

The Policy of Nominating Members of the Board of Directors and Members of its Committees' and Their Remunerations and the Executive

2022

الكابلات السعودية
Saudi Cable



Preface

The Remuneration policy of the Board of Directors, its committees and the Executive Management of the Saudi Cable Group (the Company) has been prepared in order to comply with Article (61) Paragraph (1) in the Corporate Governance Regulations which stipulates that the Remuneration and Nomination Committee shall prepare a clear policy for the remuneration of members of the Board, its committees and the executive management, and shall submit it to the Board to review in preparation for adoption by the General Assembly.

Objective

The objective of this policy is to regulate emoluments in order to attract members of board of directors or committees with scientific, technical, administrative aptitude and appropriate expertise, to encourage them to perform their tasks and duties professionally and efficiently, taking into account the sector in which the company operates and the skills necessary to manage them.

The Company also aims to create an attractive environment in which it can attract human resources with the required skills and expertise to sustain its growth and achieve its vision through the regulatory framework for the remunerations of the Company's Senior Executives so as to comply with the relevant regulations, legislation and applications.

Article (1): General Criteria for Remunerations

The Remuneration and Nomination Committee specialize in recommending the remunerations of the Board, the members of the committees and the Senior Executives, in accordance with the criteria adopted, as follows:

1. The remunerations should be commensurate with the Company's activity and the skills necessary to manage them.
2. Consider linking the changing part of the remunerations to long-term performance.
3. The Company takes into account the compatibility of the remunerations with the Company's strategy and objectives and with the nature, degree and extent of the risks.
4. The Company takes into account the practices of the other companies and what prevails in the labor market in determining remunerations, while avoiding the resulting unjustified rise in remuneration and compensation.
5. It is prepared in coordination with the Remuneration and Nomination Committee for new appointments.
6. Remunerations are determined based on the level of the post, the functions and responsibilities entrusted to it, the scientific qualifications, the practical expertise, the skills and the level of performance.
7. The remunerations shall be fair and proportionate to the member's level of post, business and responsibilities undertaken and borne by members of the Board or the committees, in addition to the objectives set by the Board to be achieved during the financial year.
8. Taking into consideration the sector in which the Company operates, its size and the experience of the members of the Board of Directors.
9. The remunerations shall be reasonably sufficient to attract, motivate and retain members of the Board with appropriate competence and experience.



10. Board members' remunerations may be of varying amounts to reflect the member's experience, competence, functions and independence, the number of meetings he/she attends and other considerations.
11. The Company is entitled to claim compensation for reputational damage and recover any remunerations, compensation and other costs incurred by the Company, in case of:
 - A member commits an act of dishonor, deception, forgery or violation of laws and regulations in Saudi Arabia or any other country.
 - When the member breaches his/her responsibilities, tasks and duties that may cause harm to the Company's interest.
 - Termination of Membership, by decision of the General Assembly, due to the absence of three consecutive meetings within one year without excuse.
12. The remuneration shall be discontinued or recovered if it is found to have been determined on the basis of inaccurate information provided by a member of the Board or Executive Management; to prevent employment status exploitation for undeserved remunerations.
13. In the event of developing a program to grant shares in the Company to members of the Board, the Executive Management, and employees, whether it is a new issues or shares purchased by the Company, it is done under the supervision of the Remuneration and Nomination Committee and in accordance with the Company's bylaws and the relevant CMA laws and regulations.
14. Not to cause any conflict of interest that would negatively affect the Company's interest and ability to achieve its objectives.

