the Chairperson in preparing the minutes. 3. The timeline for circulating the draft minutes by the Committee Secretary has been established as fourteen (14) days from the meeting date. 4. The period allocated for the Committee Members to record their comments on the draft minutes have been changed from five (5) working days to ten (10) days. 5. Requiring all attending members and the Committee Secretary to sign and endorse the minutes.

Current Charter	Proposed Charter	Explanation
<ul style="list-style-type: none"> The meeting's minutes, agenda and all accompanying documents must be maintained in a special record to be signed by the Committee Chairman and Secretary. 	<p>5.4.3. After incorporating the Committee Members' comments in the draft minutes, and obtaining the Chairperson's approval, the Committee Secretary resends the updated draft to the Committee Members in preparation for its approval at the next meeting.</p> <p>5.4.4. Approved minutes shall be signed by all attending Committee Members and the Committee Secretary.</p> <p>5.4.5. The meeting minutes, including the agenda and all accompanying documents shall be kept in a special register confidentially.</p>	<p>6. Emphasizing confidentiality of minutes of meetings and keeping them in a special register.</p>
<ul style="list-style-type: none"> Committee Activities Follow-up <p>The Committee Chairman submits the Committee's recommendations and conclusions to the Board at the first Board meeting following the Committee meeting.</p>	<p>4.2.2.6. Submit the Committee's recommendations and conclusions to the Board at the first Board meeting following the Committee meeting.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> The Sub-Article text has been redrafted while the basic intension maintained. A numbering scheme has been introduced, as stated in (4.2. Chairman of the Committee)
<p>E. Committee Performance Evaluation</p> <p>The Committee reviews and evaluates its performance on a regular basis against such indicators as the Committee's effectiveness in carrying out its prescribed duties and responsibilities.</p>	<p>Article (9): Committee Performance Review</p> <p>9.1. The Committee shall review its performance on a regular basis, including a review of its effectiveness in carrying out its duties and responsibilities, and make recommendations to the Board.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> The Sub-Article text has been redrafted while the basic intension maintained. Adding a new responsibility to submit recommendations to the Board of Directors.
<p>Article (6): Confidentiality</p> <p>A Committee member must maintain confidentiality of the information and documents made available to him/her. He/ She may, in no case and even if his/her membership is terminated,</p>	<p>4.1.7 Maintain confidentiality of the information and documents including after termination of membership, unless authorized by the Board; and not using such information for personal benefit or the benefit of relatives or third parties.</p>	<p>The article has been amended as follows:</p> <ol style="list-style-type: none"> The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced and including it as Sub-Article (4.1.7).

Current Charter	Proposed Charter	Explanation
<p>disclose them to any person or entity unless he/she is so authorized by the Board, nor may he/she use any such information for his/her personal benefit or for that of his relatives or other third parties. The Company has the right to demand compensation in case of violation of the provisions of this article. This obligation also applies to the Committee’s Secretary.</p>	<p>This also applies to the Committee’s Secretary and other attendees.</p>	
<p>Article (7): Conflict of Interest</p> <ul style="list-style-type: none"> • Members must avoid situations that lead to conflicts of interest with the Company. A conflict of interest means that there is a direct or indirect interest to a member in any matter listed on the Committee agenda; and such an interest may (or is believed to) influence the independence of the member’s opinion, which is assumed to reflect his/her professional views. • If a member has a conflict of interest in relation to any matter on the Committee agenda, he must disclose such conflict before starting the discussion of that matter, provided that it is stated in the minutes of the meeting. In such a case, the member must not attend nor participate in the discussion of that matter nor vote thereon. • Committee member may not have a direct or an indirect interest in the businesses and contracts to be carried out or concluded for the Company’s account unless an authorization thereto is obtained from the Ordinary General Assembly and according to the criteria developed by the competent party. 	<p>4.1.3 Refrain from participating in any business that may conflict with or, harm the interest of the Company.</p> <p>4.1.5 Avoid any conflict of interest situations, carry out duties free from influence of other parties, and do not prioritize personal interests over those of the Company in line with the Conflicts of Interest Policy.</p>	<p>The article has been amended as follows:</p> <ol style="list-style-type: none"> 1. Moving the article content to the “Conflict of Interest Policy”, and sufficing with reference to the importance of refraining from participating in any actions that would conflict with the company’s interests, and to avoid all cases of conflict of interest, in accordance with Paragraph No. 4.1.3 and Paragraph No. 4.1.5.

Current Charter	Proposed Charter	Explanation
<ul style="list-style-type: none"> • Committee member may neither be engaged in any business that would compete the Company nor compete with the Company in any branch of an activity it carries out unless an authorization thereto is obtained from the Ordinary General Assembly and according to the criteria developed by the competent party. • If a Committee member fails to disclose his/her interest in the contracts carried out for the Company's account, whether before or during his membership of the Committee, the Company may claim, before the competent judicial authority, revocation of the contract and obliging the member to pay a compensation or any profit or benefit he/ she gained through such interest. • If a Committee member fails to disclose his/her engagement in any business that may compete with the Company or one of the branches of its business activity, the Company may claim before the competent judicial authority a proper compensation. • Committee member must not – directly or indirectly – makes use of, exploit, or benefit from any of the Company's assets, information, or investment opportunities that are under consideration by the Company, even if the Company has decided not to proceed with such an opportunity. A member may not exploit such investment opportunities even after expiry of his/her membership term. <p>If it is proven that a member has exploited an investment opportunity, the Company or any interested party, may claim before the competent</p>		

Current Charter	Proposed Charter	Explanation
<p>judicial authority revocation of any business, profit, or gain resulting from such an opportunity. The Company may also claim a proper compensation.</p>		
<p>Article (8): Committee Members Remunerations</p> <ul style="list-style-type: none"> • Committee members are entitled to an annual remuneration in accordance with the Remuneration Policy of Board Members, Committees Members, and Executive Management approved by the General Assembly. • The Board determines the remunerations and allowances to be paid to the Committee's Secretary. • In the event of a decision by the General Assembly to terminate the membership of a Committee member due to his/her absence from three consecutive meetings within one year, without an excuse acceptable to the Board, the member shall not be entitled to any remunerations or compensations for the period following the last meeting he/she attended. In addition, he/she shall be required to return all the remunerations and compensations paid to him/her for that period. • The Company has the right to claim compensation for damage to its reputation, and recover the remunerations and allowances paid and any other costs incurred to enable the member to perform his/her responsibilities if that member committed an offence of dishonesty, breach of trust, forgery, or violation of the laws and regulations in Saudi Arabia or any other country; or when he fails to carry out his responsibilities, duties and tasks to the extent that results in damage to the Company's interest. 	<p>Article (6): Members Remunerations</p> <p>6.1. The Committee Members are entitled to annual remuneration and attendance fee in accordance with the Remuneration Policy approved by the General Assembly.</p> <p>6.2. The Committee Members shall be eligible for expenses incurred for attending Committee meetings in accordance with the Remuneration Policy.</p>	<p>The article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. 2. Determination of Committee Secretary remuneration, and his/her dismissal, has been set out under the Committee Members, Chairman, and Secretary (4.3: Committee Secretary).

Current Charter	Proposed Charter	Explanation
<p>Article (9): Charter Review</p> <ul style="list-style-type: none"> This Charter is subject to regular review for enhancement and keeping it abreast with the relevant laws and regulations updates, and according to the discretion of the Board. No amendment may be made to this Charter except upon a recommendation of the Board approved by the Ordinary General Assembly. 	<p>Article (8): Charter Review</p> <p>8.1. This Charter is effective from the date of its approval by the General Assembly.</p> <p>8.2. The Committee shall review this Charter regularly and recommend any necessary changes to the Board for onward recommendation to the General Assembly.</p> <p>8.3. No amendment may be made to the Charter unless endorsed by the Board and approved by the General Assembly.</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced.
<p>Article (10): Entry into Force</p> <p>This Charter is effective from the date of its approval by the Ordinary General Assembly.</p>	<p>8.1 This Charter is effective from the date of its approval by the General Assembly.</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> The Article text has been redrafted while the basic intension maintained. A numbering scheme has been introduced; and included as Sub-Article (8.1).

