



Remuneration Policy Regulation

Contents:

Article 1: General Introduction

Article 2: Remuneration Policy

Article 3: Scope of Application

Article 4: Responsibility for implementation

Article 5: Principles and rules governing rewards

A- The remuneration of the members of the Board of Directors and its subsidiary committees.

B- Executive management.

C- Review and amend the policy.

Article 1: General Introduction: Remuneration Policy Regulation for Al-Jouf Agricultural Development Company, a Saudi joint stock company, prepared in accordance with the requirements of the Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority under Resolution No. 8-16-2017 and dated 05/16/1438 AH corresponding to 13/02 /2017 and based on the Companies Law issued by Royal Decree No. M / 3 dated 01/28/1437 AH, and the registration and listing rules, and in accordance with the company's articles of association.

This policy was developed to reward the members of the Board, its subsidiary committees and the executive management of the company, in order to motivate the employees of the Board of Directors and the Executive Management to raise their performance and their sense of making more efforts to reach the company for leadership in its field of work.

Article 2: Remuneration Policy:

The aim of the remuneration policy for members of the board of directors and its emerging committees is to organize remuneration to attract members of the board or committees with scientific, technical and administrative competence and commensurate experience in order to enable them to perform their duties and duties professionally and with high efficiency. Taking into account the sector in which the company operates and the skills needed to manage it. The company also aims to create an attractive environment to work in. through it, it can attract and retain human resources with the required skills and experience to sustain its growth and achieve its vision. And that is through the regulatory framework for the remuneration of senior executives in the company in order to comply with the relevant regulations, legislation and applications

a. It falls under the powers of the general assembly of shareholders to determine and approve the fees that board members receive as a result of their service with the board or its committees.

B. The remuneration for the members of the Board of Directors will include the following

a. An annual bonus of not more than 10% of the profits after distributing a profit to the shareholders of not less than 5% of the company's capital or a maximum of 500,000 Saudi riyals for each member in line with the joint stock companies system

b. An allowance for attending the meetings of the Board of Directors' meetings or its committees, amounting to 2,000 riyals for each member for each session

c. A lump sum is disbursed as compensation for the expenses of housing, food, transportation, etc. when the board of directors or the executive committee attends outside the city of Sakaka (the company's headquarters is in any other city within the Kingdom), a lump sum of 2,000 riyals for each member attending the meeting in addition to a first-class travel ticket (going back) From Riyadh to the city in which the meeting will be held, or its equivalent value

d. A lump sum is paid as compensation for housing, food, and transportation expenses for each member of the board and others while attending the meeting of the board of directors or the executive committee outside the Kingdom, a lump sum of \$ 2,000 for each member of the board of directors for each meeting in addition to a travel ticket (first class going back) from Sakaka to The city in which the meeting will be held, or equivalent value.

e. If the Chairman of the Board of Directors, the Chairman of the Executive Committee, the Audit Committee, or the Nomination and Remuneration Committee requests a meeting of the Committee outside the city of Sakaka or the participation of any of the members of the Audit Committee or the Nomination and Remuneration Committee in the meeting of the Board of Directors or the Executive Committee outside the city of Sakaka, the member of the Audit Committee or the Committee shall be compensated. Nominations and bonuses for expenses similar to the members of the Board of Directors, as mentioned in the above clauses, are paid only once for each member.

Article 3: Scope of Application:

This policy applies to the Board of Directors, its committees emerging from it, and the executive management of the company.

Article 4: Implementation Responsibility:

The Nomination and Remuneration Committee, in coordination with the company's executive management, monitors the implementation of the policy. Check the correctness of the actions taken; Correct any deviations that may arise when applied; the committee shall be referred to the Board of Directors in every matter that requires this for the purpose of guidance.

