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Al Majed Oud Company's Board of Directors Membership Policy and Criteria

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Article No. (1) Definitions

The following words and phrases shall have the meanings shown opposite them unless the context requires otherwise:

Authority: Capital Market Authority.

Policy: The remuneration policy for members of the Board of Directors, its committees, and executive management.

Governance Regulation: The corporate governance regulations issued by the Board of the Capital Market Authority.

Corporate Governance Law: Al Majid Al Oud Company Governance Law: Al Majid Al Oud Company Governance Regulations

The Company: Al Majid Al Oud Company

The General Assembly: An assembly formed of the company's shareholders in accordance with the provisions of the Companies Law and the company's bylaws.

Board of Directors or Council: The Board of Directors of Al Majid Al Oud Company

Executive management/senior executives includes the company's CEO and the rest of the company's executive board members.

Remuneration: Amounts, allowances, profits, and the like, periodic or annual bonuses linked to performance, short- or long-term incentive plans, and any other in-kind benefits, excluding reasonable actual expenses and costs incurred by the company on behalf of a board member for the purpose of performing his work.

Article (2) Remuneration Criteria

Without prejudice to the regulatory requirements, the company's bylaws, and the requirements of the Governance Regulations, the remuneration of members of the Board of Directors and committees shall be subject to its subsidiaries and executive management are subject to the following criteria:

1. Their consistency with the company's strategy and objectives.
2. Rewards should be provided to encourage members of the Board of Directors and executive management to contribute to the company's success and long-term development.



3. Rewards should be determined based on the position level, duties and responsibilities assigned to the occupant, academic qualifications, practical experience, skills, and level of performance.
4. Their consistency with the nature and degree of risks facing the company.
5. Taking into account the practices of other companies in determining remuneration, while avoiding any unjustified increase in remuneration and compensation.
6. They should aim to attract, retain, and motivate professional competencies without exaggerating them.
7. They should be prepared, in coordination with the Nominations, Remuneration, and Human Resources Committee, upon new appointments.
8. Regulating the granting of shares in the company to members of the Board of Directors and executive management, whether newly issued or shares purchased by the company.
9. Remuneration should be fair and proportionate to the member's competencies and the work and responsibilities undertaken and borne by members of the Board of Directors to be achieved during the fiscal year
10. Remuneration must be commensurate with the company's activity and the skill required to manage it.
11. Taking into account the sector in which the company operates, its size, and the experience of the board members.
12. Remuneration must be reasonably sufficient to attract, motivate, and retain board members with appropriate experience and competence
13. A board member may receive remuneration for his membership in the audit committee formed by the board of directors, or for any additional work, executive, technical, administrative, or advisory positions - under a professional license - assigned to him in the company, in addition to the remuneration he may receive in his capacity as a member of the board of directors and in the committees formed by the board of directors in accordance with the Companies Law and the Articles of Association.
14. Remuneration for board members may vary in amount to reflect the extent of the member's experience, specializations, tasks assigned to him, independence, the number of meetings he attends, and other considerations
15. If the Audit Committee or the Authority finds that the remuneration paid to any member of the Board of Directors or the Executive Management is based on incorrect or misleading information presented to the General Assembly or included in the Board of Directors' annual report, it must be returned to the company, and the company has the right to demand its return.



Article (3) Remuneration of Members of the Board of Directors and its Committees

1. The remuneration of a member of the Board of Directors and all benefits he receives, if any, shall be as approved by the Ordinary General Assembly, in accordance with the official decisions and instructions issued in this regard and within the limits stipulated in the Companies Law and its regulations.
2. The remuneration of a member of the Board of Directors may be a specific amount, an attendance allowance for meetings, in-kind benefits, or a specific percentage of net profits. Two or more of these benefits may be combined
3. If the bonus is a certain percentage of the company's profits, this percentage may not exceed 10% of the net profits, after deducting the reserves decided by the General Assembly in application of the provisions of the Companies Law and the company's articles of association, provided that the entitlement to this bonus is proportional to the number of sessions attended by the member. Any estimate contrary to this shall be void.
- 4- The bonus for independent board members must not be a percentage of the profits achieved by the company or be based, directly or indirectly, on the company's profitability

Board of Directors' Remuneration Policy...	
Board Meeting Attendance Allowance	The Chairman of the Board and each Board member or their representative shall be paid an attendance allowance of (3,000) three thousand Saudi Riyals for each Board meeting. The Secretary of the Board shall be paid an attendance allowance of (2,500) two thousand and five hundred Saudi Riyals for each Board meeting.
Board of Directors' Remuneration	An annual remuneration of (250,000) two hundred and fifty thousand Saudi Riyals only shall be paid to the Chairman of the Board. The disbursement thereof shall be linked to the number of meetings attended by the Chairman of the Board of Directors out of the total meetings held by the Board of Directors during the relevant fiscal year.
Annual Remuneration for the Chairman of the Board of Directors	An annual remuneration of (200,000) two hundred thousand Saudi Riyals only shall be paid to the independent Board member, Only, an annual bonus of one hundred thousand Saudi riyals (100,000) is paid to the executive and non-executive members of the Board of Directors. The bonus is linked to the number of meetings attended by the member of the Board of Directors out of the total meetings held by the Board of Directors during the relevant fiscal year. The annual bonus is divided



