

Remuneration Policy for the Board of Directors, its Committees and Executive Management



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Approved by	
Nomination and Remuneration Committee	
Board of Directors	23/03/2025G
General Meeting	
Manual Supervisor	
Secretary of the Nomination and Remuneration Committee	Director General of Human Resources

Note: Amending this Policy is the responsibility of the Secretary of the Nomination and Remuneration Committee after obtaining approval from the competent authority. Any amendments to the Group's regulations/organizational structure/delegation of authority structure/bylaws must be determined by the members of the Nomination and Remuneration Committee, the Board of Directors, the Executive Management, the Secretary of the Nominations and Remuneration Committee, or their authorized representative. The amended version of the policy must be approved by the Board of Directors or their authorized representative, and any amendments must be appropriately disclosed to relevant parties.



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Article No. (1): Introduction:

The "Remuneration Policy for the Board of Directors, its Committees and Executive Management" of BAAN Holding Group, hereinafter referred to as "the Group" or "the Company," was prepared in accordance with the Group's Governance Rules and the competencies of the Remuneration Committee in paragraph (1) of Article (58) of the Corporate Governance Regulations. This Policy aims to establish clear standards, controls, and procedures for determining the remuneration of members of the Board of Directors, its Committees, and Executive Management, in compliance with the provisions of relevant laws and regulations. These rules are subject to the provisions of the Articles contained therein the Companies Law and its Executive Regulations, the Group's Articles of Association, and the Capital Market Law and its Executive Regulations.

Article No. (2): Purpose:

The purpose of this Policy is to establish clear standards for the remuneration of members of the Board of Directors, its Committees, and Senior Executives, in light of the requirements of the Companies Law and its Executive Regulations, and the regulations of the Capital Market Authority. The Policy also aims to enhance the attraction of individuals with a degree of competence, ability, and talent to serve on the Board of Directors, Committees, and Executive Management through incentive plans and programs linked to performance, contributing to improving the Group's performance and achieving the interests of its shareholders.

Article No. (3): General Remuneration Controls:

The Nominations and Remuneration Committee is responsible for recommending to the BoD the remuneration of the BoD members, committee members, and senior executives within the Group, in accordance with the approved criteria, as follows:

1. Remuneration must be commensurate with the Group's activities and the skills required to manage them.
2. The variable portion of remuneration must be linked to long-term performance.
3. The Group must ensure that remuneration is consistent with the Group's strategy and objectives, as well as the size, nature, and degree of its risks.
4. The Group must consider the practices of other companies and prevailing market conditions when determining remuneration, while avoiding any unjustified increases in remuneration and compensation.
5. Coordinate with the Nominations and Remuneration Committee regarding new appointments.
6. Remuneration shall be determined based on the position level, the duties and responsibilities assigned to the incumbent, academic qualifications, practical experience, skills, and performance level.
7. Remuneration must be fair and commensurate with the member's competencies, the work and responsibilities undertaken and borne by the members of the Board of Directors or committees, as well as the objectives set by the Board of Directors to be achieved during the fiscal year.
8. Remuneration must take into account the sector in which the Group operates, its size, and the experience of the Board members.
9. Remuneration must be reasonably sufficient to attract, motivate, and retain Board members with appropriate competence and experience.
10. Board members' remuneration may vary in amount to reflect the member's experience, competencies, assigned tasks, independence, the number of meetings attended, and other considerations.
11. Remuneration may be suspended or reclaimed if it is determined that it was based on inaccurate information provided by a member of the Board of Directors, Board committees, or Executive Management, to prevent the exploitation of their position to obtain undue remuneration.
12. A member shall be entitled to remuneration from the date of joining the Board or Committee in accordance with the term of his or her membership.
13. Remuneration shall be proportional to the number of meetings attended by the member.
14. Remuneration shall be based on the recommendation of the Nominations and Remuneration Committee.



15. The number of subsidiaries, the extent of risks, and the direct and indirect responsibilities of the Board of Directors, Committees, and Executive Management shall be taken into account.
16. In the event a program is developed to grant shares in the Group to members of the Board of Directors, Executive Management, and its employees, whether newly issued or shares purchased by the Group, this shall be done under the supervision of the Nominations and Remuneration Committee and in accordance with the Group's Articles of Association and the relevant rules and regulations of the Capital Market Authority.

Article No. (4): Board of Directors' Remuneration:

- 1- The remuneration of the Group's Directors consists of a specific sum, a meeting attendance allowance, in-kind benefits, or a specific percentage of net profits. Two or more of these benefits may be combined in accordance with the table in Article 10 of this policy and any subsequent amendments to this table, provided they are approved in accordance with the law.
- 2- This remuneration may vary in amount, in light of the criteria and controls issued by the Nominations and Remuneration Committee and approved by the General meeting. The Board of Directors' annual report to the General meeting of Shareholders at its annual meeting shall include a comprehensive statement of all remuneration, meeting attendance allowances, expense allowances, and other benefits received or accrued by the Directors during the fiscal year. It shall also include a statement of what the Board members received as employees, administrators, or for technical, administrative, or consulting work. It shall also include a statement of the number of BoD meetings and the number of meetings attended by each member.
- 3- If the remuneration of the Directors is a percentage of profits, it shall be in accordance with Article 18 of the Group's Articles of association, provided that the total remuneration and financial and in-kind benefits received by a single BoD member do not exceed, in all cases, the amount of (500,000) five hundred thousand Saudi riyals annually.
- 4- Ensure that the remuneration of independent Directors is not a percentage of the profits achieved by the Group or based directly or indirectly on the Group's profitability.