Article 5: Principles and Rules for Rewards:

In light of the provisions regulating the remuneration of the members of the Board of Directors and its subsidiary committees stipulated in the Company's Law and the Corporate Governance Regulations; And the regulatory controls and procedures issued to implement the Companies Law for listed companies; And the company's articles of association; The remuneration of the members of the

Board of Directors, its committees and the executive management shall be in accordance with the following principles and rules

a. Remuneration of members of the Board of Directors and its subsidiary committees:

a. The company's articles of association clarify the method for distributing the remuneration of the members of the Board of Directors.

b. The Board of Directors - based on the recommendation of the Nomination and Remuneration Committee - determines the remuneration of the members of the Board of Directors and its subsidiary committees according to the following principles:

i. The remuneration organization is in line with the company's strategic objectives; acting to motivate the members of the Board of Directors and its subsidiary committees to achieve these goals and enhancing the company's ability to grow and sustain its business

ii. Be consistent with the nature, activity, size of the company's business and skills and experience required.

iii. To be a factor in attracting board members with the expertise and qualifications required to enhance the company's ability to achieve its goals.

c. A member of the Board of Directors is entitled to annual bonuses in accordance with the relevant laws and regulations. This is in return for his membership in the Board based on the recommendation of the Nomination and Remuneration Committee.

d. A member of the Board of Directors participating in the committees emerging from him is entitled to an annual remuneration in a manner that does not violate the relevant laws and regulations based on the recommendation of the Nominations and Remuneration Committee.

e. The company has the right to claim compensation for the damage to its reputation and recover the rewards, compensations and any other costs incurred by the company, if:

- i. The member's commission of an act that violates honor and trust, fraud, or violates laws and regulations in the Kingdom of Saudi Arabia or in any other country.
- ii. Failure to carry out his responsibilities, tasks and duties, which would result in harm to the interest of the company.
- iii. Termination of membership by decision of the general assembly due to absence from three consecutive meetings within one year without a legitimate excuse accepted by the Board of Directors.
- f. When deciding on the remuneration of the members of the Board of Directors and the committees emanating from it, the contribution, attendance and participation of the member in the issues raised shall be taken into consideration. And any contributions serve the interest of the company
- g. The remuneration of the members of the Board of Directors or its subsidiary committees may be approved in a disparate manner according to the tasks, responsibilities and accomplishments.

h. If the remuneration approved for a member of the board of directors or his subsidiary committees is based on inaccurate information or erroneous results, then the case is submitted to the board of directors to take the appropriate decision towards it, and the relevant regulations must be taken into consideration when considering them.

B. Executive Management:

The Board of Directors - based on the recommendation of the Nomination and Remuneration Committee - determines the remuneration of the Executive Management, provided that they are in accordance with the following principles:

1. That the remuneration and compensation are in line with the company's strategic objectives; A factor to motivate the executive management to achieve these goals; and enhancing the company's ability to grow and sustain its business
2. That it is compatible with the nature of the company's business, its activity, size, and the required skills and experiences

3. To enable the company to attract executives with the capabilities, skills and qualifications necessary to enable the company to achieve its goals.
4. Not to cause any conflict of interest that would negatively affect the interest of the company and its ability to achieve its goals
5. The policies followed in the company in this regard must be taken into account when determining the remuneration of the executive management and achieving the set objectives
6. The remuneration approved for each employee in the executive management may vary according to the results he achieved during the year subject to evaluation
7. The ceiling for executive management remuneration may be reviewed annually, and any proposed amendments may be raised to the Board in accordance with the regulations that govern this.
8. This policy must be consistent with the company's strategy and objectives, and in line with the performance and evaluation applied by the company with regard to the remuneration of the executive management

9. If the reward approved for the executive management is based on inaccurate information or erroneous results, then the case is submitted to the Board of Directors to take the appropriate decision towards it, and the relevant regulations must be taken into account when considering them.

C - Review and amend the policy

1. This policy is reviewed periodically by the Nominations and Remuneration Committee from me as necessary to verify its compatibility with the objectives set for it and in line with the relevant regulations.

2. The committee shall work on the participation of the executive management with the amendments or proposals that occur to this policy, and to seek its views and observations in order to achieve its objective.

3. The committee shall submit any amendments or proposals to this policy to the council for study and approval, and then submit it as a proposal to the general assembly for a vote on it.