SABIC Board Membership Policy

(Current Vs Proposed Policy Comparison)

The Proposed Policy includes changes to align its language with best practices, international corporate governance codes and relevant regulations. Importantly, the introduced amendments do not require substantial changes to the Company's policies in this regard. Instead, they aim to clarify and formalize existing principles and practices.

Current Policy	Proposed Policy	Explanations
<p>Objective</p> <p>The objective of this Policy is to define the standards and procedures for the Board's membership, which has been developed to enhance the Company's ability to achieve its strategic goals, sustain its businesses, and comply with the relevant regulatory requirements and instructions.</p>	<p>1. Purpose</p> <p>1.1. The purpose of the Saudi Basic Industries Corporation ('SABIC' or the 'Company') Board Membership Policy (the 'Policy') is to ensure that the Board of Directors (the 'Board') of SABIC is comprised of an appropriate mix of Board Members with relevant knowledge, independence, expertise, industry experience and diversity and that its Members are selected in an open and transparent manner. Collectively, the Board shall generate effective challenge, discussion and objective decision-making in alignment with the Company's purpose and long-term strategy in order to discharge its governance role and responsibilities effectively. The Policy has been developed to align with the Capital Market Authority ('CMA') Corporate Governance Regulations and best practice.</p>	<p>The item has been amended as follows:</p> <ol style="list-style-type: none"> 1. The item text has been totally redrafted while the basic intension maintained. 2. The Policy application scope is added. 3. Emphasizing the Board formation's requirements and standards.

Current Policy	Proposed Policy	Explanations
	<p>2. Application</p> <p>2.1. The Policy applies to candidates of SABIC’s Board and Board Members at SABIC who shall take responsibility for apprising themselves of the content of this Policy. Further, they shall familiarize themselves with any supporting documents approved by Executive Management. Any breach of the Policy shall be treated as an offence that may be subject to investigation or disciplinary action.</p>	
<p>Board Membership Regulations</p> <p>Considering the provisions regulating the Board membership, provided for under the Companies Law and the Corporate Governance Regulations, the standards and procedures for the Board membership shall be as follows:</p> <p>A. Board Membership Standards</p> <ul style="list-style-type: none"> • The candidate shall have a good knowledge of the Company’s activities and business as well as the risks it faces. • The candidate shall have a record of expertise -related to the Company’s business and an experience in corporate management. • The candidate shall have a university qualification and knowledge of finance and accounting. 	<p>3. Key Principles</p> <p>The key principles in respect of this Policy are as follows:</p> <p>3.1. The Board shall be of sufficient size, in accordance with the Company’s By-Laws, to ensure that changes to the composition of the Board and its Committees can be managed without undue disruption.</p> <p>3.2. The Board shall consist of a majority of Non-Executive Board Members with at least two members or one- third of the Board Members being independent, whichever is greater, as defined by the CMA Regulations.</p> <p>3.3. The Board shall be composed of the Board Members with relevant skills, knowledge, expertise, industry experience and diversity of perspectives.</p>	<p>The item has been amended as follows:</p> <ol style="list-style-type: none"> 1. The item text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. It requires that the Board should be of sufficient size in accordance with SABIC By-Laws with a majority of non-executive and a defined proportion being independent as per CMA regulations. 3. There is an emphasis on the composition of the Board in terms of skills, knowledge, expertise, industry experience and diversity of perspectives and an annual review of the Board members’ skills, knowledge, independence and diversity and their alignment with the Company’s purpose and strategy.

Current Policy	Proposed Policy	Explanations
<ul style="list-style-type: none"> • The candidate shall have not been sentenced for committing a breach of honor or honesty or violation of the laws and regulations of Saudi Arabia or any other country. • The candidate nomination shall not be in violation of the relevant rules, regulations, and instructions. <p>B. Nomination Procedures</p> <ul style="list-style-type: none"> • A person who meets the above standards and wishes to run for the Board membership shall follow the following procedures: <ul style="list-style-type: none"> ○ Completes the Board Member Nomination Form of the Capital Market Authority. ○ Submits the nomination application form, within the period specified in the Company's announcement of the Board membership nomination. All the documents outlined in the announcement, including the candidate's curriculum vitae (CV) and all supporting documents and certificates, which are in Arabic language and officially certified, shall be enclosed. ○ Acknowledges his/her willingness to carry out his/her duties and responsibilities, allocates sufficient time to attend meetings of the Board and committees of which he is a 	<p>3.4.The Board shall review the skills, knowledge, independence and diversity of its Board Members and the Board as a whole on an annual basis and determine whether it remains appropriate to achieve SABIC's purpose and strategy.</p> <p>3.5.At all times, the Board shall act collectively, performing many interrelated activities in order to exercise its authority and fulfil its accountability.</p> <p>3.6.A Board Member shall be expected to have academic and professional qualifications, personal skills, an appropriate level of training and practical experience related to the current and future businesses of the Company, knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training.</p> <p>3.7.The Board Members shall have the ability to lead and guide and have physical fitness. They shall demonstrate principles such as truthfulness, loyalty and care.</p> <p>3.8. The Board Members shall have good knowledge of the Company's activities and business as well as the risks it faces.</p> <p>3.9. A Board Member shall not simultaneously serve on the board of more than five (5) listed joint stock companies.</p> <p>3.10. Each shareholder has the right to nominate him/herself or others to the membership of the Board in accordance</p>	<p>4. There is an emphasis on collective action by the Board and the imperativeness of demonstrating the principles of truthfulness, loyalty and care.</p> <p>5. Restrictions are placed on the Board members that they shall not serve simultaneously on more than five listed companies' board.</p> <p>6. Stating that shareholders have the right to nominate themselves or others to the Board membership</p> <p>7. Detailing the process or election and reelection of the Board members by the General Assembly with placing a restriction on reappointment of the independent board members who have served for nine years.</p> <p>8. There is an emphasis on a adopting a formal, rigorous and transparent process for appointment and reappointment based on skill assessment, succession planning and diversity.</p> <p>9. The Proposed Policy referred to the cases of termination of the Board.</p>

Current Policy	Proposed Policy	Explanations
<p>member, and perform his/her duties with complete independence and in a manner that maintains the interests of the Company.</p> <ul style="list-style-type: none"> ○ Acknowledges that he/she has never been convicted of a breach of honor or honesty or violation of laws and regulations in Saudi Arabia or any other country; and that, if this proven otherwise, his/her nomination to or membership of the Board and committees, of which he is a member, will be terminated; and the Company may also demand proper compensation. ○ Acknowledges that he meets the above membership standards, and that, if proven otherwise, his/her nomination to or membership of the Board and Committees of which he is a member will be terminated and the Company may also demand proper compensation 	<p>with the provisions of the Companies Law, Corporate Governance Regulation and their implementing regulations.</p> <p>3.11. The Ordinary General Assembly shall elect the Board Members for the term prescribed in the Company’s By-Laws or the Board term. The Board Members may stand for re-election, if they continue to meet the criteria outlined in this Policy. An Independent Board Member cannot stand for reappointment as an Independent Board Member if they have served as a Board Member for the Company for more than nine (9) years, consecutively or inconsecutively.</p> <p>3.12. Appointment and reappointment of the Board Members shall be subject to a formal, rigorous, and transparent process. It shall be informed by the Board skills assessment and take into account succession planning and diversity.</p> <p>3.13. The Board Members shall not have been sentenced for an act of dishonesty, misfeasance, or any offence of a disciplinary or criminal nature, whether involving moral turpitude or otherwise, in accordance with civil laws and regulations in the Kingdom of Saudi Arabia or any other country.</p> <p>3.14. The Board membership may be terminated either upon submission of</p>	

Current Policy	Proposed Policy	Explanations
	<p>resignation or as a result of certain events outlined in the Company By-Laws.</p> <p>3.15. The Ordinary General Assembly may dismiss all or any of the Board Members, without prejudice to the dismissed Member's right for compensation if the dismissal was on an unacceptable reason or at an inappropriate time.</p>	
<p>Entry into Effect</p> <ul style="list-style-type: none"> • This Policy shall take effect from the date of its approval by the General Assembly. The responsibility of its application lies with the Board. • The Board of Directors – supported by the Remuneration and Nomination Committee – shall review this Policy regularly to ensure its consistency with changes affecting the Company's nature of business and strategic goals, and the relevant laws, regulations and legislations; and shall provide recommendations to the General Assembly on them. 	<p>4. Policy Governance</p> <p>4.1. This Policy shall be reviewed regularly by the Board or if changes in business circumstances require it, following a recommendation from the Remuneration and Nomination Committee, before being recommended to the General Assembly for approval. The Policy Owner is responsible for ensuring that it is communicated and implemented effectively. Further, they are responsible for monitoring compliance with the Policy.</p>	<p>The item has been amended as follows:</p> <ol style="list-style-type: none"> 1. The item text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Adding a new responsibility of the Policy Owner to emphasize on their role in effective communication, implementation and compliance monitoring.

