

The background of the slide is a photograph of a desert landscape with rolling sand dunes. A hot air balloon with vertical stripes is floating in the sky. A large, bright sun is in the upper left corner, partially obscured by a large, dark, circular graphic element. Another similar circular graphic element is in the lower right corner.

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

 سيرا SEERA	مجموعة سيرا القابضة SEERA GROUP	Approval	1.0	Date	2023/06/11
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Title	Remuneration and Compensation Policy for the Members of the Board of Directors, Committees and the Executive Management				

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Definitions:

The following terms and expressions shall have the meanings assigned to them hereunder, unless the context requires otherwise:

Terminology List:

Term	Definition
Conflict of Interests	Means a conflict between the personal interests and the Company's interests that affects the performance of a member in the BoDs, its Committees, Executive Management or other employees of the Company when dealing with the Company or with other stakeholders in their job and professional duties and responsibilities with objectivity, integrity and impartiality, whether actual, apparent or potential conflict.
Executive Management (Senior Executives)	Persons entrusted with managing the Company's daily operations and proposing and implementing strategic decisions, such as the Chief Executive Officer, his deputies, and the Chief Financial Officer.
Executive Member	A member who works full time to manage the Company and engages in its daily affairs.
Non-Executive Member	A Board member who does not work full-time to manage the Company, nor engage in its daily affairs.
Independent Member	A non-executive board member who is not subject to any of the Issues Affecting Independence , and is independent in his position and decisions, and is able to exercise his duties, express his opinions and vote on decisions objectively and impartially, which helps the board of directors to take sound decisions that contribute to achieving the interests of the Company

List of Abbreviations:

Abbreviation	Meaning
Co.	Seera Holding Group
BoD.	The Board of Directors of Seera Holding Group
Committees	The Board Committees including (Audit Committee- Nomination and Remuneration Committee-Executive Committee, or any other committee that will be composed in the future by the Board of Directors..
CEO	Chief Executive Officer of Seera Holding Group
Member	The Committee Members, referred to collectively as "Members"
Policy	Remuneration and Compensation Policy for the Members of the Board of Directors, its Committees and the Executive Management
Secretary	The Secretary of the Board of Directors, collectively referred to as the "Secretaries".

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Introduction:

Based on what was stipulated in Paragraph (1) of Article (58) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 16/05/1438 AH, corresponding to 13/02/2017 AD, based on the Companies Law issued By Royal Decree No. M/3 dated 28/01/1437 AH, amended by Capital Market Authority Board Resolution No. 8-5-2023 dated 25/06/1444AH, corresponding to 18/01/2023 AD, based on the Companies Law issued by Royal Decree No. M/132 dated 1/12/1443 AH, the group seeks to implement best practices in the field of governance to protect the rights and interests of the members of the Board of Directors and members of the committees emanating from the Board of Directors, including the secretaries and the executive management.

Article (1) Objective:

1. This policy aims to set clear standards for the remuneration of board members, committee members and executive management that are approved and disposed of so that they are related to performance, and ensure their disclosure and verification of the implementation of the policy. It also aims to attract, maintain and motivate professional competencies.
2. This policy aims to implement and complete the relevant provisions stipulated in the company's articles of association and related regulations. In the event of a conflict between this policy and the basic system, the provisions of the basic system shall apply.
3. The provisions of this policy are mandatory, and the Board of Directors shall ensure the implementation of the necessary measures to ensure the company's compliance with the provisions of this policy.

