



# Bylaw of the Nomination and Remuneration Committee

This Charter was approved based on the Gasco Extraordinary General Assembly's resolution in its meeting held on May 26th 2024

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## Information on the Bylaw, Documentation and Preservation

Amendments to this Bylaw should be numbered and dated using the following record that should be signed at each update.

### Preparation, revision and approval of amendments:

Version	Nature of the Amendment
2	Amendment in accordance with the executive regulations of the Capital Market Authority

### Preparation, revision and approval of the amendments:

Version	Date	Prepared by	Reviewed by	Date and Decision of Approval
2			Governance and compliance	These regulations were approved by the decision of the Extraordinary General Assembly at its meeting held on May 26, 2024 AD, corresponding to Dhul-Qi'dah 18, 1445 .AH

### Record-preservation body:

Body	Notes
Governance Department	

### Approval:

Board Secretary	Board Chairman

## Definitions and Terms

The following words and phrases have the indicated meanings unless the context requires otherwise:

Word/Phrase	Definition
Bylaw	Bylaw of the Nominations and Remuneration Committee.
Company	National Gas and Industrialization Company (GASCO)
Kingdom	Kingdom of Saudi Arabia
Ministry	Ministry of Commerce
Authority	Capital Market Authority
The Companies Law	The Companies Law, issued by Royal Decree No. (M/132) dated 01/12/1443 A.H.
The Capital Market Law	The Capital Market Law, issued by Royal Decree No. (M/30) dated 08/6/1424 A.H.
Articles of Association	Articles of Association of the Company
Corporate Governance Regulations	Governance Regulations for joint stock companies issued by the Board of the Capital Market Authority
Assembly	The assembly is formed from the company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.
Board	The Board of Directors of the National Gas and Industrialization Company (GASCO).
Committee/s	Committees emanating from the board.
Executive Member	A member of the Board of Directors who is dedicated to the executive management of the company and participates in its daily work.
Non-Executive Member	A member of the Board of Directors who is not dedicated to the executive management of the company and does not participate in its daily work.
Independent Member	A non-executive board member who enjoys complete independence in his position and decisions, and none of the criteria of independence stipulated in the Corporate Governance Regulations apply to him.

<b>Executive Management or Senior Executives</b>	Persons entrusted with managing the company's daily operations and proposing and implementing strategic decisions, such as the CEO and his deputies and the financial director.
<b>Stakeholders</b>	Everyone who has an interest in the company, such as employees, creditors, customers, suppliers and the community.
<b>Remuneration</b>	Amounts, allowances, profits and the like, periodic or annual rewards linked to performance, short-term or long-term incentive plans and any other in-kind benefits, excluding actual reasonable expenses and charges incurred by the company on behalf of a member of the Board of Directors for the purpose of performing his work.
<b>Day</b>	A calendar day, whether or not it is a business day.

All terms that are not defined in this Bylaw shall have the same meaning as in the list of terms used in the Company's Governance Regulations and the Corporate Governance Regulations, unless the context requires otherwise.

## Article One: Preamble

1. This Bylaw has been prepared in accordance with the Company's Governance Regulations and the provisions of the Corporate Governance Regulations as follows:
  - a. Paragraph (7) of Article (47): (the company may combine remuneration and nomination committees into one committee named Remuneration and Nomination Committee. In such a case, the Remuneration and Nomination Committee must satisfy the requirements related to any of them).
  - b. Paragraph (b) of Article (57): (The Company's General Assembly, as per the board recommendation, issues a bylaw for the Remuneration Committee including its procedures, duties and rules for selecting its members as well as the term of their membership and their remunerations).
  - c. Paragraph (b) of Article (61): (The Company's General Assembly, as per the board recommendation, issues a bylaw for the Nomination Committee including its procedures, duties and rules for selecting its members as well as the term of their membership and their remunerations).
2. These rules shall be subject to the provisions of the articles contained in the Companies Law and its executive regulations, the Company's Articles of Association, and the Capital Market Law and its executive regulations.
3. This Bylaw aims to define the controls, responsibilities and methodological framework through which the committee operates in the company and the rules for its formation, the selection of its members, the duration of their membership, the committee's working method and the governance of its work.
4. The committee shall have the right to establish other procedures from time to time as appropriate and necessary for the conduct of the Committee's business, in a manner not inconsistent with the Bylaw.

## Article Two: Formation of the Committee

1. A committee called "Remuneration and Nomination Committee" shall be formed by a decision of the board, whose members shall not be less than three and not more than five and who are not members of the Executive Board, provided that its members shall be independent members of the board. It is permissible to seek assistance from non-executive members or persons who are not members of the board, whether shareholders or others.
2. The members of the committee shall be professionally competent with the expertise, knowledge and skills to enable them to exercise the duties of the committee efficiently and competently.