SABIC Audit Committee Charter

(Current Vs Proposed Charter Comparison)

The Proposed Charter incorporates several amendments aimed at aligning its language with leading best practices, international corporate governance codes and relevant regulations. Importantly, these amendments do not necessitate significant changes to the Committee's activities. In some instances, the activities are already being carried out by the Committee but are not explicitly articulated in the Current Approved Charter. These updates serve to clarify and formalize existing practices.

Current Charter	Proposed Charter	Explanations
<p>Article (1): Objective</p> <p>The objective of this Charter is to regulate the Audit Committee function through determining its duties, authorities, working procedures, its members' selection rules and nomination method, in accordance with the regulatory rules and procedures for audit committees of listed joint stock companies as provided for under the Companies Law, the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies, and the Corporate Governance Regulations issued by the Capital Market Authority (CMA).</p>	<p>Article (1): Purpose</p> <p>1.1. The purpose of the Audit Committee, (the 'Committee') includes the following:</p> <p>1.1.1. Assist the Board in fulfilling its oversight responsibilities with respect to the preparation and publication of various financial reports and any other financial information, as well as the disclosure process.</p> <p>1.1.2. Assist the Board in fulfilling its oversight responsibilities with respect to the Company's internal control systems, including systems related to detecting fraud, irregularities and whistleblowing.</p> <p>1.1.3. Assist the Board in fulfilling its oversight responsibilities with respect to the Company's internal audit activities, external audit activities and compliance activities.</p> <p>1.2. The Committee will operate under this charter (the 'Charter'), as recommended by the Board and approved by the General Assembly, and in accordance</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. The purpose has been divided into numbered subparagraphs. 3. In line with the global best practices and peer review, short summary of the key responsibilities of the Committee has been added.

Current Charter	Proposed Charter	Explanations
	<p>with the Companies Law and regulatory rules for the activities of committees of listed joint stock companies as outlined in the Capital Market Authority ('CMA') Corporate Governance Regulations.</p>	
<p>Article (2): Committee Formation</p> <ul style="list-style-type: none"> • The Committee is formed by the Ordinary General Assembly resolution, upon the Board proposal, determining its duties and responsibilities, working procedures, and members' remunerations and tenure. • The Committee is formed from the shareholders or others, other than executive Board members, provided that the number of Committee members shall neither be less than three nor more than five including an independent Board member. • The General Assembly, based on nomination by the Board, appoints the Audit Committee members according to the following selection rules: <ul style="list-style-type: none"> ⊖ The candidate shall have a record of expertise relevant to the Committee's duties and responsibilities. ⊖ The candidate shall have a good awareness and understanding of the Company's business activities and risks facing it. 	<p>Article (2): Committee Composition</p> <p>2.1. Committee Formation</p> <p>2.1.1. The Committee is formed by the Board in accordance with the Charter, following recommendation from the Remuneration and Nomination Committee. The Board has the ultimate responsibility for the Committee's activities.</p> <p>2.1.2. The number of the Committee Members shall be neither less than three (3) nor more than five (5), consisting from either shareholders or others.</p> <p>2.1.3. Half of the Committee's Members must be Independent Members or from those on whom the issues affecting independence as stated in the Corporate Governance Regulations do not apply.</p> <p>2.1.4. The Board shall appoint a Member of the Committee as Chairperson (the 'Chairperson'), provided that the Chairperson shall be an Independent Board Member. The Chairperson of the Board shall not be a Member of the Committee.</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. The Committee is formed by the Board rather than by the General Assembly. 3. The Proposed Charter now includes a clear statement affirming that the Board holds ultimate responsibility for the activities of the Committee. 4. Shifting the authority to appoint the Chairperson of the Committee from the Committee to the Board. 5. Half of the Committee members are required to be independent; previously only one independent member was required. 6. Adding a requirement that the Committee Chairperson shall be an independent Board member and Chairperson of the Board cannot be the a member of the Committee. 7. Adding a requirement for having at least one member of the

Current Charter	Proposed Charter	Explanations
<ul style="list-style-type: none"> ⊖ The candidate shall have a university degree, knowledge of finance and accounting aspects, and the nature of the Company’s business provided that some of the candidates shall be specialists in finance or accounting, such as holders of university degrees or professional certifications in accounting. ⊖ A person who is (or has been, during the past two years) a staff member of the Company’s Executive Management or Finance Department or for the External Auditor shall not be a member of the Audit Committee. ⊖ The candidate shall not have been convicted of an act of dishonor or dishonesty, or the violation of the laws and regulations of the Kingdom of Saudi Arabia or any other country. ⊖ The selection of the candidate shall not violate the relevant laws, regulations and instructions. • Committee members elect a chairman, from among themselves, for the Committee term. In the absence of the Committee’s Chairman, the present members appoint a chairman to chair the meeting. 	<p>2.1.5. The Committee shall include at least one (1) Member of the Sustainability, Risk and EHSS Committee.</p> <p>2.1.6. The Committee as a whole shall have relevant financial experience and at least one (1) Member shall have an appropriate qualification and finance and accounting knowledge.</p> <p>2.1.7. A person who is or has been, during the past two (2) years a staff member of the Company’s Executive Management or Finance Department or of the External Auditor shall not be a Member of the Committee.</p> <p>2.1.8. A Member of the Audit Committee shall simultaneously serve on the audit committees of more than five (5) listed joint stock companies.</p> <p>2.1.9. The appointment of the Committee’s members, including both the Board members and non-Board members, shall be for term of three (3) years or less as directed by the Board.</p>	<p>Sustainability, Risk and EHSS Committee.</p> <p>8. Updating the skills and experience requirements to apply more broadly to the Committee as a whole; and requiring that members shall have relevant financial experience and at least one (1) member shall have an appropriate qualification and finance and accounting knowledge.</p> <p>9. The Proposed Charter stipulates that a Committee member cannot hold membership of more than 5 audit committees of listed joint stock companies.</p> <p>10. The Proposed Charter introduces a specific provision allowing the Board the flexibility to appoint the Committee members for a term of three (3) years or less.</p>

Current Charter	Proposed Charter	Explanations
<p>Article (2): Committee Formation (continued)</p> <ul style="list-style-type: none"> • The Committee shall have a Secretary General appointed by the Board. • A Committee member shall carry out his/her duties and responsibilities from the date of his/her appointment until one of the following cases takes effect: <ul style="list-style-type: none"> ⊖ Expiry of the Board’s term. ⊖ Submitting his/her resignation, without prejudice to the Company’s right to demand compensation if the resignation is tendered at an inappropriate time. ⊖ Member’s mental illness or physical disability that prevents him/her from performing Committee duties. ⊖ Issuance of a court order declaring the member’s bankruptcy or insolvency, or his/her request for a settlement with creditors. ⊖ Conviction of committing an act of dishonesty, dishonor, forgery, or violation of laws and regulations in the Kingdom of Saudi Arabia or any other country. ⊖ A resolution by the General Assembly to dismiss him/her from the Committee for any of the following reasons, is issued: <ul style="list-style-type: none"> ⊖ Breaching his/her duties and responsibilities to the extent that 	<p>2.2. Committee Membership Expiration</p> <p>2.2.1. A member’s term expires when the Board’s term expires. It may also expire upon his/her resignation, death or his/her becoming disqualified from the Committee’s membership pursuant to the laws and regulations of the Kingdom of Saudi Arabia or any other country.</p> <p>2.2.2. If a Member seat becomes vacant due to any reason during the Committee’s term, the Board may appoint a Member to the vacant position, provided that the Committee’s membership requirements are met. The new Member shall complete the remaining term of the Committee.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Expiry of the membership term of the Committee member has been summarized in lieu of detailed enumeration. 3. The text relating to the Committee Secretary has been moved to sub-article (4.3). 4. Adding a protocol for dealing with the absence of the Committee Secretary, stating that the Board Secretary General or his / her nominee will act as the Secretary of the Committee, as stated under sub-article (3.4).