Article (2) General Criteria for Rewards:

1. The company shall take into account the practices of other companies and what is prevailing in the labor market in determining remuneration while avoiding what may result from unjustified increases in remuneration and compensation.
2. Under this policy, the Nomination and Remuneration Committee of the Company shall recommend to the Board of Directors the remuneration and compensation of the members of the Board of Directors, committees, and executive management in accordance with the following criteria:
 - 1.2 That the rewards and compensations be in line with the company's strategy and objectives and in harmony with the size, nature, and degree of risks in the company and commensurate with the company's activity and the skill necessary to manage it.
 - 2.2 The level and composition of the remuneration shall be reasonable and sufficient to motivate board members, committee members, secretaries, and executive management to the quality required to successfully manage the company.
 - 3.2 Remunerations shall be determined based on the tasks and responsibilities entrusted to the occupant, academic qualifications, practical experience, skills, and level of performance.
 - 4.2 The remuneration shall be fair, proportionate, and reasonably sufficient to attract, retain and motivate the members of the Board of Directors, committee members, and senior executives with the appropriate level of experience and qualifications.
 - 5.2 To take into account the sector in which the company operates, its size, and the experience of the board members.

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3. The payment of the remuneration shall be suspended or recovered if it is found that it was decided based on inaccurate information provided by a member of the Board of Directors, members of committees, or executive management, in order to prevent the exploitation of the employment status to obtain undue remuneration.
4. The company may not provide a loan of any kind to any of its board members or shareholders, or guarantee any loan held by any of them with others, except for the loans and guarantees granted by the company in accordance with the incentive programs of its employees that have been approved in accordance with the provisions of the articles of association or by a decision of the general assembly.
5. If the General Assembly decides to terminate the membership of an absent member of the Board of Directors due to his failure to attend three consecutive meetings or five separate meetings of the Board during the term of his membership without a legitimate excuse accepted by the Board, such member shall not be entitled to any remuneration for the period following the last meeting he attended, and he shall return all remuneration paid to him for that period.
6. If the Audit Committee of the Company or the Capital Market Authority finds that the remuneration paid to any of the members of the Board of Directors is based on incorrect or misleading information that has been presented to the General Assembly or included in the annual report of the Board of Directors, it must return it to the Company, and the Company has the right to request it to refund it.

Article (3) Board Members Remuneration:

1. The remuneration of the members of the Board of Directors shall consist of a certain amount, an attendance allowance or a relocation allowance as determined by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee; and within the limits stipulated in the Companies Law or any other regulations, decisions, instructions or controls issued by the competent authorities.
2. The Chairman may receive an additional remuneration other than the remuneration to which he is entitled as a member of the Board of Directors. Such additional remuneration (if any) shall be determined annually by the Board on the recommendation of the Nomination and Remuneration Committee.
3. If the Secretary of the Board of Directors is a member of the Board, he may receive an additional remuneration other than the remuneration to which he is entitled as a member of the Board of Directors. Such additional remuneration (if any) shall be determined annually by the Board on the recommendation of the Nomination and Remuneration Committee.
4. Directors may receive additional remuneration for their positions as senior executives other than the remuneration to which they are entitled as directors. Such additional remuneration (if any) shall be determined annually on the recommendation of the Nomination and Remuneration Committee.
5. Directors may receive additional remuneration for their membership in committees other than the remuneration to which they are entitled as directors. Such additional remuneration (if any) shall be determined annually on the recommendation of the Nomination and Remuneration Committee.
6. Directors' remuneration may be a certain amount of in-kind benefits or attendance allowance for sessions and two or more such benefits may be combined.

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7. A director may receive remuneration for his membership in the Audit Committee, or for any additional executive, technical, administrative or advisory work or positions – under a professional license – assigned to him in the company, in addition to the remuneration that he may receive in his capacity as a member of the board of directors and in the committees formed by the board of directors, in accordance with the Companies Law and the company's articles of association.
8. Directors' remuneration may vary in amount to reflect the extent of the member's expertise, competence, functions, independence, number of meetings attended, and other considerations.
9. The board report submitted to the Ordinary General Assembly shall include a detailed statement of all amounts received by board members during the fiscal year, including remuneration, attendance allowance, expenses, and other benefits. The report shall also include amounts received by board members in their capacity as employees or executives, or in consideration of technical, administrative, or consultative services. It shall also include a statement of the number of board meetings and number of meetings attended by each member.
10. The company shall bear the costs of air tickets and the accommodation of the members of the Board of Directors in the event that the meeting is held outside the city of Riyadh.
11. The procedures for disbursing the annual bonuses for members of the Board and committees are prepared in coordination with the Secretary of the Board with the Financial Department, provided that their disbursement is approved by the CEO.

