



NOMINATION AND REMUNERATION COMMITTEE CHARTER

Annexure II – Nomination and Remuneration Committee Charter (Assessment Report 4.1, 4.8, 4.11 and 6.4)

Unless defined herein, or the context stipulates otherwise, defined terms used in this Charter shall have the meanings given to them in the Corporate Governance Regulations of the Capital Market Authority.

1. Mission

- 1.1 The nomination and Remuneration Committee (the “Committee”) is responsible for identifying individuals qualified to become Board members or Senior Executives. Added, it is responsible for recommending to the Board the remuneration payable to the Board members, Committee members and the Senior Executives. With the recommendation of the board of directors, the General Assembly shall approve the committee’s charter and the remuneration policy and special compensation plans such as annual bonus schemes and share option plans across MARAFIQ.
- 1.2 It leads the Board in its annual review of the Board’s performance and recommends to the Board the member candidates for each committee for appointment by the Board.
- 1.3 The Committee evaluates the skills and expertise of the directors and recommends training accordingly. It also devises the succession plan for the Board.

2. Membership

- 2.1 The Committee shall be formed by a resolution of the Board.
- 2.2 The number of the members shall be no less than three and no more than five members, provided that none of the members are executives and at least one member shall be independent.
- 2.3 The Chairman of the Committee shall be designated by the Board who shall be an Independent Board member.
- 2.4 The Board Chairman may not be the Committee Chairman, and he/she may be a member of the Committee.
- 2.5 The Chairman of the Committee or whom he/she delegates shall attend the General Assembly Meetings and answer any questions raised by the shareholders.
- 2.6 The members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion.
- 2.7 The term of the Committee membership shall not exceed the term of the Board. The Board of Directors shall have the right to dismiss all or some of the Committee Members for any reason,

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without prejudice to the dismissed member's right to compensation if such dismissal has taken place in an untimely manner or is without cause.

2.8 MARAFIQ shall notify CMA of the Committee Members' names and membership description upon the date of their appointment as well as any changes thereto during the statutory period specified by the laws and regulations of CMA.

2.9 In the absence of the Committee Chairman, the remaining members present shall elect one of their members to chair the meeting.

3. Secretary

The Committee will appoint a Secretary among its members or as it deems fit from the Company's Management team to prepare for the Committee's meetings and prepare and document its minutes and follow-up on implementation of its recommendations, directives and decisions without voting rights.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be the majority of the Committee's members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4.2 Resolutions of the Nomination and Remuneration Committee shall be issued by a majority of the votes present and, in case of a tie, the Chairman of the Committee shall have the casting vote.

5. Frequency of Meetings

The Committee shall meet at least four times every year and at such other times as the Chairman of the Committee shall require, provided that it meets at least once every six months.

6. Notice of Meetings

6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members with the consent of the Chairman of the Committee.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other members, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. Minutes of Meetings

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- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 The Committee Secretary shall prepare the draft minutes of meeting and circulate it to the Committee Chairman and members via email for review and add their comments within (10) working days from the date of each meeting. In the case comments were not received, it is considered as a confirmation of approval, such minutes of meeting shall be kept in a book to be signed by the Committee Chairman and its members who attended the meeting and its Secretary, and such records shall be kept in a special register at MARAFIQ's offices.

8. Annual General Assembly

The Chairman of the Committee or his duly authorized delegate/representative shall attend the Annual General Assembly, prepared to respond to any shareholder questions on the Committee's activities and also to recommend the remuneration for directors and Executive Management team for the following year.

9. Duties

The Committee should carry out the duties below:

- 9.1 Preparing a clear policy for the remunerations of the Board members and its committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy.
- 9.2 Clarifying the relation between the paid remunerations and the adopted remuneration policy, and highlighting any material deviation from that policy.
- 9.3 Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives.
- 9.4 Providing recommendations to the Board in respect of the remunerations of its members, the committees members and Senior Executives, in accordance with the approved policy.
- 9.5 Suggesting clear policies and standards for membership of the Board and the Executive Management.
- 9.6 Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
- 9.7 Determining the amount of time that the member shall allocate to the activities of the Board.

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- 9.8 Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made to such structure.
 - 9.9 Providing job descriptions for the executive, non-executive and independent directors and the senior executive management.
 - 9.10 Setting procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant.
 - 9.11 Determining the strengths and weaknesses of the Board and recommending remedy solutions that serve MARAFIQ's interests.
 - 9.12 Determining and maintaining an acceptable level of risk that may be faced by MARAFIQ and ensuring that MARAFIQ does not go beyond such level.
 - 9.13 Annual review of the skills, knowledge and experience required for the Board, prepare a description of the role and capabilities required for a particular appointment and make recommendations to the General Assembly.
 - 9.14 Review the leadership needs of MARAFIQ, corporate management (CEO and VPs), with a view to ensuring the continued ability of MARAFIQ to complete effectively in the marketplace. Be fully informed about strategic issues and commercial changes affecting MARAFIQ and the market in which it operates.
 - 9.15 Annually review Board members' and corporate management team's compensation budgets, benefits, and review and recommend to the Board, any changes in employees benefits policies and structures throughout Marafiq.
 - 9.16 Develop appropriate criteria and make recommendations to the Board regarding the independence of directors and nominees.
 - 9.17 Annually ensuring the independence of independent directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of directors of another company.
 - 9.18 Determine the policy for the disclosure of directors' and corporate management team's remuneration.
 - 9.19 Recommend to the Board the framework or broad policy and amount of the remuneration of the Board members' and corporate management team (CEO and VPs).
 - 9.20 Within the terms of the agreed policy, determine the total individual remuneration package of each/any Board member including, where appropriate, bonuses and other incentive payments.
 - 9.21 Recommend to the Board the number, identity and responsibilities of Board Committee, and the Chair and members of each committee. This shall include advising the Board committee
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appointments and removal from committee or from the Board, rotation of committee members and Chairs and committee structure and operations.

- 9.22 Make recommendations regarding the recruitment, retention and termination policies for corporate management and the policies for the participation of management in various forms of remuneration benefits that may be considered. Recommend and monitor the relevant orientation program for Board members.
- 9.23 Report annually to the Board with an assessment of the Board's performance.
- 9.24 Review annually the time required from Board members. Performance evaluation should be used to assess whether the Board members are spending enough time to fulfill their duties.
- 9.25 Ensure that contractual terms on termination, and any payments made, are fair to the individual and to MARAFIQ, that failure is not rewarded and that the duty to mitigate loss to the company is fully recognized.
- 9.26 The committee should make recommendations to the Board on:
- succession plans for Board members and Advisers.
 - criteria for selection of candidates for Board membership and Advisers.
- 9.27 Be exclusively responsible for establishing the section criteria, selecting, appointing and setting the terms of reference for remuneration consultants who advise the committee.
- 9.28 Make available the committee's terms of reference. These should set out the committee's delegated responsibilities and be reviewed and, where necessary, updated annually.
- 9.29 Perform any other duties or responsibilities expressly delegated to the committee by the Board from time to time.

10. Reporting Responsibilities

- 10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11. Other

The Committee shall have access to sufficient resources in order to carry out its duties.

12. Authority

The Committee is authorized to:

- 12.1 Seek any information it requires from any employee of MARAFIQ in order to perform its duties.

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12.2 Obtain advice and assistance, as needed, from internal legal counsel.

13. Review and Amendment

The Committee shall periodically review this Charter and recommend any amendments to it to the Board for endorsement prior to obtaining the approval of the General Assembly.

14. Entry into force

This Charter shall be implemented and adhered to from the date approved by the General Assembly.