Article (2): Board of Directors' Remunerations

1. The remuneration of the members of the Board in the Saudi Cable Company shall consist of a certain amount, attendance allowance for attending meetings, expenses allowance, in-kind benefits or a percentage of the profits, and two or more of these benefits may be combined provided they do not exceed what is stipulated in the Companies' Laws and its regulations in accordance with the schedule included in this policy and any amendments to this table later on, and they are approved in accordance with the system.
2. This remuneration may be of varying amount in the light of the policy issued by the Remuneration and Nomination Committee and approved by the Assembly. the annual report of the Board of Directors must include a comprehensive statement of what has the Board members received during the financial year in terms of remunerations, expenses allowances and other benefits. It should also include a statement of what the members of the Board have obtained as workers, administrators, technical or administrative counterparts or consultants, if any, and include an indication of the number of meetings each member has attended.
3. If the remuneration of the members of the Board is a percentage of the profits, the provisions of the Companies Law, Article (76) Paragraph (2), and what is stated in the Company's bylaws.
4. The total amount of remuneration and financial and in-kind benefits received by a single Board member shall not exceed SAR 500,000 per year.
5. Taking into account that the remuneration of Independent Board members shall not be a proportion of the profits earned by the Company or be based directly or indirectly on the profitability of the Company.



6. The Board of Directors shall determine the special remuneration received by the Chairman, Managing Director, and Secretary.

Article (3): Committee Members Remunerations

1. The Board of Directors determines and approves the membership remunerations of its committees, with the exception of the Audit Committee, attendance allowances and other entitlements based on the recommendation of the Remuneration and Nomination Committee.
2. The remuneration for membership of the Board's committees consists of allowances for attending meetings as set out in this Policy in accordance with the schedule included therein.
3. The Audit Committee membership remuneration shall be approved by the General Assembly of Shareholders on the recommendation of the Board in accordance with the regulations.
4. When constituting the membership of the committees of the Board, account shall be taken of the number of committees that the Board may hold, so that the total amount of the member's remuneration for membership in the Board and the committees does not exceed the threshold stipulated in the Companies Laws.

Article (4): Executive Management Remuneration

The Remuneration and Nomination Committee shall review and approve the salary scale for all employees and senior executive and the incentive program and plans on an ongoing basis upon the recommendation of the Executive Management. The Executive Management remuneration shall include the following:

- Base salary (paid at the end of each Georgian month on a monthly basis).
- Allowances including both accommodation and transportation allowances.
- Medical insurance benefits for him/her and his/her family.
- Life insurance policy for work injuries, partial and total disability, and death during work.
- Annual bonus associated with performance indicators according to the annual evaluation conducted in this regard.
- Short-term incentive plans associated with extraordinary performance, and long-term incentive plans such as stock option programs, when found.
- Other benefits include, but are not limited to, annual leave and end-of-service bonus according to the work system and human resources policy approved by the Company.
- Plans and programs for Senior Executives rewards are approved by the Remuneration and Nomination Committee.
- The CEO shall implement the remuneration policy for employees and Senior Executives in the light of the plans and programs approved by the Committee.

Article (5): Remuneration Additional Identifiers and Exchange Methods

1. Members of the Board may not vote on the item of remuneration of members of the Board at the Shareholders' General Assembly meeting.



2. The Company shall disclose the remuneration of members of the Board, Committees, and Senior Executives in the Annual Board of Directors Report in accordance with the regulations and guidelines issued under the Companies Law, the CMA provisions, and their implementing regulations.
3. The procedures for the disbursement of remunerations for members of the Board and Committees shall be prepared by the Secretary of the Board, provided that the disbursement order is approved by the Chief Executive Officer “CEO”.
4. Allowances for attending Board and Committees meetings may be paid in instalments by the end of each quarter of the year.

Article (6): Details of Board and Committees Members’ Allowances

1) Board Members

Attendance allowance per meeting	SAR 6,000
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2) Committees Members

Attendance allowance per meeting	SAR 3,000
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Article (7): Final Provisions (Review, Amendments and Dissemination of the Policy)

The Company shall operate and abide by this Policy as of the date of its approval by the Shareholders’ General Assembly. This Policy shall be posted on the Company’s website to enable Shareholders, the public, and the Stakeholders to access it, and it shall be reviewed periodically and when needed by the Remuneration and Nomination Committee. Any proposed amendments shall be submitted by the Committee to the Board who shall examine and review the proposed amendments and recommend them to the Shareholders’ General Assembly for adoption.