Current Charter	Proposed Charter	Explanations
<p>results in damage to the Company's interests.</p> <ul style="list-style-type: none"> ⊖ His/her absence from three consecutive meetings within one year without a legitimate excuse. ⊖ Other reasons as may be determined by the General Assembly, without prejudice to the right of the dismissed member to claim compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. ⊖ Becoming, at any time, disqualified in terms of any of the rules of members' selection to the Audit Committee, which are stated in the law or this Charter. <ul style="list-style-type: none"> • If the position of a Committee member becomes vacant due to one of the preceding or any other reasons during the Committee's term, the Board may temporarily appoint a member to the vacant position, provided that the Committee's membership principles stated in this Charter are met, and that the appointment is submitted to the Ordinary General Assembly at its first meeting for approval. The new member completes the term of his/her predecessor. • If the Ordinary General Assembly is unable to form the Committee at the beginning of the Board's term, the 		

Current Charter	Proposed Charter	Explanations
<p>Board may form a Temporary Audit Committee, provided that its members shall meet the Committee's membership principles stated in this Charter, and shall perform their duties according to this Charter. The temporary Committee members shall be granted a remuneration calculated according to the General Assembly resolution that defines the annual remuneration of the Audit Committee members that preceded the formation of the Temporary Audit Committee. The Board shall invite the General Assembly meeting within a period no later than three months from the date of forming the Temporary Audit Committee, to form the Audit Committee.</p>		
<p>Article (3): Committee Duties and Responsibilities</p> <p>Pursuant to the provisions of Chapter 4 of the Companies Law and the provisions of the regulatory rules for audit committees stated in the Corporate Governance Regulation issued by the Capital Market Authority (CMA), the Committee duties and responsibilities shall be as follows:</p> <p>A. Financial Reporting</p> <ul style="list-style-type: none"> • Reviewing the Company financial statements and its financial-performance announcements, and making necessary recommendations in their respect to the Board. 	<p>Article (3): Committee Duties and Responsibilities</p> <p>The Committee shall have the following duties and responsibilities:</p> <p>3.1. Financial Reporting</p> <p>3.1.1. Review and monitor the integrity, fairness, and transparency of interim and annual financial statements to ensure they are in compliance with relevant laws and regulations, including International Financial Reporting Standards ("IFRS"), before making necessary recommendations to the Board for approval.</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Specific reference to integrity, fairness and transparency of the financial statements. 3. Reviewing changes to accounting policies. 4. Reviewing unusual transactions.

Current Charter	Proposed Charter	Explanations
<ul style="list-style-type: none"> • Providing a technical opinion on whether the Board of Directors' report and the Company's financial statements have been prepared in accordance with regulatory requirements for preparing and presenting them. • Examining unusual transactions in the financial statements, and making recommendations thereon, if necessary. • Investigating the matters raised by the Company's CFO (or whoever assumes his/her role), the compliance officer or the External Auditor. • Verifying the accounting estimates of significant items listed in the financial statements. • Studying the financial and accounting policies adopted by the Company and making recommendations thereon to the Board. 	<p>3.1.2. Provide a technical opinion on whether the Annual Report including the financial statements give a true, fair, balanced and understandable view of the financial status of the Company necessary for shareholders to assess the Company's position, performance and going concern.</p> <p>3.1.3. Challenge where necessary all material information presented in the financial statements, particularly that relates to:</p> <p>3.1.3.1. Changes to accounting policies.</p> <p>3.1.3.2. Methods used for significant or unusual transactions where accounting treatment is open to different methods.</p> <p>3.1.3.3. Clarity and completeness of disclosures, including Non-IFRS disclosure, if any, are clearly reconciled to the financial statements.</p> <p>3.1.3.4. Accounting estimates of significant items.</p> <p>3.1.3.5. Appropriateness of the accounting judgements and choices exercised by Management in preparing the financial statements.</p> <p>3.1.4. Review statements for inclusion in the Annual Report relating to the Committee's activities.</p> <p>3.1.5. Report to the Board on any aspect of the proposed financial reporting by the Company where the Committee is not satisfied.</p>	<p>5. Ensuring clarity and completeness of disclosures including a review by the Committee of Non-IFRS disclosures.</p> <p>6. Review of accounting judgement and choices.</p>

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	3.1.6. Investigate matters raised by the Company's Chief Financial Officer ('CFO') or the External Auditor.	
<p>B. Internal Control Systems</p> <ul style="list-style-type: none"> Studying and reviewing the internal and financial control systems and risk management systems and ensuring their effectiveness through regular reports prepared by the Internal Audit Dept. or others on the adequacy and effectiveness of the internal and financial control systems and risk management systems; and following-up on the implementation of recommended corrective actions. Preparing a report to the Board that includes the Committee's opinion on the adequacy of the said systems, its recommendations to address main concerns, and any other recommendations for development of such systems; in addition to any other activities falling within its jurisdiction, which have been accomplished. 	<p>3.2. Internal Control Systems</p> <p>3.2.1. Review the internal controls and monitor their effectiveness as follows:</p> <p>3.2.1.1. Understand and evaluate the Management process of setting the control culture including communications on the importance of such controls. This includes the internal control over financial reporting and system for approving and recording transactions and reporting in the financial statements.</p> <p>3.2.1.2. Review regular reports prepared by Internal Audit or others on internal control systems, financial control systems and risk management systems to ensure their adequacy and effectiveness and follow-up on the implementation of any recommended corrective actions.</p> <p>3.2.1.3. Ensure compliance with the Company's disclosure controls and procedures relating to periodic disclosures.</p> <p>3.2.1.4. Prepare a report to the Board outlining the Committee's opinion on the adequacy of the above systems, its recommendations to address concerns, and any other recommendations for development</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. The Committee commitment to review the Internal Controls and monitor their effectiveness has been elaborated. Additional stated role relating to the Committee understanding and evaluation of the Management process of setting the control culture. Emphasizing the responsibility to ensure compliance with disclosure controls and procedures relating to periodic disclosures.

Current Charter	Proposed Charter	Explanations
	<p>of the systems; or any other activities within its remit for onward recommendation to the General Assembly, as applicable.</p>	
<p>C. Internal Audit</p> <ul style="list-style-type: none"> • Supervising and monitoring the Internal Audit Dept.'s activities, and verifying its effectiveness in carrying out its duties and responsibilities. • Examining the annual audit plan with the Internal Audit Dept. and approving it. • Examining and reviewing the Internal Audit's regular reports and following up on the implementation of corrective actions pertaining to the issues indicated. • Recommending the Board approval of the organizational structure and job descriptions of the Internal Audit Dept. and ensuring its independence within the organizational structure of the Company. • Recommending to the Board the appointment or dismissal of the Head of Internal Audit, and evaluating his/her performance annually. 	<p>3.3. Internal Audit</p> <p>3.3.1. Review and approve the Internal Audit Charter, ensure it is appropriate for the current needs of the Company, and provide necessary resources and access to information and unrestricted scope over the activities of the Company.</p> <p>3.3.2. Supervise and monitor the activities managed by Internal Audit to include:</p> <p>3.3.2.1. Meet the Head of Internal Audit without Management present to discuss any matters that the Head of Internal Audit or the Committee believe shall be discussed privately.</p> <p>3.3.2.2. Determine if it is satisfied with the quality, experience and expertise of Internal Audit.</p> <p>3.3.2.3. Verify its effectiveness in achieving its duties and responsibilities.</p> <p>3.3.2.4. Consider whether an external review of Internal Audit function is appropriate.</p> <p>3.3.2.5. Review the objectivity of the Internal Audit.</p> <p>3.3.3. Review and approve the annual audit plan for the coming year.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Adding the responsibility of approving Internal Audit Charter and ensuring access to necessary resources and information. 3. Meeting with the Head of Internal Audit without management present to discuss matters that need to be discussed privately; and enhancing communication between Head of Internal Audit and the Committee Chairperson. 4. Emphasizing the Committee responsibility to determine if it is satisfied with the quality, experience and expertise of the internal audit function. 5. Emphasizing the Committee review of the objectivity of the internal audit function in performing its duties and responsibilities.