After Amending



Remuneration Policy
Regulation

The contents

Article 1: General Introduction

Article 2: Remuneration Policy

Article 3: Scope of Application

Article 4: Responsibility for implementation

Article 5: Principles and rules governing rewards

(A): The remuneration of the members of the Board of Directors and its subsidiary committees

(B): Executive management

(C): Review and amendment of the policy

Article 6: Entry into force, publication and amendment

Article 1: General Introduction:

The remuneration policy regulation for Al-Jouf Agricultural Development Company, a Saudi joint stock company, has been prepared in accordance with the requirements of the Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority under Resolution No. 8-16-2017 and dated 05/16/1438 AH corresponding to 02/13/2017 AD. Companies Law issued by Royal Decree No. M / 3 dated 01/28/1437 AH, amended by CMA Resolution No. 3-57-2019 dated 9/15/1440 H corresponding to 5/20/2019 and the rules for registration and listing, and in accordance with the Company's Articles of Association these were laid down. The policy is to reward the members of the board, its subsidiary committees and the executive management of the company, in order to motivate the employees of the board of directors and the executive management to raise their performance and their sense of making more efforts to reach the company for leadership in its field of work.

Article 2: Remuneration Policy:

The aim of the remuneration policy for members of the board of directors and its emerging committees is to organize remuneration to attract members of the board or committees with scientific, technical, administrative and commensurate experience and to enable them to perform their duties and duties professionally and with high efficiency. Taking into account the sector in which the company operates and the skills needed to manage it.

The company also aims to create an attractive environment to work in; Through it, it can attract and retain human resources with the required skills and expertise to sustain its growth and achieve its vision. And that is through the regulatory framework for the remuneration of senior executives in the company in order to comply with the relevant laws and legislations. Provided that the remuneration of the members of the Board of

Directors and its subsidiary committees shall be in accordance with the following controls

1- The maximum remuneration for any member of the Board of Directors, including the remuneration of the committees, shall be an amount Five hundred thousand Saudi riyals in line with the Joint Stock Companies Law.

2- The remuneration may be paid annually or semi-annually according to the recommendation of the Nominations Committee Rewards and after the approval of the Council on the recommendation

3- The allowance for attending the meetings of the Board of Directors or its committees is three thousand Saudi riyals for each member for each session, and two thousand Saudi riyals for the secretary or the secretary.

4- An amount of two thousand Saudi riyals is disbursed for each day to any member of the board of directors or committees Emerging from the council, for the members who reside outside the city in which the meetings will be held inside the kingdom, and in the event that housing and meals are provided by the company, no money shall be disbursed.

In addition to that, a one-way business class airfare from the city in which the member resides to the city in which the meeting will be held, or its equivalent value.

5- An amount of two thousand Saudi riyals is disbursed for each day to any member of the board of directors or committees emanating from the board in the event that they are assigned to a task or a meeting outside the Kingdom, and in the event that housing and meals are provided by the company, no money is disbursed. A round-trip business class air ticket from the city in which the member resides to the city in which the meeting or mission will be held, or equivalent value.

Article 3 : Scope of Application:

- This policy applies to the Board of Directors, its committees emerging from it, and the executive management of the company.

Article 4: Implementation Responsibility:

The Nomination and Remuneration Committee, in coordination with the Board of Directors and the executive management of the company, monitors the implementation of the policy. Check the correctness of the actions taken; Correct any deviations that may arise when applied; The committee shall be referred to the Board of Directors in every matter that requires this for the purpose of guidance and correction.

Article 5 : Principles and rules governing bonuses:

In light of the provisions governing the remuneration of the members of the Board of Directors and its subsidiary committees stipulated in the Corporate Governance Regulations; And the regulatory controls and procedures issued in implementation of the Companies Law for listed companies; The remuneration of the members of the Board of Directors, its committees, and the executive management

According to the following principles and rules:

(A): The remuneration of the members of the Council and its committees:

1- The Board of Directors - based on the recommendation of the Nomination and Remuneration Committee - determines the remuneration of the members of the Board of Directors and its subsidiary committees, taking into account the following points:

- That the remuneration organization is in line with the company's strategic objectives; Acting to motivate the members of the Board of Directors and its subsidiary committees to achieve these goals; And enhancing the company's ability to grow and sustain its business.