Article No. (5): Committee Members' Remuneration:

- 1- The Board of Directors determines and approves the remuneration for membership of its committees, attendance allowances, and other benefits based on the recommendation of the Nominations and Remuneration Committee.
- 2- The remuneration for membership of the Board of Directors' committees consists of an annual remuneration (a lump sum), meeting attendance allowances, and other benefits, as specified in this policy, in accordance with the table in Article 10 included therein.

Article No. (6): Executive Management Remuneration:

- 1- At the beginning of each fiscal year, the Board of Directors, in coordination with the Nominations and Remuneration Committee, determines the Group's main and strategic objectives that executive management shall achieve during the fiscal year, including performance indicators, if any, to measure the extent to which these objectives are achieved.
- 2- These objectives and indicators are determined for each executive position within the Group based on the position's level, the tasks and responsibilities assigned to them, and their academic qualifications, experience, and skills.
- 3- The estimated remuneration budget shall be generally determined based on the Group's expected performance and results, as well as the degree of risk, taking into account the practices of other companies in determining remuneration.
- 4- The Board of Directors continuously monitors the achievement of these objectives throughout the fiscal year and reconsider them when necessary.
5. At the end of the fiscal year, performance shall be evaluated, and remuneration shall be determined by the Nominations and Remuneration Committee and recommended to the Board of Directors for approval.



6. The CEO implements the remuneration policy for employees and senior executives, based on the recommendations of the Nominations and Remuneration Committee and the approval of the Board of Directors.

Article No. (7): Remuneration Disbursement Mechanism:

1- The Directors may not vote on the remuneration item for the Directors at the General meeting of shareholders.
2- The Group shall disclose the remuneration of BoD members, committee members, and senior executives in the Board of Directors' annual report in accordance with the controls and directives issued under the Companies Law and the Capital Market Authority's regulations and executive regulations.

3- A member shall be entitled to remuneration from the date of joining the BoD or committee, based on the duration of his or her membership.

4- Procedures for disbursing remuneration to the Directors and committee members shall be prepared by the BoD Secretary, and the disbursement order shall be approved by the CEO.

5- BoD meeting attendance allowances, committee remuneration, and committee meeting attendance allowances may be disbursed in installments at the end of each calendar quarter. The annual BoD remuneration shall be paid in full after approval at the annual General meeting.

Article No. (8): BoD/Committee Secretary Remuneration:

1- The Board of Directors shall specify the received remuneration and allowances in the decision appointing the BoD /Committee Secretary.

2- The remuneration of the Secretary of the BoD /Committee shall be disbursed at the end of each calendar month, or as determined by the BoD /Committee in the decision appointing the Secretary.

Article No. (9): Cases of Suspension or Refund of Remuneration:

The Group shall have the right to recover any disbursed remuneration, compensation, or any other costs incurred by the Group in the following cases:

1- If the General meeting decides to terminate the membership of a BoD member who has been absent from three consecutive or five separate BoD meetings during their term of membership without a legitimate excuse acceptable to the BoD, such member shall not be entitled to remuneration for the period following the last meeting they attended, and they shall return all remuneration disbursed for that period, if any.

2- If the review Committee or the Authority determines that the remuneration paid to any BoD member is based on incorrect or misleading information presented to the General meeting or included in the Board of Directors' annual report, the member shall return the remuneration to the Group, and the Group shall have the right to demand its return.

3- If the member commits an act that violates honor and integrity, forgery, or violates the laws and regulations of the Kingdom of Saudi Arabia or any other country.

4- If the member fails to perform his responsibilities, duties, and obligations, resulting in harm to the Group's interests.

Article No. (10): Details of the Board of Directors' Remuneration and Committees:

1- Directors	
A. Meeting attendance allowance	SAR 3,000
B. Travel, transportation, and accommodation allowance for those outside the city of the meeting venue	Securing travel, transportation and accommodation
C. Annual lump sum for each director	SAR 200,000

Amendments and Payment Mechanisms:

1- The lump sum annual remuneration for the director referred to in paragraph (c) of Clause (1) above may be reviewed from time to time based on the recommendation of the Remuneration and Nominations Committee, in light of performance-related changes. Then, the approval of the General meeting of Shareholders was obtained.

2- Meeting attendance allowances and additional attendance allowances shall be paid quarterly, while lump sum annual remunerations shall be paid after approval by the General meeting of Shareholders.



2- Members of the committees emanating from the Board of Directors	
A- A lump annual sum for an independent review Committee member	SAR 100,000
B- A lump annual sum for an independent committee member	SAR 50,000
C- A lump annual sum for the BoD Secretary	SAR 50,000
D- A lump annual sum for the BoD Committee Secretaries	SAR 30,000
A director or committee member who participates in more than one BoD committee shall be entitled to a remuneration for each participation.	

3- Other expenses and benefits	
The Group bears the costs of accommodation and travel tickets for all BoD, committee, and executive management members in the event that a meeting is held outside the meeting venue.	
All round-trip tickets for BoD and committee members shall be in first or business class (subject to availability).	

Article No. (11): Final Provisions (Review, Amendment, and Publication of this Policy:

- 1- The policy shall be subject to annual review as part of the Group's governance process or when new instructions or regulations are issued by the competent authorities. This policy shall be considered complementary to the Group's Articles of association and the Group's governance rules.
- 2- The provisions of this policy shall be effective and adhered to by the Group as of the date of its approval by the General meeting of Shareholders, and it shall come into effect starting from the fiscal year 2025. This policy shall be published on the Group's website to enable shareholders, the public, and stakeholders to access it. This policy shall be reviewed periodically, when necessary, by the Nominations and Remuneration Committee. Any amendments proposed by the Committee shall be presented to the Board of Directors, which shall study and review the proposed amendments and recommend them to the General meeting of Shareholders for approval.