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	<p>3.3.4. Examine and review regular reports from Internal Audit and follow up on the implementation of corrective actions pertaining to the issues identified.</p> <p>3.3.5. Approve the organizational structure and job descriptions of Internal Audit and ensure its independence within the organizational structure of the Company.</p> <p>3.3.6. Ensure that the Head of Internal Audit Department has direct access to the Committee Chairperson.</p> <p>3.3.7. Make recommendations to the Board on the appointment, promotion or dismissal of the Head of Internal Audit Function, evaluate their performance annually, and an external review of the Internal Audit Function every three (3) years.</p>	<p>6. Adding the responsibility of having external review of Internal Audit function every three (3) years.</p> <p>7. Adding the Committee responsibility to recommend promotion of the Head of Internal Audit to the Board.</p>
<p>D. External Auditor</p> <ul style="list-style-type: none"> • Recommending to the Board the appointment or dismissal of External Auditors and determining their fees, after assessing their performance, independence, scope of work, and terms of engagement. • Verifying the independence of the External Auditor and his/her efficiency in the light of the relevant regulations and standards. • Reviewing the External Auditor’s plan and work to verify the extent of his/her compliance with the relevant regulations and standards. • Answering queries of the External Auditor and providing him/her with 	<p>3.4. External Audit</p> <p>3.4.1. Review and monitor compliance of the External Auditor Independence Policy including verification of the External Auditors’ independence and objectivity on an annual basis, before making recommendations to the Board for approval.</p> <p>3.4.2. Make recommendations to the Board in respect of the appointment, reappointment and removal of the External Auditor for onward recommendation to the General Assembly for approval.</p> <p>3.4.3. Review the External Auditor’s plan and ensure that it is consistent with the scope of the audit engagement.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Adding a requirement for the Committee to review and monitor compliance of the External Auditors with the External Auditor Independence Policy before making recommendation to the Board for approval. 3. Adding a duty for the Committee to meet with the External Auditors at least once a year without

Current Charter	Proposed Charter	Explanations
<p>the support necessary to enable him/her to perform his/her duties.</p> <ul style="list-style-type: none"> Examining the External Auditor’s reports and his/her observations and notes on the financial statements; and following up on the actions taken in their respect. 	<p>3.4.4. Determine the fees of the External Auditor following assessment of their performance, independence, scope of work and terms of engagement.</p> <p>3.4.5. Meet with the External Auditor, at least once a year, without Management presence to discuss the audit and any issues, difficulties, restriction on scope or information or disagreements with Management during the audit and answer queries from the External Auditor to provide support necessary to enable them to perform their duties.</p> <p>3.4.6. Ensure that the External Auditor has access to the Chairperson of the Committee when required.</p> <p>3.4.7. Examine the External Auditor’s reports and observations and notes on the financial statements, evaluation of risks related to quality and effectiveness of the financial reporting process and following up on corrective actions; and discuss any major issues that arise during the audit including:</p> <p>3.4.7.1. The auditor’s explanation of how the risks to audit quality were addressed.</p> <p>3.4.7.2. Key accounting and audit judgements.</p> <p>3.4.7.3. The auditor’s view of their interactions with Senior Management.</p> <p>3.4.7.4. Levels of errors identified during the audit.</p>	<p>management presence and to discuss any issues, difficulties or disagreements with management during the audit.</p> <ol style="list-style-type: none"> Adding the Committee responsibility to ensure that the External Auditor has access to the Committee Chairperson when required. Determining of the external auditors’ fees. Adding several new responsibilities regarding the review of External Auditors report with specific focus on: (i) how risks to audit quality were addressed (ii) key accounting and audit judgements (iii) auditors’ view of interaction with management with a focus on determining any challenges (iv) audit adjustments. Adding a new responsibility about assessing the auditors’ performance based on pre-determined assessment criteria including expertise, resources and effectiveness of the external audit process. Adding the Committee responsibility to review the policy on former employees of the External Auditor, ensuring its execution, and making appropriate recommendations to the Board.

Current Charter	Proposed Charter	Explanations
	<p>3.4.8. Assess the External Auditor’s performance based on a pre-determined assessment criteria including qualifications, expertise, resources and effectiveness of the External Audit process which shall include a report from the External Auditor on their own internal quality procedures.</p> <p>3.4.9. Review and recommend the policy on former employees of the External Auditor to the Board for approval and monitor implementation of the policy.</p> <p>3.4.10. Review the management letter and Management’s response to the auditor’s findings and recommendations.</p>	<p>9. Reviewing the management letter and management response to the External Auditor remarks.</p>
<p>E. Ensuring Compliance</p> <ul style="list-style-type: none"> • Studying the reports of regulatory bodies on Company’s compliance with the regulatory requirements, and ensuring that necessary actions in their respect are taken. • Ensuring that the Company complies with relevant laws, regulations, policies, and instructions. • Reviewing proposed related party’s contracts and transactions and providing opinion thereon to the Board. • Reporting and recommending to the Board the actions to be taken in matters that the Committee deems necessary. 	<p>3.5. Compliance and Whistleblowing</p> <p>3.5.1. Review the reports of regulatory bodies on the Company’s compliance with regulatory requirements and ensure necessary actions are taken.</p> <p>3.5.2. Monitor and review compliance matters, receiving reports on non-compliance and ensuring that necessary mechanisms are in place for the Company to comply with relevant laws, regulations, policies, and instructions including detection of fraud and controls for the prevention of bribery and money laundering before providing updates to the Board.</p> <p>3.5.3. Review the proposed related party contracts and transactions before making recommendations to the Board.</p> <p>3.5.4. Review regular reports on ethics and compliance program to ensure adequacy</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Specific reference to the Committee review of the mechanism for detecting fraud and preventing bribery and anti-money laundering, and making appropriate recommendations to the Board. 3. Specific reference to regular review of reports on compliance with the Company’s ethics and compliance program to ensure adequacy and effectiveness.

Current Charter	Proposed Charter	Explanations
<p>F. Whistleblowing</p> <ul style="list-style-type: none"> • Establishing appropriate procedures for Company’s employees to report violations of the Company’s internal control systems, including the systems relating to financial statement preparation, and ensuring that the whistleblower’s rights are not prejudiced. • Establishing appropriate procedures for pursuing and following-up on reported violations, and ensuring independence of such procedures. 	<p>and effectiveness of the Company’s Compliance Function.</p> <p>3.5.5. Ensure appropriate procedures for Company’s employees, contractors and external parties to report violations of the Company’s internal control systems, including the systems relating to financial statement preparation are recommended to the Board.</p> <p>3.5.6. Establish independent procedures for pursuing and following-up on reported violations, ensuring that the whistleblower’s rights are not prejudiced and that confidentiality is maintained.</p> <p>3.5.7. Receive reports and monitor the implementation of procedures relating to concerns raised via SABIC’s Speak Up Tool.</p> <p>3.5.8. Report to the Board any issues in connection with what it deems necessary to take action on and providing recommendations as to the steps that shall be taken.</p>	<p>4. Adding the responsibility of ensuring appropriate procedures for contractors and external parties to report violations to the Company’s internal control system.</p> <p>5. Monitoring of reported compliance concerns via SABIC’s Speak Up tool.</p> <p>6. Emphasizing on ensuring confidentiality and protecting the rights of whistleblowers.</p>

