



## Remuneration & Nomination Committee Regulation

### Arab Sea Information Systems (Public Joint Stock Company)

#### Article One: Introduction, Definitions and Objectives:

A) The Remuneration and Nominations Committee Regulation has been prepared in implementation to the provisions of Articles 57 and 61 of the Corporate Governance Regulations issued by the CMA's Board pursuant to Resolution No. (8-16-2017) dated 16/05/1438 AH corresponding to 13/02/2017 AD.

Amended by CMA's Board pursuant to Resolution No. 08-05-2023 dated 25-06-1444 corresponding to 18-01-2023

B) The following expressions and phrases, wherever they are mentioned in this regulation, shall have the meanings indicated thereafter, unless the context requires another meaning.

**Regulation:** The Remuneration and Nominations Committee Regulation

**Governance Regulations:** The Corporate Governance Regulations issued by the CMA's Board.

**Company:** Arab Sea Information Systems Company

**General Assembly:** An association formed from the company's shareholders in line with the provisions of the Companies Law and the Company's Articles of Association

**Board of Directors or Board:** The Board of Directors of the Arab Sea Information Systems Company

**Committee:** The Remuneration and Nominations Committee of the Arab Sea Information Systems Company





C) The regulation objective is to clarify the committee's work controls and procedures, its tasks, the standards of choosing its members, the period of their membership, and their remuneration.

**Article Two: The formation of the Committee, its Period and Membership Conditions:**

A) The committee shall be formed by a resolution of the board of directors composed of three members or no more than five members provided that they shall be non-executive members of the board of directors and that at least one of them shall be an independent member. It shall be permissible to appoint external experts to the committee's membership, whether they are shareholders or not.

B) The duration of the committee shall be three years, subject to renewal, beginning and ending with the beginning and end of the period of the Board of Directors.

C) The Board of Directors shall appoint the committee's chairman in the resolution to form it, provided that he is one of the independent members.

D) In addition to the conditions imposed by the relevant regulatory controls, the members of the committee shall have the appropriate experience and qualifications for the committee's work and tasks, and abide by the principles of honesty, trustworthiness, loyalty, care and concern for the interests of the company and shareholders, prioritizing them over their personal interests, and to comply with the regulatory requirements and the company's policies and regulations regarding conflict of interest and disclosure.

E) The members of the Committee shall appoint a chairman from thereof.

F) The membership of a committee member shall terminate upon the expiry of its period or in any of the following cases:

1- Death

2- Resignation.

3- The expiration of his membership in the Council for the members of the Council.





4- Absence of the member from three committee's meetings in a year without an excuse accepted by the board.

5- Committing a serious violation of any of the relevant regulations or instructions.

6- Loss of one or more of the membership conditions.

G) The Board of Directors may - upon the termination of member of the committee membership during the period of membership for any of the reasons stated in the regulations - appoint another member in the vacant position in the committee.

H) The company shall notify the CMA of the names of the committee members and their membership descriptions upon their appointment and any changes that may occur during the statutory period provided in the Governance Regulations.

**Article Three: Committee's Duties and Obligations:**

A) The committee shall study the matters that are relevant to it or that are referred to it by the board of directors, and shall submit its recommendations to the board to resolve them, or it takes its own decision if the board delegates it to it, the committee shall notify the board of directors of its findings, decisions or recommendations.

B) The Committee, with regard to remuneration, shall be concerned with the following:

1) Preparing a clear policy for the remuneration of the members of the Board of Directors, its committees, and the executive management, and submitting them to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that such policy shall take into account to adhere to standards in view of performance, disclosure, and verification of its implementation.





