

Alujain Corporation

A Saudi Joint Stock Company



شركة اللجائن
شركة مساهمة سعودية

Remuneration policy for Alujain



Firstly: Objective

This policy aims to establish clear criteria for rewarding the members of the board of directors, its committees, and senior executives in light of the requirements of the corporate system, governance regulations, and the regulations of the Financial Market Authority. Additionally, the policy aims to attract individuals with competence, capability, and talent to serve on the board of directors, committees, and executive management by adopting incentive plans and programs linked to performance, thus contributing to enhancing the company's performance and achieving the interests of its shareholders.

Secondly: General Policy for Rewards

The Nominations and Rewards Committee is responsible for determining the rewards for board members, company committees, and recommending them to the board of directors for approval in accordance with the approved policies, as follows:

1. Rewards should be proportionate to the company's activity and the skills necessary for its management.
2. Rewards should be provided to encourage board members and executive management to succeed the company and develop it over the long term, such as linking the variable part of rewards to long-term performance.
3. The company considers the coherence of rewards with the company's strategy, objectives, and its size, nature, and level of risk.
4. The company takes into account the practices of other companies and prevailing market conditions in determining rewards, avoiding any unjustified increase in rewards and compensations.
5. Rewards are determined based on job level, duties and responsibilities, educational qualifications, practical experience, skills, and performance level.
6. Rewards should be fair and proportionate to the member's expertise, tasks, and responsibilities undertaken by board members or committees, in addition to the specific goals set by the board of directors to be achieved during the fiscal year.
7. Taking into consideration the sector in which the company operates, its size, and the experience of board members.



8. The reward should be reasonably sufficient to attract competent and experienced board members and to motivate and retain them.
9. Payment of rewards may be suspended or reclaimed if it is found that they were decided based on inaccurate information provided by a board member or executive management, to prevent the exploitation of their position to obtain undeserved rewards.
10. In case of developing a stock grant program for board members, executive management, and employees, whether through a new issue or shares purchased by the company, this is done under the supervision of the Nominations and Rewards Committee and in accordance with the company's bylaws and the regulations of the Financial Market Authority.
11. A board member may receive a bonus for membership in any of the company's committees or for any additional executive, technical, administrative, or consulting roles - under professional license - assigned to them in addition to the bonus they may receive as a board member and in committees formed by the board of directors, according to the executive regulations of the Corporate System for listed companies.
12. The rewards for board members and committees emanating from the board shall be based on a decision of the board of directors and may vary in amount to reflect the member's experience, expertise, assigned tasks, independence, the number of sessions attended, and other considerations, ensuring that rewards are fair, motivating, and commensurate with the member's performance and the company's performance.
13. If the General Assembly decides to terminate the membership of any absent board member who has missed three consecutive meetings or five separate meetings of the board during their membership term without valid excuse accepted by the board, this member is not entitled to any rewards for the period following their last attended meeting, and they must return all rewards disbursed to them for that period.
14. If the Audit Committee or the Authority determines that the rewards disbursed to any of the board members or executive management are based on inaccurate or misleading information presented to the General Assembly or included in the annual report of the board of directors, they must be returned to the company, and the company has the right to demand their refund.



Thirdly: Reward for Board Members and Secretary

1. The company's bylaws specify the method of rewarding board members as follows (this reward may be a fixed amount, attendance allowance, in-kind benefits, a certain percentage of net profits, or other allowances or stock grants, and a combination of two or more):
2. The board of directors' report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all the rewards and attendance allowances received or entitled to be received by each board member during the fiscal year, as well as allowances for expenses and other benefits. It should also include a statement of what the board members received as workers, administrators, or for technical, administrative, or consultancy work. Additionally, it should provide the number of board meetings held and the number of meetings attended by each member.
3. The company purchases liability insurance policies for board members.
4. Rewards for board members consist of an annual reward (a fixed amount) and meeting attendance allowances and other entitlements and benefits as follows:
 - 4.1 For the Chairman of the Board : SR 500,000
 - 4.2 For the Vice Chairman of the Board : SR 400,000
 - 4.3 For a Board Member : SR 400,000
5. Based on the recommendation of the Nominations and Rewards Committee and a decision by the board of directors, additional variable rewards linked to company performance (for non-independent members only) may be paid, up to three times the fixed reward, based on specific and clear performance indicators.
6. A substitute payment is made to the Chairman of the Board, Vice Chairman of the Board, or a board member for additional technical, administrative, or consultancy work performed for the company or the board, upon request and approval from the board. The value of this substitute is determined by a decision of the board of directors, and professional licensing is required.
7. An annual reward of SR75,000 is paid to the Secretary of the Board by decision of the Chairman of the Board, and it may be paid quarterly or annually.



8. An attendance allowance of SR 4,000 is paid to each board member for each meeting attended, and an allowance of SR 2,000 is paid to the Secretary of the Board for each meeting attended.
9. Board members and the Board Secretary from outside the meeting city are provided with transportation and accommodation not exceeding SR 2,500.

Fourthly: Reward for Committee Members

1. The board of directors determines the membership rewards for its committees, attendance allowances, and other entitlements and benefits based on this regulation, with disbursement subject to the approval of the board of directors.
2. Rewards for committee membership, whether from within or outside the board, consist of an annual reward (a fixed amount) and meeting attendance allowances and other entitlements. The reward is disbursed based on a recommendation from the Nominations and Rewards Committee and a decision by the board of directors as follows:
 - 2.1 For the Committee Chairman : SR 150,000
 - 2.2 For Committee Members : SR 100,000
3. An attendance allowance of SR 3,000 is paid to each committee member for each committee meeting attended, and the Committee Secretary is paid an amount of SR 1,500 for each committee meeting attended.
4. A substitute payment is made to the Committee Chairman or Member for additional technical, administrative, or consultancy work performed for the company or the committee, upon request and approval from the board. The value of this substitute is determined by a decision of the board of directors, and professional licensing is required.
5. Committee members and the Committee Secretary from outside the meeting city are provided with transportation and accommodation not exceeding SR 2,500.



Fifthly: Executive Compensation and Rewards:

Executive compensation includes the following:

1. Basic salary (paid monthly), including allowances such as housing, transportation, education for children, and medical insurance for the executive and their family.
2. Annual bonus linked to performance indicators based on the annual evaluation. The CEO recommends these bonuses to the Nominations and Rewards Committee for approval and recommendation to the board of directors.
3. Short-term incentive plans linked to exceptional performance and long-term incentive plans such as stock option programs (if applicable).
4. The company purchases liability insurance policies for executives.
5. Other benefits include, for example, annual leave and end-of-service bonuses according to the company's HR policy and regulations.

Sixthly: Additional Guidelines for Rewards and Disbursement Method:

1. Board members are not allowed to vote on the agenda item regarding board member rewards at the General Assembly of Shareholders.
2. The company discloses the rewards for board members, committees, and executives in the annual report of the board of directors in accordance with regulations and directives issued under the Companies Law and the regulations of the Capital Market Authority.
3. Procedures for the disbursement of rewards for board members and committees are prepared by the Board Secretary, and the disbursement order is approved by the CEO after the board of directors' approval.

Seventhly: Final Provisions (Review, Amendment, and Publication of this Regulation):

This regulation shall be effective and binding on the company from 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 access it. This regulation shall be periodically reviewed by the Nominations and Rewards Committee, and any proposed amendments shall be presented to the board of directors for study and approval.