



شركة مهارة  
للموارد البشرية  
Maharah Human  
Resources Company

**There is no English version for the previous policy**



## Remuneration Policy fir Board Members, Committes and Executive Management

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### (1)-Definition:

Subject to the definitions contained in the Market Terms is and the amended Corporate Governance Regulations, the words The following terms and expressions shall have the meaning they bear as follows unless the contrary intention appears:

- **Company:** The Maharah HR Company.
- **Board:** the company's Board of Directors
- **Authority:** The Capital Market Authority
- **Companies Law:** The Companies Law issued by Royal Decree No. (M/3) dated 28/1/1437 AH.
- **Company Bylaw:** The Company's Articles of Association.
- **The Corporate Governance Regulations:** The Corporate Governance Regulations in the Kingdom of Saudi Arabia and the Listing Rules, issued by the Board of is the Capital Market Authority (CMA).
- **Shareholders Assembly:** an assembly consisting of the shareholders in the Company formed in accordance with the provisions of the Companies Law and the Company's bylaws.
- **The policy:** Remuneration Policy for Board Members, Committees and Executive Management.
- **Remunerations:** amounts, allowances, dividends, and the like, periodic or annual bonuses linked to performance, long or short-term incentive plans and any other in-kind benefits except the actual reasonable expenses and fees incurred by the company to enable the Board member to perform his duties.

Executive Management or Senior Executive: persons responsible for managing the daily operations of the Company, and proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her delegates and the Chief Financial Officer (CFO).

- **Non-Executive Director:** a member of the Board who is not a full-time member of the management team of the Company and does not participate in its daily activities.
- **Independent Director:** a non-executive member of the Board who enjoys complete independence in his/her position and decisions and none of the independence affecting issues stipulated in corporate governance regulations apply to him/her.

### (2)- Introduction:

1. The remuneration policy of the Board of Directors, Committees and Executive Management of Maharah HR Company - Saudi Joint Stock Company has been prepared in accordance with the Companies Regulations, its Implementing Regulations and the Corporate Governance Regulations issued by the Capital y Market Authority and the Company's Articles of Association.

2. This Policy shall not be amended except on the recommendation of the Nomination and Remuneration Committee. The amendment shall not be effective until after the approval of the General Assembly of the Company, unless the regulations, regulations and instructions issued by the competent authorities include otherwise.



### **(3)-Policy Purpose:**

1. Setting clear and specific criteria and procedures that S explain to the shareholders of the company the conditions, criteria and procedures followed in granting remuneration to members of the Board of Directors, committee members and senior executives.
2. To attract individuals who are competent, capable, and experienced to serve on the Board of Directors, Committees and Executive Management.

### **(4)-ORules and Standards of Awarding Remunerations:**

#### **A: General rules and standards:**

**Without prejudice to the provisions of the Companies Law, the Financial Market Law, their Implementing Regulations and the Company's Articles of Association, the following rules and standards shall be considered in determining the remuneration of the members of the Board of Directors committees and senior management:**

- 1- The remuneration shall be based on the recommendations of the nominations and remuneration committee.
- 2-The rewards should be fair and proportionate to the terms of reference of the board member or committee member or executive and the actions and responsibilities he undertakes and assumes, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year, in order to achieve harmony with the company's strategy and objectives.
3. Link the changing portion of the rewards to long-term performance to urge board members, committees, and executive management to make the company a long-term success.
- 4- Rewards are determined based on the level of the job, the tasks and responsibilities of the occupant, scientific qualifications, practical experience, skills, and level of performance.
- 5- Harmony with the size and nature of the company's risks.
- 6- Take into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a member of the Board or the executive management, to prevent abuse of power to obtain unmerited remunerations.
- 7- The rewards must be commensurate with the company's activity and the skill to manage it.



- 8- Considering the sector in which the company operates, its size and the experience of the board members.
- 9- The reward should be reasonably sufficient to attract, motivate board members, committees, and executives.
- 10-To be prepared in coordination with the nomination and remuneration committee in respect of new appointments.
- 11- Take into consideration the practices of other companies in respect of the determination of remunerations.