- 2) Clarifying the relationship between the granted remunerations and the applicable remuneration policy, and identifying any fundamental deviation from the policy whereof.
  - 3) Assessing periodically the remuneration policy, and evaluating its effectiveness in achieving the objectives envisaged thereof.
  - 4) Recommending to the Board of Directors the remuneration of the members of the Board of Directors and its committees and senior executives of the company in line with the approved policy.
- C) The Committee, with regard to nominations, shall be concerned with the following:
- 1) Proposing clear policies and standards for the membership in the Board of Directors and the Executive Management.
  - 2) Recommending the Board of Directors to nominate and re-nominate members in line with the approved policies and standards taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
  - 3) Preparing a description of the competences and qualifications required for the membership of the Board of Directors to fill executive management positions.
  - 4) Determining the time that the member shall allocate for the work of the Board of Directors.
  - 5) Assessing annually the necessary needed skills or appropriate expertise for the membership of the Board of Directors and executive management functions.
  - 6) Inspecting the structure of the Board of Directors and the Executive Management and make recommendations regarding changes that can be made.
  - 7) Verifying annually that the independent members are independent, and that there is no conflict of interest if the member is a member of the board of directors of another company.





- 8) Creating job descriptions for executive members, non-executive members, independent members and senior executives.
- 9) Developing special procedures in the event of a vacancy in the position of a member of the Board of Directors or a senior executives.
- 10) Evaluating the performance of the Board of Directors, its committees, and the executive management annually, and submit their results to the Board of Directors with a recommendation plan to address the aspects that need to be developed.
- 11) Determining the weaknesses and strengths of the Board of Directors, and proposing solutions to address them in line with the company's interest.

**Article Four: Committee Meetings:**

- A) The Committee shall hold its meetings at least every six months, and whenever needed.
- B) The committee shall meet upon the invitation of its chairman or upon the request of two of its members.
- C) The meeting invitation shall be sent to each member of the committee at least five days prior to the meeting date, along with the meeting agenda and the necessary documents and information, unless the situation calls for holding the meeting urgently. In this case, the meeting invitation may be sent, along with the meeting agenda and the necessary documents and information, within a period of less than five days from the meeting date.
- D) The committee meeting shall not be valid unless attended by the majority of its members.
- E) If the committee member expresses a reservation or an opinion different from the committee's resolution, it shall be documented in detail in the committee meeting's minutes.
- F) The committee shall select a secretary from among the company's employees.





- G) The Secretary of the Committee shall coordinate the dates of the committee meetings on an annual basis, and ensure that the dates are appropriate for all members.
- H) The committee shall approve its agenda when it is convened, and in the event of any member objecting to this agenda, it shall be documented in the committee meeting's minutes.
- I) Each member of the committee has the right to suggest adding any article to the agenda.
- J) A member who is unable to attend may attend the committee's meetings and vote on the resolutions taken in them through modern technology means, and his attendance is considered an actual presence.
- K) The committee may invite whomever it deems appropriate other than the members to attend the meeting without having the right to vote.
- L) The committee shall issue its resolutions by a majority vote of the present members.

**Article Five: meeting's minutes of the committee:**

- A) The committee's secretary shall document the committee's meetings, prepare minutes for it, including the discussions and deliberations, document the committee's recommendations and voting results, keep them in a special and organized record, indicate the names of the attending members and the reservations they expressed (if any). These minutes shall be signed by all the attending members.
- B) The Secretary of the Committee shall send to the Chairman and members of the committee a draft of the meeting's minutes within (10) ten working days from the date of the meeting to review it and express their comments (if any) within (10) ten days from the date of sending. It then shall be sent to the members for signature after taking into account the members' comments, if any.

**Article Six: Committee Members' Remunerations:**





The committee members' remuneration shall be in line with the remuneration policy for the members of the board of directors and its committees emanating from it and the executive management without prejudice to the relevant statutory requirements and the company's articles of association.

**Article Seven: Access and Publication:**

The articles of this regulation shall be in force and adhered to by the company upon the date of its approval by the general assembly of shareholders. This regulation shall be published on the company's website to enable shareholders, the public and stakeholders to view it. The contents of this regulation shall be amended as needed. Any proposed amendment shall be presented to the general assembly of shareholders at the nearest meeting to approve the proposed amendments.

