



Item Attachments 14

Board, Committees and Executive Management Remuneration Policy





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

2023



Policy Information	
Name of the Policy	Remuneration of Board of Directors, its Committees and Executive Management Policy
Number of Pages	Pages 5
Version	First
Responsibility of Implementation	The Nomination and Remuneration Committee is responsible for the implementation of this policy and may recommend it to the Board of Directors for approval and to be recommended to the General Assembly for approval
Responsibility of Amendment	The Nomination and Remuneration Committee is responsible of this policy and for any amendment to reflect any changes of the laws and regulations
Issued by	Nomination & Remuneration Committee



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1 Purpose

The main purpose of the board of directors and committees members and executive management remuneration policy (the "Policy") is to regulate and establish clear criteria for determining the remuneration of the board of directors, its committees and the executive management of Saudi Industrial Services Company and may be guided by them to apply in whole or in part to the general staff of the company.

2 Responsibility of Implementation

The nomination and Remuneration Committee shall coordinate with the Company's executive management to follow the implementation of this policy, to ensure proper procedures have been followed, and to correct any deviation that may arise in the implementation of the Policy. It shall also report to the Board any matter that requires instruction.

3 Remuneration of the Board and Committees members

- A- Remuneration of the Board of Directors may consist of a specified amount, an attendance fee, in-kind benefits, a certain percentage of the profits, or combination of two or more of those benefits.
- B- In all case, the remuneration and any financial or in-kind benefits received by a member of the board of directors shall not exceed the amount of five hundred thousand riyals annually.
- C- The remuneration of board members may vary depending to the board members' experience, expertise, duties he/she undertakes, independency, and the number of meetings he/she attends in addition to any other consideration upon the discretion of the board of directors.
- D- The report of the Board of Directors, which is to be submitted to the General Assembly shall include a comprehensive statement of all the remuneration, attendance allowances, expenses allowances and other benefits. The report shall also include amounts paid to the Board members in their capacity as employees or executives, and what was paid to them in return for technical, administrative, or consulting work. It shall also show the number of Board and Committee meetings attended by each member from the date of last general assembly meeting.
- E- The remuneration shall be in accordance with the Bylaws of the company, Companies law and capital market's laws and regulations.
- F- The remuneration of independent board members shall not be in the form of a percentage of the Company's net profits and shall not be, directly or indirectly, based on the profitability of the Company.
- G- the policies of each committee must be observed with regard to remuneration and ensure that they do not conflict with the laws and regulations of the Ministry of Commerce and the Capital Market Authority.
- H- The annual remuneration and attendance fees are as follows:



- Annual Remuneration:

No.	The Membership	Annual Remuneration
1	The Chairman of the Board	350,000 SAR
2	Vice-Chairman of the board	250,000 SAR
3	Board Member	200,000 SAR
4	Chairman of the Audit Committee (Board Member)	100,000 SAR
5	Chairman of the Audit Committee (not a Board Member)	150,000 SAR
6	Member of the Audit Committee (Board Member)	75,000 SAR
7	Member of the Audit Committee (not a Board Member)	100,000 SAR
8	Chairman of the Nomination and Remuneration Committee)	100,000 SAR
9	Member of the Nomination and Remuneration Committee	75,000 SAR

- Attendance Fees:

Fees of Each Meeting	Attendance Type
10,000 SAR	Board/ Committee Meeting

4 **Remuneration of the Executive Management**

Based on the recommendation of the NRC, the Board specifies the Senior Executive Management's remuneration and approves the disbursement. Remuneration will be according to the following principles:

- A- the Remuneration and compensation should be in line with the company's strategic goals, and a factor to motivate senior executives to achieve those goals and ensure the sustainability of the company and the development of its business.
- B- Commensurate with the nature of the Company's business considering the practice of the other companies.
- C- It enables the company to attract distinguished senior executives in their field with high abilities and skills to enable the company to achieve its goals.
- D- It shall not cause any conflict of interests or any situation that would adversely affect the company's interest and ability to achieve its goals.
- E- The remuneration for each executive employee may vary depending on the results achieved by him or her during the evaluation period.

5 **Disclosure**

- A- The Board of Directors shall comply with the relevant disclosure obligations and requirements in respect of this Policy and the remuneration received by the Members and executive



management, or any other disclosure obligations required by the laws and regulations of the Ministry of Commerce and Capital Market Authority.

- B- The Board must disclose in its Annual Report, details of the Remuneration policies, and mechanisms for determining such remuneration, including amounts in cash and in-kind benefits paid to each Board member in exchange for any executive, technical, managerial, or advisory work or positions.
- C- The Board shall explain the relation between the given remuneration and the applicable remuneration policy and explain any significant deviation from this policy.
- D- The disclosure of the details of the remuneration in the annual disclosure shall be stated for each of the following:
 - Board members.
 - Committees' members.
 - Five of the senior executives of the company who received the highest remuneration including the CEO and the CFO.

6 Responsibility of Review and Amendment

- A- The Nomination and Remuneration Committee shall periodically review the Policy to ensure it is in alignment with its objectives and it is in accordance with the relevant laws and regulations.
- B- The NRC shall share with the Executive Management any amendments or suggestions to this policy and discuss it with them to ensure the policy achieves its objectives.
- C- The NRC shall submit its recommendations and suggested amendments with the Board for approval in accordance with the relevant regulations.

7 General Provisions

- A- The Nomination and Remuneration Committee shall prepare this Policy and review it periodically.
- B- The Policy and its amendments are subject to the board approval in accordance with the relevant regulations.
- C- This policy should be in line with the company's strategy and objectives, considering best practices and what will motivate board members, committee members and executive management to achieve the company's goals.
- D- The company's internal policies must comply with this policy.
- E- The Policy shall be observed upon any new appointment in coordination with the nomination and remuneration committee.

8 Effectiveness

- A- The Policy shall come into force after the approval of the general assembly.
- B- the Companies law and its implementing regulations, the Capital Market Authority law and its implementing regulations, and any other regulations issued by the relevant authorities shall be applied, unless included in this policy.