3. The board may appoint the Chairman of the Board as a member of the committee, provided that he does not hold the position of Chairman of the Committee.
4. The company shall notify the Authority of the names of the committee members and their membership positions within five working days from the date of their appointment as well as any changes to their membership within five working days from the date of the changes.

### **Article Three: Chairman of the Committee**

1. The Chairman of the Committee shall be an independent member, and if the board's decision to form the committee does not designate the Chairman, the members may appoint a Chairman from among themselves at the first meeting of the committee.
2. In the absence of the Chairman of the Committee, the members present at the meeting shall elect one of them to chair the meeting. This shall be recorded in the minutes of the meeting.
3. The Chairman of the Committee shall supervise the work of the committee and follow up on the fulfillment of the tasks assigned to it. Moreover, the Chairman of the Committee shall convene the committee and determine the time, date and place of each meeting of the committee as well as the agenda, in coordination with the members of the committee.
4. The Chairman of the Committee or his deputy should attend the General Assemblies to answer the shareholders' questions and inquiries.

### **Article Four: Secretary of the Committee**

1. The committee shall appoint a secretary from among its members or others.
2. The Secretary of the Committee shall have the professional competence, experience, knowledge and skills that enable him to perform his duties efficiently and competently.
3. The secretary shall be responsible for the following duties and functions:
  - a. Documenting the committee's meetings and preparing minutes that include the discussions, deliberations and the reservations expressed, if any, with all members present signing these minutes.
  - b. Keeping and saving the reports submitted to the committee and the reports prepared by the committee.

- c. Providing the committee members with the meeting agenda as well as the working papers, documents and information related to it, along with any additional documents or information requested by any of the committee members related to the topics included in the meeting agenda.
- d. Informing the committee members sufficiently in advance of the dates of the committee's meetings.
- e. Presenting the draft minutes to the committee members for them to express their views on minutes before signing.
- f. Ensuring that committee members have full and prompt access to a copy of the minutes of the committee meetings as well as the information and documents related to the company.
- g. Coordinating between the committee members and providing them with assistance and advice.
- h. Performing any other tasks assigned to him by the committee.

### **Article Five: Duration of the Committee, Termination of Membership and Resignation**

1. The term of membership of the committee shall be synchronized with the duration of the board's session; it shall expire at the end of the board's session or at the end of the member's eligibility in accordance with any law or regulations applicable in the Kingdom. However, the Board of Directors may at any time dismiss all or some of the members of the committee.
2. If the position of a member of the committee becomes vacant, the board may appoint a member to the vacant position in accordance with the provisions of Article Two of this policy, and the new member shall complete the term of his predecessor.
3. Each member of the committee shall have the right to resign (according to his circumstances) by delivering a written notice to the Chairman of the Board and the Chairman of the Committee. The resignation shall become effective from the date

of delivery of the notice, unless the notice specifies a later time to execute the resignation.

4. The board may terminate the membership of any member who fails to attend three consecutive meetings of the committee without a legitimate excuse.
5. If a member of the committee resigns and he has comments on the company's performance, he should submit a written statement to the Chairman of the Board and the Chairman of the Committee, and this statement should be presented to the board and committee members.

### **Article Six: Remuneration and Compensation of the Committee Members**

1. The remuneration of the committee members shall consist of an annual remuneration (a certain amount), an attendance allowance for the sessions, or both, in addition to the travel and accommodation expenses for each session for members not residing at the meeting venue, as determined by the Board of Directors in accordance with the remuneration and compensation policy approved by the General Assembly of Shareholders.
2. The Board of Directors shall determine the remuneration and allowances of the Secretary of the Committee.
3. The Board of Directors' report to the ordinary General Assembly shall include a comprehensive statement of all the remunerations, expense allowances and other benefits received by the committee members during the financial year. In addition, it shall include a statement of the number of committee sessions and the number of sessions attended by each member from the date of the last General Assembly meeting.

### **Article Seven: Responsibilities of Committee Members**

1. Each member shall adhere to the principles of honesty, sincerity, loyalty, care and concern for the interests of the company and the shareholders, putting them above his personal interests and complying with the conflict of interest regulations

adopted by the company to disclose any transactions or relationships that may affect his work.

2. Each member should attend the committee meetings, preparing in advance and actively participating in the study of the agenda items as well as analyzing the information related to the topics considered by the committee before expressing an opinion on them.
3. The independent committee member should be able to exercise his duties, express his opinions, and vote on decisions objectively and impartially. This is in order to help the committee make sound decisions that contribute to the realization of the company's interests.

### **Article Eight: Introducing the Committee Members to the Company**

The company shall provide adequate information about its affairs to all members of the committee to familiarize them with the company's business and procedures. This information should include details on field visits and everything that would enable the members to carry out their duties and tasks efficiently.