Current Charter	Proposed Charter	Explanations
<p>Article (4): Committee Authorities</p> <p>In order to perform its duties according to relevant laws and regulations, the Committee shall have the following authorities:</p> <ul style="list-style-type: none"> • Requesting access to Company records and documents. • Requesting clarifications or statements from the Board or the Executive Management. • Requesting the Board to invite the General Assembly if the Board hampers the Committee’s work, or the Committee undergo serious damage or losses. • Seeking, at the Company’s expense and after the Board approval, assistance of a non-executive Board member (other than Audit Committee members), or otherwise any expert or specialist, it deems suitable, in examining the subjects that fall within its duties and responsibilities. 	<p>Article (7): Authorities and Reporting</p> <p>7.1. The Committee shall report to the General Assembly on its opinion on the adequacy of internal control systems, in addition to the other activities falling within the Committee’s competencies.</p> <p>7.2. The Committee shall have access to the necessary resources to enable it to fulfill its functions, duties, and responsibilities.</p> <p>7.3. The Committee is authorized to engage the services of external experts or specialists with relevant experience and expertise it considers necessary in respect of matters that fall within its duties and responsibilities. Details of experts engaged shall be documented in the Committee’s minutes.</p> <p>7.4. The Committee shall oversee any investigation of activities which are within its remit.</p> <p>7.5. The Committee shall work and liaise with other Committees of the Board, as necessary.</p> <p>7.6. The Committee shall report and recommend to the Board the actions to be taken in matters that the Committee deems necessary.</p> <p>7.7. The Committee shall request the Board to invite the General Assembly if the Board hampers the Committee’s work, or the Company undergoes serious damage or losses.</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Enabling the Committee to have unrestricted access to information and records, replacing the previous language that the Committee requests access to information and records. 3. Requiring that details of any experts engaged to be documented in the Committee’s minutes. 4. The Proposed Charter requires the Committee to work and liaise with the other Board committees. 5. Adding an explicit text on the Committee responsibility to provide the Board with reports and recommendations on matters that the Committee deems necessary. 6. Adding the Committee duty to oversee any investigation that falling within its scope.

<p>Article (5): Committee Working Procedures</p> <p>A. Authorities of the Committee Chairman and Secretary</p> <ul style="list-style-type: none"> • The Chairman duties include the following: <ul style="list-style-type: none"> ⊖ Chairing the Committee meetings and seeking to enhance their effectiveness. ⊖ Representing the Committee before the General Assembly and the Board. ⊖ Inviting the Committee meetings, and specifying the time, date, and venue of the meeting in coordination with Committee members. ⊖ Preparing meeting agenda, taking into consideration the topics that any Committee member wishes to include. ⊖ Ensuring that the topics presented to the Committee are accompanied by sufficient information to enable decision-making. ⊖ Ensuring that sufficient time is made available to discuss agenda items. ⊖ Encouraging Committee members to participate effectively; to study and discuss agenda items and express their views in a manner that contributes to achieving the Committee's objectives. 	<p>Article (4): Committee Members, Chairperson and Committee Secretary Duties and Responsibilities</p> <p>4.2 Committee Chairperson</p> <p>4.2.1. The Board appoints the Chairperson for the Committee's term. In the absence of the Committee's Chairperson, the present Committee Members appoint a member to chair the meeting.</p> <p>4.2.2 The Chairperson shall have the following duties:</p> <ul style="list-style-type: none"> 4.2.2.1 Prepare meeting agendas with the Committee Secretary assistance. 4.2.2.2 Chair the Committee's meetings and seek to enhance meeting effectiveness. 4.2.2.3 Represent or delegate a Committee Member to represent the Committee before the General Assembly and the Board and answer any questions raised by them. 4.2.2.4 Ensure agenda items are accompanied by supporting papers with sufficient details to provide required insights and enable decision-making. 4.2.2.5 Encourage the Committee Members to prepare for meetings and participate effectively at meetings, express their views in a manner that 	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Stating that the Board appoints the Chairperson and in the absence of the Committee's Chairperson, the present Committee members appoint a chair of the meeting. 3. Additional authority for the Committee Chairperson to delegate a committee member to represent the Committee before the Board and General Assembly. 4. Granting the Chairperson the authority to leverage the Committee Secretary assistance in preparing meeting agendas. 5. Adding new responsibility of the Chairperson to arrange the Committee's annual performance evaluation in coordination with the Remuneration and Nomination Committee.
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Current Charter	Proposed Charter	Explanations
<ul style="list-style-type: none"> ⊖ Ensuring the availability of complete and correct information to Committee members in a timely manner to enable them to perform their duties and responsibilities. ⊖ Preparing regular reports on the Committee's activities and putting forward recommendations and conclusions to the Board. ⊖ Following up the implementation of the resolutions issued by the Committee. ⊖ Arranging for the periodical Committee's performance evaluation. 	<p>contributes to achieving the Committee's objectives.</p> <p>4.2.2.6 Submit the Committee's recommendations and conclusions to the Board at the first Board meeting following the Committee meeting.</p> <p>4.2.2.7 Arrange the Committee's annual performance evaluation, in coordination with the Remuneration and Nomination Committee, who shall oversee the performance evaluation process.</p>	

Current Charter	Proposed Charter	Explanations
<p>Article (5): Committee Working Procedures</p> <ul style="list-style-type: none"> • The Secretary General assumes the following duties: <ul style="list-style-type: none"> ⊖ Coordinating Committee meetings and proposing agenda items in coordination with the Committee Chairman. ⊖ Informing the Committee members of meeting dates and providing them with agenda items and necessary documents to enable them study the meeting items. ⊖ Attending Committee meetings and preparing the minutes of meeting and keeping them in a special record. ⊖ Maintaining documents, records and reports submitted to or issued by the Committee. ⊖ Providing assistance and advice to the Committee on matters falling within its competencies. 	<p>4.3. Committee Secretary</p> <p>4.3.1 The Committee Secretary (the 'Committee Secretary') shall be appointed by the Board. If the Committee Secretary is unavailable, the Board Secretary General, or his/her nominee, will act as the Secretary of the Committee.</p> <p>4.3.2. The Board determines the remuneration paid to the Committee Secretary and his dismissal.</p> <p>4.3.3. The Committee Secretary shall have the following duties:</p> <p>4.3.3.1. Ensure actions and resolutions are communicated to the responsible party within the Company for implementation.</p> <p>4.3.3.2. Communicate the meeting dates, agendas and papers to the Committee Members to enable them prepare for the meeting.</p> <p>4.3.3.3. Attend the Committee's meetings and prepare the minutes.</p> <p>4.3.3.4. Maintain minutes and documents, records and reports submitted to or issued by the Committee.</p> <p>4.3.3.5. Provide assistance and advice to the Committee on matters falling within its remit.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Adding responsibilities to the Secretary, including: <ul style="list-style-type: none"> - Communicating the Committee's actions and resolutions to responsible parties in the Company for implementation. 3. The Committee Secretary is appointed by the Board. 4. Adding a procedure for dealing with the Committee Secretary absence. 5. Stating that the Board determines the remuneration paid to the Committee Secretary and his dismissal.

<p>B. Member's Duties and Responsibilities</p> <ul style="list-style-type: none"> • Complying with the provisions of the Companies Law and its Implementing Regulations, the Capital Market Law and its Implementing Regulations, other relevant laws and regulations, and the Company's By-Laws in exercising his/her duties. He shall refrain from undertaking or participating in any business that may harm the interests of the Company. • Being aware of the Committee's duties and responsibilities and devoting sufficient time to exercise his/her role in performing them. • Carrying out his/her duties free from any external influence, whether from inside or outside the Company, and not prioritizing his/her personal interests over those of the Company. • Refraining from acceptance of gifts from any person having business dealings with the Company. • Preparing himself/herself for and attending the meetings and not absenting himself/herself except for valid reasons, which shall be notified to the Committee Chairman in advance and be acceptable to the Committee. • Participating effectively in the Committee meetings through his/her prior examination and discussion of agenda items. 	<p>Article (4): Committee Members, Chairperson and Committee Secretary Duties and Responsibilities</p> <p>4.1 Committee Members The Committee Members shall have the following duties:</p> <p>4.1.1 Comply with the provisions of relevant laws and regulations in exercising their duties.</p> <p>4.1.2 Refrain from participating in any business that may conflict with, or harm the interest of the Company, in line with the Conflicts of Interest Policy.</p> <p>4.1.3 Be familiar with the Committee's duties and responsibilities and devote sufficient time to exercise their role.</p> <p>4.1.4 Avoid any conflict of interest situations, carrying out duties free from influence of other parties, and not prioritizing personal interests over those of the Company in line with the Conflicts of Interest Policy.</p> <p>4.1.5 Notify the Board of their engagement in any business that would compete with the Company's businesses or competes in a branch of an activity carried out by the Company.</p> <p>4.1.6 Maintain confidentiality of the information and documents including after termination of membership, unless authorized by the Board; and not using such information for personal benefit or the benefit of relatives or third parties. This also applies to the Committee's Secretary and other attendees.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Requiring the Committee members, Committee Secretary and each attendee to maintain confidentiality of the information and documents to beyond termination of membership, unless authorized under defined controls. 3. In relation to the Conflict of Interest matters, the relevant provisions have been added under sub-articles 4.1.2 and 4.1.4 of the Proposed Charter. 4. Obligating Committee members to notify the Committee of their intent to engage in any business that would compete with the Company's businesses or competes in a branch of an activity carried out by the Company.
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Current Charter	Proposed Charter	Explanations
<ul style="list-style-type: none"> • Seeking to enhance his/her knowledge of the relevant regulatory updates in the areas and subjects related to the Committee's duties and responsibilities. • Seeking to enhance his/her knowledge of the recent developments in the areas related to the Company's activities, business, and other relevant areas. 	<p>4.1.7 Refrain from accepting gifts from any person having business dealings with the Company.</p> <p>4.1.8 Attend meetings without absence unless there is a valid reason and participate effectively in the Committee's meetings through prior review of the Committee packs.</p> <p>4.1.9 Enhance knowledge of matters falling in the Committee's remit, and relevant regulatory updates and recent developments in the areas related to the Company's activities and business.</p>	