Article (4) Remunerations of the Members and Secretary of the Committees

1. The remuneration of the members of the Board of Directors shall consist of a certain amount, an attendance allowance or a relocation allowance as determined by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee; and within the limits stipulated in the Companies Law or any other regulations, decisions, instructions or controls issued by the competent authorities.
2. The company shall bear the costs of air tickets and accommodation of committee members and secretaries in the event that the meeting is held outside the city of Riyadh.
3. The procedures for disbursing the annual bonuses for members of the Board and committees are prepared in coordination with the Secretary of the Board with the Financial Department, provided that their disbursement is approved by the CEO.

Article (5) Rewards of the Executive Management:

1. Based on the recommendation of the Remuneration and Nomination Committee, the Board of Directors determines the types of remuneration granted to senior executives in the company, for example, fixed bonuses, performance-related bonuses, incentive bonuses – not inconsistent with regulatory controls and procedures issued to joint stock companies.
2. The remuneration of senior executives is aligned with the company's strategic objectives and proportional to the company's activity and the skills required to manage it, taking into account the sector in which the company operates and its size.
3. The Nomination and Remuneration Committee reviews the plans and incentives of the Executive Management on an ongoing basis and submits its recommendation to the Board for approval.

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4. The Nomination and Remuneration Committee reviews and approves employment contracts with senior executives, including those to be entered into with newly recruited employees. It must also review and approve any contract concluded with an employee for remuneration or remuneration equivalent to the remuneration of senior executives.
5. Rewards aim to provide the competitive status required to attract and retain qualified and competent employees and maintain the high level of skills needed by the company.
6. The Company may provide variable remuneration to senior executives determined in accordance with market data and subject to the achievement of predetermined performance objectives, whether short-term or long-term, as determined by the Board of Directors under the recommendation of the Nomination and Remuneration Committee.
7. The executive management remuneration shall be paid immediately upon its approval by the Board of Directors under the recommendation of the Nomination and Remuneration Committee.

Article (6) Termination Compensation:

1. In the event that the membership of a member of the Board of Directors or members of the committees is terminated due to gross misconduct, a material breach of the terms of appointment, or any act involving fraud, dishonesty or willful neglect of responsibilities, such member shall not be entitled to any remuneration for the period between the beginning of the financial year in which he was terminated Membership and termination date.
2. In the event that the membership of a member of the Board of Directors is terminated due to his failure to attend three consecutive meetings or five separate meetings of the Board meetings without a legitimate excuse accepted by the Board of Directors, this member shall not be entitled to any rewards for the period following the last meeting he attended.
3. In the event of termination of the membership of a member of the Board of Directors or members of the committees for any other reason, the member of the Board of Directors shall be entitled to a remuneration commensurate with the period between the beginning of the fiscal year in which the membership was terminated and the date of termination.

Article (7): Policy Update and Effectiveness:

1. The Secretary of the Board of Directors is responsible for the main version of this policy and for making changes to its contents.
2. The Governance Department must be notified when the policy is reviewed and if there are any changes, the policy is updated according to the approved policies and procedures, provided that serial numbers are assigned to each copy of the policy, and the Governance Department maintains a record showing the changes made to each copy.
3. This Charter shall be revised whenever the need arises.
4. The Board Chairman shall have the sole authority to recommend any amendments to this policy in preparation to be presented to the General Assembly for approval.

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5. The mechanism for updating the list begins with the Nominations and Remunerations Committee submitting the proposed amendments to the Board of Directors to recommend approval, which in turn submits them to the General Assembly for approval.
6. This Charter shall remain in force unless canceled or amended by the General Assembly.

Article (8) Publishing and Enforcement:

This policy shall come into effect after the date of its approval by the General Assembly. If there is a conflict between this policy and the company's Bylaws, the latter shall prevail.