### **Article Nine: Scope and Powers of the Committee**

The committee's scope of work includes reviewing the structure of the Board of Directors and committees along with the skills and criteria required for board membership. It also includes reviewing the company's organizational structure, succession plans, human resources regulations and policies and remuneration and compensation policy for board members, committees and executive management, as well as making the necessary recommendations to the Board of Directors. To achieve this, the committee has the following rights:

1. Accessing the company's records and documents and obtaining all resources and information necessary to fulfill its duties and responsibilities.
2. Studying the issues that are within its competence or referred to it by the Board of Directors, and submitting its recommendations to the Board of Directors for them to take a decision on the recommendations. The committee may also take

decisions on these recommendations if the board has authorized it to do so, provided that the authorization issued by the board is not general or indefinite.

3. Seeking the assistance of experts and specialists from inside or outside the company, within the limits of its powers. This shall be recorded in the minutes of the committee's meeting, mentioning the name of the expert and his relationship with the company or the executive management.

### **Article Ten: Duties and Functions of the Committee**

Without prejudice to the duties and responsibilities contained in the Companies Law, the Company's Articles of Association and the Corporate Governance Regulations, the committee's duties and responsibilities include carrying out all actions that enable it to achieve its goals, including:

a. With regard to nominations:

1. Proposing clear policies and standards for membership in the board and executive management.
2. Recommending that the board nominate and re-nominate members in accordance with the approved policies and standards, taking into account not to nominate anyone who has previously been convicted of a crime involving a breach of trust.
3. Preparing a description of the capabilities and qualifications necessary for board membership and occupying executive management positions.
4. Determining the time that the member should allocate to the board's work.
5. Conducting the annual review of the necessary skills or experience needed for board membership and executive management positions.
6. Reviewing the structure of the board and executive management and providing the necessary recommendations regarding making any changes to them.

7. Verifying the independence of independent members, annually, and the absence of any conflict of interest if the member holds a membership in the board of directors of another company.
8. Defining job descriptions for executive members, non-executive members, independent members and senior executives.
9. Determining the procedures to be followed in the event that the position of a board member or senior executive becomes vacant.
10. Identifying the strengths and weaknesses of the board and proposing solutions to address the weaknesses in a way that is consistent with the company's interest.

b. With regard to remunerations:

1. Preparing a clear policy for remuneration for the members of the board, the committees emanating from it and the executive management and submitting it to the board for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account the standards related to performance, disclosing them and verifying their implementation.
2. Clarifying the relationship between the remunerations granted and the approved remunerations policy, and indicating any fundamental violation of this policy.
3. Reviewing the remuneration policy periodically and evaluating its effectiveness in achieving the objectives.
4. Recommending to the board the remuneration of members of the board and the committees emanating from it as well as the company's senior executives, in accordance with the approved policy.

### **Article Eleven: Meetings of the Committee**

1. The committee holds regular meetings to exercise its duties effectively, and it also holds meetings whenever the need arises. At the beginning of every year, the

committee should prepare a plan for its meetings during the year to enable it to perform its work and carry out the duties and responsibilities assigned to it.

2. The committee holds four meetings a year (at least once every six months). The meeting is held at the invitation of the Chairman of the Committee or his deputy in the event of his absence.
3. The Chairman of the Committee or his deputy, in the event of his absence, should invite the committee to meet whenever requested by a member of the committee.
4. The committee may hold its meetings outside the company's headquarters, and it may also hold meetings via modern technology.
5. The process of attending committee meetings should be organized, and cases of members' irregularity in attending those meetings should be dealt with.

### **Article Twelve: Invitation for a Committee Meeting**

1. The invitation to the meeting shall be in writing and may be sent via e-mail or other modern technical means to each member of the committee at least five days before the meeting date, along with the meeting agenda and any other documents, unless the situation requires that an emergency meeting be held. In such a case, an invitation to the meeting accompanied by the meeting agenda and the necessary documents and information may be sent within a period of less than five days before the date of the meeting.
2. The committee has the right to invite to its sessions whomever it deems appropriate among the company's employees, advisors or others, on the condition that they do not have the right to vote.

### **Article Thirteen: Quorum for the Committee Meeting**

1. The committee meeting will not be valid unless it is attended by the majority of the committee members.

2. A member of the committee may, with the approval of the Chairman of the Meeting, attend the committee meeting via modern technological means, and his attendance shall be considered as attendance in person.
3. A member of the committee may not delegate other members to attend committee meetings and vote on his behalf.

#### **Article Fourteen: Agenda of the Meeting**

1. The committee approves the agenda when it meets. Any member's objection to this agenda should be recorded in the minutes of the meeting.
2. Every member of the committee has the right to suggest new items to the agenda.