<p>C. Committee Meetings</p> <ul style="list-style-type: none"> • The Committee meets at least once every three months at the Committee Chairman’s invitation. The Committee Chairman shall also convene a meeting in an exceptional case, such as when the meeting is requested by the Board, two Committee members, the External Auditor or the Internal Audit Head, or otherwise if the circumstances so require, provided that the reasons for the exceptional meeting are indicated. • The Committee approves the dates and agenda of meetings of a fiscal year prior to its commencement. The meeting’s invitation is issued at least 15 days in advance and is accompanied by the agenda and the documents and information necessary for discussing matters presented to the Committee and making decision on their respect. • In exceptional cases, meeting invitations may be issued at least five days prior to the meeting date in accordance with the invitation procedures specified in this Charter. • The Committee holds its meetings at Company headquarters; however, they may be held elsewhere, if necessary, subject to the Board approval. • The quorum of the Committee’s meeting requires a majority of its members. A member – in cases of 	<p>Article (5): Meeting Procedures</p> <p>5.1. Committee Meetings</p> <p>5.1.1. The Committee will meet at least four (4) times per year.</p> <p>5.1.2. Meetings of the Committee shall be scheduled by the Committee’s Secretary in coordination with the Committee Chairperson. In exceptional cases and when necessary, the Chairperson may also call a meeting upon the request of the Board, Internal Auditor, External Auditors, or upon request of a Committee Member.</p> <p>5.2. Invitations & Agenda</p> <p>5.2.1. The Committee approves the preliminary dates and agendas of meetings prior to the commencement of the financial year. Meeting invitations and documentation, including agendas shall be issued at least ten (10) calendar days in advance of meetings, except for financial statements which shall be issued at least five (5) working days in advance of meetings.</p> <p>5.2.2. In exceptional cases, meeting invitations and documentation may be issued in less than five (5) calendar days prior to the meeting.</p> <p>5.2.3. Any Committee Member shall have the right to suggest adding an agenda item prior to or during the meeting, subject to the Committee’s approval.</p> <p>5.2.4. The Committee holds its meetings at the Company headquarters; however, they may be held elsewhere. In exceptional cases, a virtual meeting may be held</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Reducing the required number for calling the Committee meeting to one (1) member instead of two (2). 3. Meeting invitation and supporting documents can be issued at least 10 days before the meeting except financial statements, which can be submitted to Committee at least 5 working days before the meeting. 4. Any committee member has the right to suggest an agenda item prior to or during the meeting, subject to the Committee approval. 5. Quorum requires at least one (1) independent member attending the meeting. 6. Provisions of the Proposed Charter requires members to notify the Chairperson if they plan to attend a meeting virtually.
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Current Charter	Proposed Charter	Explanations
<p>necessity – may attend the meeting using one of the forms of communication subject to the Committee approval.</p> <ul style="list-style-type: none"> • The Committee meeting shall be attended by its members only. However, a member of the Board or Executive Management, who is not a Committee member, may only attend that Committee meeting upon invitation by the Committee to take his/her opinion or advice. • The Committee regularly meets with the External Auditor and the Head of Internal Audit. • Committee resolutions are made by a majority vote of the present members. When votes are equal, the Chairman’s vote shall be casting. • A Committee member is entitled to object to any Committee’s resolution, provided that his objection is expressly stated in the meeting minutes together with the reasons for the objection. Absence from a meeting at which a resolution is made, does not preclude the member’s liability for implementing the resolution unless it is proven that the member was unaware of the resolution or was unable to challenge it immediately after knowing of it. 	<p>through electronic means, approved by the Company which enable Members to participate in deliberations on agenda items and vote on resolutions.</p> <p>5.3. Quorum</p> <p>5.3.1. The quorum necessary for the transaction of business will be a majority of the Committee’s Members including at least one (1) Independent Member.</p> <p>5.3.2. The Committee Members are expected to attend in person. However, if necessary, they may attend the meeting virtually through electronic means approved by the Company after notifying the Chairperson.</p> <p>5.3.3. Only the Committee Members and the Secretary are entitled to attend Committee meetings. Other individuals, such as a Member of the Board or Executive Management, who is not a Committee Member, may be invited to attend all or part of any meeting, when and as appropriate.</p> <p>5.3.4. The Committee’s resolutions are made by a majority vote of the present Members. In the case of a split vote, the Chairperson has the casting vote.</p> <p>5.3.5. A Committee Member is entitled to object to any Committee resolution, provided that the objection is expressly stated in the meeting minutes together with the reasons for the objection. Absence from a meeting at which a resolution is made, does not preclude the Member’s liability for implementing</p>	

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	the resolution unless it is proven that the Member was unaware of the resolution or was unable to challenge it immediately after knowing of it.	

<p>D. Committee Meetings Documentation</p> <ul style="list-style-type: none"> • The Committee Secretary prepares the minutes of meeting, which must include: <ul style="list-style-type: none"> ⊖ The venue, date, and start and end time of the meeting. ⊖ Names of present and absent members in addition to the names of non-member attendees. ⊖ Committee deliberations and resolutions with setting out the results of votes and reasons for objections, if any. ⊖ Specifying the party to be responsible for implementing the resolutions and setting the implementation timeline and follow-up mechanism. • The Committee Secretary sends the draft minutes of meeting to Committee members. Members must record their comments, if any, on the draft within a maximum of five working days from the date of dispatch. • After incorporating the Committee members' comments in the draft minutes, and obtaining the meeting's Chairman approval thereon, the Committee Secretary resends the amended draft to the Committee members in preparation for its approval at the next Committee meeting. 	<p>5.4. Minutes</p> <p>5.4.1. The Committee Secretary, in consultation with the Committee Chairperson, prepares the minutes of meeting, which shall include:</p> <p>5.4.1.1. The venue, date, and start and end time of the meeting.</p> <p>5.4.1.2. Names of present and absent Members and any additional attendees.</p> <p>5.4.1.3. The Committee's deliberations and resolutions setting out the results of votes and reasons for objections, if any.</p> <p>5.4.1.4. Specifying who is responsible for implementing the resolutions and setting the implementation timeline.</p> <p>5.4.2. The Committee Secretary sends the draft minutes to the Committee Members within fourteen (14) calendar days following the Committee's meeting. Committee Members shall be able to record their comments, if any, on the draft within five ten (10) calendar days</p> <p>5.4.3. After incorporating the Committee Members' comments in the draft minutes, and obtaining the Chairperson's approval, the Committee Secretary resends the updated draft to the Committee Members in preparation for its approval at the next meeting and the Committee Secretary.</p> <p>5.4.4. Approved minutes shall be signed by all attending Committee Members.</p> <p>5.4.5. The meeting minutes, including the agenda and all accompanying</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. 2. Emphasizing collaboration between the Committee Secretary and the Chairperson in preparing the minutes. 3. The timeline for circulating the draft minutes by the Committee Secretary has been established as fourteen (14) calendar days from the meeting. 4. Adding a requirement for all attending members and the Committee Secretary to sign and endorse the minutes . 5. Emphasizing confidentiality of minutes of meetings and keeping them in a special register.
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Current Charter	Proposed Charter	Explanations
<ul style="list-style-type: none">The meeting minutes, agenda and all accompanying documents must be maintained in a special record to be signed by the Chairman and Secretary.	documents shall be kept in a special register confidentially.	

