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Long-Term Employee Incentive Plan Share Allocation Policy

Introduction

The Long-Term Employee Incentive Program, in general, is a system designed to motivate and retain employees over the long term by offering financial or non-financial rewards based on performance and commitment to achieving the company's strategic objectives. This program aims to enhance employee loyalty and belonging and to motivate them to deliver their best in order to achieve the company's sustainable success.

Among these incentives is the Long-Term Employee Incentive Program, which grants free shares to employees — a scheme chosen by Theeb Rent A Car Company to offer to its employees who are eligible for the program.

Beneficiaries of the Long-Term Incentive Program are qualified employees who meet the terms and conditions specified in the program. This includes senior management, executive management, and certain employees covered by the program based on selection and performance criteria. Employees are identified based on recommendations from executive management and the committee, and approval by the Board of Directors.

Ownership and Governance Practices of the Long-Term Incentive Policy

The plan is based on the regulations of the Capital Market Authority and the Companies Law and is subject to the supervision of the Board of Directors and the Nomination and Remuneration Committee, with periodic review and formal documentation of any amendments or termination of the plan. All decisions related to nomination, allocation, and amendments are approved through a clear administrative hierarchy that ensures neutrality and transparency.

The Long-Term Incentive Policy becomes effective as of 1 January 2026 and shall remain in effect unless amended or replaced at the discretion of the Board of Directors, and in alignment with the incentive plan and policy approved by the shareholders at the Extraordinary General Assembly meeting.

The program and its policy were approved by the Board of Directors, which has delegated the Nomination and Remuneration Committee with the authority to review and implement it.

Objectives of the Long-Term Incentive Plan

The Long-Term Incentive Plan has been designed to achieve the following strategic objectives:

- 1- Enhancing sustainable shareholder value: Linking rewards to the performance of senior management, executive management, and selected employee groups in a way that contributes to increasing the company's value and achieving shareholder goals within the applicable regulatory framework.
- 2- Strengthening strategic focus: Aligning incentives with the company's strategic objectives in both the short and long term, whereby employees earn their rewards upon achieving agreed-upon and announced key performance indicators (KPIs).
- 3- Attracting and retaining talent: Providing competitive incentives that help attract skilled professionals, retain them, and improve job stability, while adhering to objective selection criteria and fairness in allocation.
- 4- Promoting a culture of excellence and continuous motivation: Creating a work environment that encourages innovation and productivity through a long-term incentive program that enhances loyalty and organizational belonging.

Eligibility Criteria for the Long-Term Incentive Program

Eligible employees who may participate in the Long-Term Incentive Plan include:

- Members of senior management
- Executive management
- Employees included in the program: other employees nominated based on criteria such as critical roles, high potential, and high performance

The company has the absolute discretion to qualify and nominate any of its employees not expressly mentioned in this policy if they meet the required performance criteria. Non-executive Board members are excluded from eligibility in accordance with the Capital Market Authority regulations.

Eligibility Criteria for the Long-Term Incentive Program

Eligibility Requirements for Participation in the Program

Eligible employees may participate in the Long-Term Incentive Plan only if they meet the following conditions on the grant date:

- They shall be active employees of the company and hold a permanent employment contract with the company.
- Annual performance: The participant's annual performance rating shall not be less than 85% at the end of each year of the program, and they shall not lose their eligibility for nomination for the current or following cycle.
- They shall have completed no less than 12 months of service with the company, unless this requirement is reduced or waived by the Nomination and Remuneration Committee based on the recommendation of the CEO.

Program Features and Vesting Mechanism

- **Program Duration:** The program spans four years, starting at the beginning of 2026 and ending at the close of 2029.
- **Reward Basis:** Rewards are based on the achievement of the company's short- and long-term strategic objectives. Performance is evaluated annually according to objective and announced criteria. To qualify for the incentive, the employee shall remain actively employed and achieve an annual performance score of no less than 85% of the overall targets, while 100% represents the maximum reward cap.
- **Conditional Rights:** Beneficiaries are granted a conditional right to receive a specified number of company shares (grant shares) after the end of each annual performance period, based on meeting the defined criteria and subject to approval by the committee, the Board of Directors, and the General Assembly.

Participation Approval Mechanism

- The CEO is responsible for submitting an annual list of nominees to the Nomination and Remuneration Committee during the specified program period (four years: 2026–2029).
- The Committee reviews the list submitted by the CEO and verifies compliance with all criteria and conditions.
- The list of nominees is formally approved by the Board of Directors, after which the executive management issues annual entitlement certificates specifying the share percentage allocated to each beneficiary.
- Participation of the CEO in the plan shall be approved by the Board of Directors based on a recommendation from the Nomination and Remuneration Committee.
- All nominees shall meet the eligibility and nomination criteria set out in the program, including but not limited to: continuous service, achieving a performance score of not less than 85%, and belonging to the qualified job categories.

Eligibility Criteria for the Long-Term Incentive Program

Termination of Employment, Resignation, or Dismissal for Disciplinary Reasons

In the following cases, all unvested shares under the conditional share grants are automatically forfeited as of the date a written notice is delivered (by either party):

1. Employee resignation or retirement
2. Termination of employment due to misconduct
3. Dismissal of an eligible employee for a legitimate cause

Note: In cases of death, the decision is subject to the discretion of the Nomination and Remuneration Committee and the Board of Directors.

Eligibility Criteria for the Long-Term Incentive Program

General Conditions

- Vesting is calculated on an annual basis and is determined according to performance evaluations.
- Vested shares are allocated from the treasury shares designated for the program and distributed among the eligible job categories according to approved percentages.
- Any exception or modification to vesting percentages is subject to the approval of the Board of Directors and shall comply with applicable regulatory limits.

Overview of the Long-Term Incentive Program

Summary of the Long-Term Incentive Plan Components

No.	Item	Description
1	Eligibility	Senior management, executive management, and employees included in the program
2	Type of Grant	Free shares
3	Program Duration	4 years
4	Distribution Period	Distributed in two batches, 50% for every two fiscal years, and after the issuance of the audited financial statements for each two-year period

Performance Measurement Under the Long-Term Incentive Program

Key Performance Indicators / Result Evaluation:

- Revenue growth based on performance indicators
- Profit growth based on performance indicators
- Completion of the company's strategic projects designated for the program
- Overall performance rating of the participant not less than 85%

End of Summary