



# Remuneration Policy of The Board of Directors Members and Members of Its Committees, and The Executive Management

This Is A Translated Version Of The Policy. The Arabic Version Is The Approved Version And Can Be Relied On.

سرحه عنم  
شارع الثغر - النخيل 6614  
الرائدة المدينة الرقمية  
المملكة العربية السعودية  
س.ت. 1010069210

Tel: +966 (0) 11 288 7444

Fax: +966 (0) 11 288 7555

www.elm.sa

This is a translated version of the Policy. The Arabic version is the approved version and can be relied on.

**First: Objective of the Policy:**

The Company has adopted this Policy for the remuneration for members of the Board of Directors and members of its committees, and the Executive Management, in order to follow a clear policy and rules for remuneration, ensure the implementation of optimal governance and application of disclosure and transparency principles to shareholders. This Policy also aims to ensure the enactment of competitive remuneration programs and plans in a way that attracts qualified, capable and talented personnel to work on the Board of Directors, its committees, and the Executive Management, which contributes to improving the Company's performance and achieving the interests of its shareholders, in accordance with the standards and rules contained in the Companies Law, the Corporate Governance Regulations, and other relevant rules and regulations.

**Second: Remuneration Rules for Board Members:**

1. The remuneration of a Board member, in return for its work in the Board of Directors, shall be a specified amount and an allowance for board meetings attendance, according to this Policy, in addition to any in-kind benefits or a certain percentage of net profits; two or more of these benefits may be combined.
2. The remuneration paid to a Board member shall be fair and proportionate to the member's competencies, work and responsibilities undertaken, and to the objectives set by the Board of Directors to be achieved during the fiscal year.
3. The remuneration shall be suspended or refunded if it is found that it was paid on the basis of inaccurate information provided by the Board member.
4. The remuneration for Board members and committees shall take into account what is stated in the relevant bylaws and regulations.
5. In all cases, the total remuneration that a Board member receives shall not exceed any amount or limit stated in Companies Law or any regulation or rules issued by any competent authority.
6. The member shall be entitled to a remuneration in return for additional work or for executive, technical, administrative or advisory positions assigned to him in the Company, in addition to the remuneration that it's entitled as a Board member and in the committees formed by the Board of Directors, in accordance with Companies Law and the Company's bylaws.

This is a translated version of the Policy. The Arabic version is the approved version and can be relied on.

**Third: Rules for the Remuneration of Members of Board Committees:**

1. The remuneration for Board committee membership consists of annual remuneration, meeting attendance allowances and other benefits as described in this Policy.
2. The Board of Directors shall determine and approve the annual remuneration for the membership of its committees based on a recommendation from the Nomination and Remuneration Committee.
3. As an exception to the provisions of Paragraphs (1) and (2) of this Article, the remuneration for the Audit Committee membership consists of an annual remuneration, meeting attendance allowances and other entitlements as described in the Audit Committee Charter.
4. When forming the membership of Board committees, the number of committees in which a Board member can occupy a seat shall be taken into consideration, so that the total remuneration a member receives for its membership in the Board and committees does not exceed the upper limit stipulated in the Companies Law.

**Fourth: Executive Management Remuneration Rules:**

1. The annual remuneration of the Company's CEO is determined on the basis of its achievement of the financial, strategic and other objectives in accordance with the Company's approved policy.
2. The annual remuneration for the Company's Executive Management is calculated in accordance with the policy and mechanism of annual remuneration approved by the Company.
3. The salaries and benefits allocated to the Executive Management, including basic salary, benefits and allowances, shall be determined subject to the Company's approved policy.

**Fifth: Disclosure:**

The Board of Directors must disclose in its annual report the details of this Policy and the mechanisms of determining the remuneration of members of the Board and its committees, total remuneration of Senior Executives, and amounts and financial and in-kind benefits paid to each Board member in exchange for any executive, technical, administrative or advisory work or positions. This disclosure shall be mandatory and detailed in the reports of the Board of Directors that are issued on financial periods, as specified in the Corporate Governance Regulations.