Current Charter	Proposed Charter	Explanations
<p>E. Committee Actions Follow-up</p> <p>The Committee Chairman submits the Committee's recommendations and conclusions to the Board at the first Board meeting following the Committee meeting.</p>	<p>4.2.2.6 Submit the Committee's recommendations and conclusions to the Board at the first Board meeting following the Committee meeting.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been redrafted while the basic intension maintained. A numbering scheme has been introduced, as stated in (4.2. Chairman of the Committee)
<p>F. Committee Performance Evaluation</p> <ul style="list-style-type: none"> • The Committee shall review its performance on regular basis against such indicators as its effectiveness in carrying out its duties and responsibilities. 	<p>Article (9): Committee Performance Review</p> <p>9.1. The Committee shall regularly review its performance, including a review of effectiveness in carrying out its duties and responsibilities and discusses the results with the Remuneration and Nomination Committee, who will make onward recommendations to the Board.</p>	<p>The Sub-Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Sub-Article text has been redrafted while the basic intension maintained. 2. Requiring that performance of the Committee to be discussed with the Remuneration and Nomination Committee, which will in turn make recommendations to the Board, has been added.
<p>Article (6): Committee Report to Ordinary General Assembly</p> <p>The Audit Committee shall prepare a report to the General Assembly on its opinion on the adequacy of the Company's internal control systems, in addition to the other activities falling within the Committee's competencies.</p>	<p>7.1. The Committee shall report to the General Assembly on its opinion on the adequacy of internal control systems, in addition to the other activities falling within the Committee's competencies.</p>	<p>The article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced and including it as Sub-Article 7.1

Current Charter	Proposed Charter	Explanations
<p>Article (7): Confidentiality</p> <ul style="list-style-type: none"> A Committee member must maintain confidentiality of the information and documents made available to him/her. He/ She may in no case - even if his/her membership is terminated - disclose them to any individual or entity unless he is so authorized by the Board; nor may he/she use any such information for his/her own personal benefit or that of his/her relatives or third parties. The Company has the right to demand compensation in case of violation of the provisions of this article. This obligation also applies to the Committee's Secretary. 	<p>4.1.6 Maintain confidentiality of the information and documents including after termination of membership, unless authorized by the Board; and not using such information for personal benefit or the benefit of relatives or third parties. This also applies to the Committee's Secretary and other attendees.</p>	<p>The article has been amended as follows:</p> <ol style="list-style-type: none"> The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced and including it as Sub-Article (4.1.6).

<p>Article (8): Conflict of Interest</p> <ul style="list-style-type: none">• Members must avoid situations that lead to conflict of interest with the Company. A conflict of interest means that there is a direct or indirect interest to a member in any matter listed on the Committee agenda; and such an interest may (or is believed to) influence the independence of the member's opinion, which is presumed to reflect his/her professional views.• If a member has a conflict of interest in relation to any matter on the Committee agenda, he/she must disclose such conflict before starting the discussion of the that matter, provided that it is stated in the minutes of the meeting. In such a case, the member must not attend nor participate in the discussion of the matter, nor vote thereon.• Committee members may not have a direct or indirect interest in the contracts that are carried out for the Company's account nor engage in any business that may compete with the Company or competes in any branch of its business activity.• If a Committee member fails to disclose his/her interest in contracts carried out for the Company's account, whether before or after he/she became a Committee member, the Company may claim, before the judicial authority, revocation of the	<p>4.1.2 Refrain from participating in any business that may conflict with, or harm the interest of the Company, in line with the Conflicts of Interest Policy.</p> <p>4.1.4 Avoid any conflict of interest situations, carrying out duties free from influence of other parties, and not prioritizing personal interests over those of the Company in line with the Conflicts of Interest Policy.</p>	<p>The article has been amended as follows:</p> <ol style="list-style-type: none">1. Moving the article content to the "Conflict of Interest Policy", and sufficing with reference to the importance of refraining from participating in any actions that would conflict with the company's interests, and to avoid all cases of conflict of interest, in accordance with Paragraph No. 4.1.2 and Paragraph No. 4.1.4 .
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Current Charter	Proposed Charter	Explanations
<p>contract with a compensation or an obligation upon the member to pay back any profit or benefit realized through such interest.</p> <ul style="list-style-type: none"> • If a Committee member fails to disclose his/her engagement in any business that may compete with the Company or compete in a branch of its business activity, the Company may claim, before the judicial authority, a proper compensation. • Committee members must not – directly or indirectly – make use of, exploit, or benefit from any of the Company's assets, information, or investment opportunities that are under consideration by the Company – even if the Company has decided not to proceed with such an opportunity. A member may not exploit such opportunity even after expiry of his/her membership term. • If it is proven that a Committee member exploited an investment opportunity, the Company or any interested party may claim, before the judicial authority, revocation of any business, profit, or gain resulting from such an opportunity. The Company may also claim a proper compensation. 		

<p>Article (9): Committee Members Remunerations</p> <ul style="list-style-type: none"> • Committee members are entitled to annual remunerations in accordance with the Remunerations Policy of the Board Members, Committees Members, and Executive Management approved by the General Assembly. • The Board determines the remunerations and allowances to be paid to the Committee’s Secretary. • In the event of a resolution by the General Assembly to terminate the membership of a Committee member due to his/her absence from three consecutive meetings within one year without an excuse acceptable to the Board, the member is not entitled to any remunerations or compensations for the period following the last meeting he/she attended, and is required to return all the remunerations and compensations paid to him/her for that period. • The Company has the right to claim compensation for damage to its reputation, and recover the remunerations and any other costs incurred to enable the member to perform his/her responsibilities if that member committed an act of dishonesty, breach of trust, forgery, or violation of laws and regulations of Saudi Arabia or any other country; or 	<p>Article (6): Members Remuneration</p> <p>6.1. The Committee’s Members are entitled to annual remuneration and attendance fee in accordance with the Remuneration Policy approved by the General Assembly.</p> <p>6.2. The Committee Members shall be eligible for expenses incurred when attending Committee meetings in accordance with the Remuneration Policy.</p>	<p>The article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been totally redrafted while the basic intension maintained. 2. Determination of Committee Secretary remuneration, and his/her dismissal, has been set out under the Committee Members, Chairman, and Secretary (4.3: Committee Secretary).
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<p>when he fails to carry out his/her responsibilities and duties to the extent that results in damage to the Company's interest.</p>		
<p>Article (10): Charter Review</p> <ul style="list-style-type: none"> This Charter is subject to regular review for enhancement and keeping it abreast with the relevant laws and regulations' updates, and at the discretion of the Board. No amendment may be made to this Charter except upon the recommendation of the Board and approval of the Ordinary General Assembly. 	<p>Article (8): Charter Review</p> <p>8.1. The Charter is effective from the date of its approval by the General Assembly.</p> <p>8.2. The Committee shall review this Charter regularly and recommend any necessary changes to the Remuneration and Nomination Committee who will make recommendations to the Board for onward recommendation to the General Assembly.</p> <p>8.3. No amendment may be made to the Charter unless endorsed by the Board and approved by the General Assembly.</p>	<p>The article has been amended as follows:</p> <ol style="list-style-type: none"> The Article text has been totally redrafted while the basic intension maintained. A numbering scheme has been introduced. Express statement of the Remuneration & Nomination Committee responsibility of assessing the Charter periodically and making appropriate recommendations to the Board.
<p>Article (11): Entry into Force</p> <p>This Charter is effective from the date of its approval by the Ordinary General Assembly.</p>	<p>8.1. The Charter is effective from the date of its approval by the General Assembly.</p>	<p>The Article has been amended as follows:</p> <ol style="list-style-type: none"> 1. The Article text has been redrafted while the basic intension maintained. A numbering scheme has been introduced; and included as Sub-Article (8.1).