	among the representatives in the event that new members of the Board of Directors are appointed, based on the date of appointment.
Dates for Disbursing Membership Remunerations for the Board of Directors	Annual bonuses for Board membership are paid to the members on an annual basis.
Audit Committee Member Remuneration	
Audit Committee Meeting Attendance Allowance	The committee chairman and member, or their representative, are paid an attendance allowance of three thousand Saudi riyals (3,000) for each committee meeting. The audit committee secretary is paid an attendance allowance of two thousand five hundred Saudi riyals (2,500) for each committee meeting
Annual Bonus for the Audit Committee	An annual bonus of only (50,000) fifty thousand Saudi riyals shall be paid to the Chairman of the Audit Committee. A fixed annual bonus of only (50,000) fifty thousand Saudi riyals shall be paid to the members of the Audit Committee. The bonus shall be linked to the number of sessions attended by the committee member out of the total sessions held by the relevant committee during the relevant fiscal year. The annual bonus shall be divided among the representatives in the event that members of the committee are appointed.
Dates for Disbursing Membership Audit Committee	Annual bonuses for Board membership are paid to the members on an annual basis.
Remuneration for Members of the Nominations and Remunerations Committee	
Allowance for Attending Nominations and Remunerations Committee Sessions	The Chairman of the Committee and the Committee member, or their representative, shall be paid an attendance allowance of (3,000) three thousand Saudi riyals for each committee session. The Secretary of the Nominations and Remunerations Committee shall be paid an attendance allowance of (2,500) two thousand and five hundred Saudi riyals for each committee session.
Annual Bonus for the Nominations and Remunerations Committee	An annual bonus of only (50,000) fifty thousand Saudi riyals is paid to the Chairman of the Nominations and Remuneration Committee. A fixed annual bonus of only (50,000) fifty thousand Saudi riyals is paid to the members of the Nominations and Remuneration Committee. The payment is linked to the number of sessions attended by the committee



	member out of the total sessions held by the relevant committee during the relevant fiscal year. The annual bonus is divided among the representatives in the event that new committee members are appointed, according to the date of appointment.
Dates for Disbursing Membership Remunerations Committee members	The annual bonuses for membership in the Nominations and Remuneration Committee are paid to the members on an annual basis.
Date of implementation of the compensation and benefits policy for members of the Board	The compensation and benefits policy for members of the Board and its committees is applied as of the date of the bonuses for the fiscal year 2023 AD.

Article (4) Executive Management Remuneration

1. The company grants its senior executives - in accordance with the procedures and standards approved by the Board of Directors - specific financial benefits based on the salary scale and its approved policy in this regard. Executive management remuneration includes the following:

- A. A monthly basic salary paid at the end of each calendar month.
- B. Medical insurance for him and his family in accordance with the regulations.
- C. Allowances according to the benefits and compensation schedule approved by the company.
- D. An annual bonus linked to performance indicators in accordance with the annual evaluation conducted in this regard.
- C. Any other bonus or allowances approved by the company's Board of Directors.

Article (5) Remuneration of the Board Secretary and Secretaries of Board Committees

The company grants the Board Secretary and the secretaries of the committees emanating from the Board a monthly bonus or monthly wage determined by a decision of the Board of Directors.

Article (6) Disclosure

The Board of Directors' report, presented to the annual Ordinary General Assembly, must include details of the policies related to remuneration and how they are determined, as well as a comprehensive statement of all remuneration, expense allowances, and other benefits received by Board members during the fiscal year. It must also include a statement of what Board members



received as employees or administrators, or what they received for technical, administrative, or consulting work. It must also include a statement of the number of Board meetings and the number attended by each member since the date of the last General Assembly meeting.

Article (7) Payment of Remuneration

Remuneration shall be paid in Saudi riyals or its equivalent in any other currency, and payment shall be made through direct entry into the bank accounts designated by the person concerned.

Article (8) Non-entitlement to Remuneration or Refund

1. If the Ordinary General Assembly decides to terminate the membership of a Board member who is absent for not attending three consecutive meetings or five separate meetings during his term of membership without a legitimate excuse accepted by the Board of Directors, such member shall not be entitled to any remuneration for the period following the last meeting he attended, and he must return all remuneration paid to him for that period
2. If it becomes clear that the remuneration paid to any member of the Board of Directors is based on incorrect or misleading information, the member of the Board must return it to the company, and the company may request that he return it.
3. The cases mentioned in paragraph (1.2) above apply to committee members in accordance with the conditions of each committee.

Article (8) General Provisions (Review and Amendment of this Policy)

1. Members of the Board of Directors may not vote on the item of remuneration for members of the Board of Directors at the Ordinary General Assembly meeting.
2. This policy is effective from the date of its approval by the General Assembly and may not be amended except with the approval of the Assembly on those amendments.
3. This policy is complementary to the Company's Articles of Association, the Company's Governance System, and the Governance Regulations.
4. Anything not specifically addressed in this policy shall be subject to the relevant rules and regulations issued by the competent authorities.
5. This policy supersedes and replaces all conflicting procedures, decisions, and internal regulations of the Company