**B-Remuneration of members of the Board of Directors and Committees:**

1- The remuneration of the members of the Board of Directors shall be determined by the Company's Articles of Association, provided that each member's remuneration does not exceed the limits stipulated by the Corporate Governance Regulations. The remuneration of the members of the Board of Directors for their membership in the board or Committees shall be a certain amount or attendance allowance for meetings, A certain percentage of net profit may be combined with two or more of these benefits on the recommendation of the Nomination and Remuneration Committee of the Company.

2- The remuneration of independent directors shall not be a percentage of the profits achieved by the company or be directly or indirectly based on the based profitability of the company.

3- The members of the Board or the Committees (whether the member is from the board or from outside) may be granted an annual remuneration, on the recommendation of the Nomination and Remuneration Committee of the Company.

4- Meeting attendee fees of the Board of Directors and the following committees shall be determined as follows:

Allowance	Category
250,000SR	Remuneration for BOD Chairman & members
150,000 SR	Remuneration for Committee members (outside the Board)
3,000SR	Meeting allowance for BOD & Committees

5- ((Each member of the Board and the committees (from the members of the board or outside the board), including the Chairman of the board, shall be paid the actual expenses incurred in order to attend meetings of the Board or Board committees' meetings, including travel, accommodation and subsistence expenses))

6- **Disbursed mechanism:** The allowance for attending meetings is disbursed quarterly, while the annual remuneration is disbursed based on the Annual General Assembly's authorization to the Board of



Directors of the authority to disburse the annual bonus of the Board and committees after the end of each fiscal year.

7-A member of the Board of Directors may receive remuneration for his membership in the Audit Committee formed by the General Assembly or for any other executive, technical, administrative or consulting work or positions under an additional professional license assigned by the Company in addition to the remuneration as a member of the Board of Directors and in committees formed by the Board of Directors, in accordance with the Companies Regulations and the Company's Articles of Association.

8- Remuneration may be granted to the members of the Board of Directors and the committees in the form of shares, after satisfying all the regulatory regulations prescribed in this regard, in which case the value of the shares will be the market value at the maturity date.

9- Remuneration of Board members and committees may vary to reflect the extent of the member's experience, competencies, tasks, independence, and the number of meetings attended by other considerations.

10- If the General Assembly decides to terminate the membership of absent members of the Board of Directors due to the absence of three consecutive meetings of the Board without a legitimate excuse, the member shall not be entitled to any remunerations for the period following the last meeting attended, and must return all the remunerations paid to him for that period.

11- If the Audit Committee or CMA determines that the remuneration paid to any Board member is based on incorrect or misleading information presented to the General Assembly or included in the Annual Report of the Board of Directors, it shall be returned to the Company and the Company may claim it

#### **C-Remuneration for Executive Management:**

1-The Board of Directors shall determine, on the recommendation of the Nomination and Remuneration Committee, the types of remuneration granted to senior executives of the Company, such as fixed bonuses or bonuses associated with performance.

2-Senior executives are given annual bonuses based on the performance evaluation, in addition to the fixed compensation and bonuses according to their employment contracts

3-Executives may be awarded bonuses in the form of shares after fulfilling all the statutory regulations in this regard. In this case, the value of the shares will be the market value at the maturity date.

The performance evaluation of senior executives is based mainly on their professional performance during the year and their professional interaction in achieving the company's strategic objectives



#### **(5)-Disclosure of Remunerations:**

- 1- The Board of Directors shall disclose in its annual report details of remuneration policies and mechanisms for their determination, amounts and financial and in-kind benefits paid to each member of the Board of Directors for any executive, technical, administrative or advisory work.
- 2- The remuneration of directors, committees and executive management shall be disclosed in a precise, transparent and detailed manner in a report of the Board of Directors, directly or indirectly, whether amounts, benefits or benefits, whatever their nature or name.
- 3- If the benefits are shares in the company, the value of the shares is the market value at maturity.

#### **(6) -Review and implementation:**

- 1-The policy is subject to periodic review and supervision, if necessary, by the Nomination and Board of Directors, which reviews and recommends Remuneration Committee. Any amendments proposed by the Committee are presented to the amendments to the General Assembly for approval
- 2-The amendment of this policy shall be approved by the General Assembly of Shareholders based on the approval on the amendment by the recommendation of the Board of Directors. The regulation shall be effective once approved by the General Assembly. 3- Unless otherwise provided in this Regulation, the Saudi Companies Regulations, its Regulations, the Capital Market Authority Regulations, its Articles of Association, the Articles of Association of the Company and the decisions issued by the competent.