#### **Article Fifteen: Minutes, Decisions and Deliberations of the Meeting**

1. The committee's decisions shall be issued by a majority of the members present, and when the votes are equal, the side with which the Chairman of the Session voted shall prevail. The decision shall be effective from the date of its issuance, unless it stipulates that it will take effect at another time or when certain conditions are met.
2. The committee's deliberations and decisions are recorded in the records signed by the Chairman of the Session, the committee members present and the secretary. Modern technologies may be used to sign and record the deliberations, decisions and the minutes of the meeting.
3. The minutes of the meeting should include the following:
  - a. The date and place of the meeting.
  - b. The start and end time of the meeting.
  - c. Names of committee members present along with those absent from the meeting.
  - d. Meeting agenda.
  - e. Names and positions of those present who are not members of the committee.

- f. A summary of each item of the meeting as well as the discussions taking place therein.
  - g. A record of the decisions issued concerning each item of the meeting, clarifying whether the decision was unanimous or by majority and naming the members who opposed the decision, if any.
  - h. The signatures of the attending committee members and the secretary on the minutes of the meeting.
4. The Secretary of the Committee shall submit the draft minutes of the meeting via e-mail to the committee members within two working days from the end of the meeting. The committee members shall also submit their comments on the draft within a period not exceeding five days from the date of receipt of the minutes. If no comments are received, the report is considered approved.
  5. If a committee member expresses an opinion different from the committee's decision, it should be recorded in detail in the minutes of the meeting.
  6. It is not permissible to amend any decision or recommendation in the minutes of the meeting except with the approval of the majority of the members attending the meeting. In case the member's proposal for amendment is not approved, the member has the right to add a comment or reservation as he deems appropriate.
  7. The Secretary of the Committee shall amend the minutes according to the comments and amendments and send it to the Chairman of the Committee and members to obtain their signatures.
  8. After the minutes are approved by the members present at the meeting, the Secretary of the Committee shall send the minutes to the members who were absent from the meeting to notify them of any discussions and decisions taken at the meeting. The absent member may object, in writing to the committee, to any decision taken at the meeting.
  9. If any member of the committee has remarks regarding the company's performance or any of the issues presented and not decided upon at the

committee meeting, they shall be recorded and the actions taken or considered by the committee shall be indicated in the minutes of the committee's meeting.

10. The secretary shall record decisions or recommendations, have them signed by the Chairman of the Committee, and send them to the concerned bodies.

11. The committee shall periodically monitor the implementation of its decisions and recommendations at every meeting.

### **Article Sixteen: Committee Decisions Passed by Circulation**

1. The committee may issue decisions on urgent matters by presenting them to individual members, unless one of the members requests in writing that the committee meet for deliberation. These decisions are presented to the committee for approval at its first subsequent meeting.
2. The secretary, in coordination with the Chairman of the Committee, shall send the memorandum of the urgent topic to the members of the committee via the e-mail of each member of the committee, specifying the period necessary to make the decision. The decision shall be taken by the majority based on the member's approval; however, it shall not be taken via e-mail if one of the members writes explicitly requesting a meeting of the committee to deliberate on the topic within the period specified for making the decision.

### **Article Seventeen: Reports of the Committee**

1. The committee shall submit periodic reports to the Board of Directors regarding the tasks assigned to it by the board along with the recommendations and decisions that have been taken.
2. The committee shall prepare an annual report to the board that includes a summary of its meetings during the year, the tasks it carried out and the most important results.

### **Article Eighteen: Confidentiality of Information**

Members of the committee and other persons attending the committee's meetings shall maintain the confidentiality of the meetings, the documents they obtain and the content

of their discussions at the meetings. They shall not disclose any confidential data or information to external parties except after obtaining approval of the board. An exception to this concerns confidential information and data required by the authorities supervising the company's business or upon a court order obliging the disclosure of such data and information.

### **Article Nineteen: Final Provisions**

1. This Bylaw is subject to annual review as part of the Company's Corporate Governance Review or when new instructions or regulations are issued by the competent authorities. Moreover, this Bylaw is considered complementary to the Company's Articles of Association and Governance Rules.
2. The content of this Bylaw shall be implemented and complied with by the company as of the date of its adoption by the ordinary General Assembly and shall be published on the company's website to enable shareholders, the public and stakeholders to review them. The content of this Bylaw shall be amended, as needed, based on a proposal from the Nomination and Remuneration Committee and a recommendation from the board, provided that the amendment shall be presented to the ordinary General Assembly at its nearest meeting for approval.
3. This Bylaw is owned by the company and shall not be reproduced or disclosed in whole or in part without the written permission of the company.