- To be a factor in attracting board members with the expertise and qualifications required to enhance the company's ability to achieve its goals.

2 - A member of the Board of Directors is entitled to annual remuneration in accordance with the relevant laws and regulations. This is in return for his membership in the Council in addition to remuneration for his membership in the Council's committees based on the recommendation of the Nominations and Remuneration Committee

3- A member of the board of directors participating in the committees emanating from the board shall be entitled to an annual remuneration in a manner that does not violate the relevant laws and regulations based on the recommendation of the Nominations and Remuneration Committee.

4 - The company has the right to stop paying the remuneration to any member of the board or committees, or to claim compensation for damage to its reputation, if:

- The member's commission of an act that violates honor, trust and forgery, or violates laws and regulations in the Kingdom of Saudi Arabia or in any other country.
- Failure to carry out his responsibilities, tasks and duties, which would result in harm to the interest of the company.
- Termination of membership by a decision of the General Assembly due to absence from three consecutive meetings within one year without a legitimate excuse accepted by the Board of Directors.

5- When approving the remuneration of the members of the board of directors and the committees emanating from it, the member's contribution, attendance and participation in the issues raised shall be taken into consideration. And any contributions serve the interest of the company.

6 - The remuneration of the members of the board of directors or its subsidiary committees may be approved in a disparate manner according to the tasks, responsibilities and accomplishments achieved.

7 - If the remuneration approved for a member of the board of directors or his subsidiary committees is based on inaccurate information or erroneous results, then the case is referred to the board of directors to take the

appropriate decision towards it. The relevant regulations must be taken into consideration when considering them.

(B): Executive Management:

The Board of Directors - based on the recommendation of the Nomination and Remuneration Committee - determines the remuneration of the Executive Management, provided that they are in accordance with the following principles: -

- 1) Remuneration and compensation are in line with the company's strategic goals; A factor to motivate the executive management to achieve these goals; And enhancing the company's ability to grow and sustain its business.
- 2) That it is compatible with the nature of the company's business, its activity, size, and the required skills and experiences.
- 3) To enable the company to attract executives with the capabilities, skills and qualifications necessary to enable the company to achieve its goals.
- 4) Not to cause any conflict of interest that would negatively affect the interest of the company and its ability to achieve its goals.
- 5) The policies followed in the company in this regard must be taken into account when approving the remuneration of the executive management and achieving the goals set.
- 6) The remuneration approved for each employee in the executive management may vary according to the results he achieved during the year subject to evaluation.
- 7) The maximum ceiling for executive management remuneration may be reviewed annually, and any amendments proposed to the Board may be raised in accordance with the regulations that govern this.
- 8) This policy must be consistent with the company's strategy and objectives, and in line with the performance and evaluation applied by the company with regard to the remuneration of the executive management.

9) If the reward approved for the executive management is based on inaccurate information or erroneous results, then the case is referred to the Board of Directors to take the appropriate decision towards it, and the relevant regulations must be taken into account when considering them.

(C): Policy review and amendment:

1) This policy is reviewed periodically by the Nomination and Remuneration Committee when necessary to verify its compatibility with the objectives set for it and in line with the relevant regulations.

2) The committee shall work on the participation of the executive management with any amendments or proposals to this policy, and to seek its views and observations in order to achieve its goal.

The committee submits any amendments or proposals to this policy to the council for study and approval, and then submits it as a proposal to the general assembly for a vote on it.

Article 6 : Entry into force, publication and amendment

This bylaw shall be implemented and adhered to from the date of its approval by the General Assembly, and it is published to the shareholders and the public, and it is amended and updated as necessary and based on the recommendation of the Board of Directors, provided that the proposed amendments or updates are presented to the General Assembly at its nearest meeting for approval.