

Remuneration Policy for Board, Committees and Executive Management of Savola Group

<u>DISCLAIMER</u>	<u>تنويه هام لأخذة في الاعتبار</u>
<p>This English version of this document is a translation of the original Arabic document and has been made for the purpose of informing non-Arabic speakers of the said document.</p> <p>In case of any discrepancy or misinterpretation of any clause or article, the original Arabic document shall prevail.</p>	<p>هذه النسخة الإنجليزية من هذه الوثيقة تمثل ترجمة للنسخة الأصلية الصادرة باللغة العربية، والغرض منها تعريف الناطقين بغير اللغة العربية بهذه الوثيقة، وفي حالة وجود اختلاف في الترجمة أو خطأ في تفسير النص لأي بند أو مادة من هذه الوثيقة يعتبر النص الأصلي الصادر باللغة العربية هو الحاكم.</p>

1. Introduction

The "Remuneration Policy for Board, Committees and Executive Management of Savola Group (Savola or the Company)" has been prepared to comply with item (1) of article (58) of the CG Regulations issued by the Capital Market Authority (CMA) Board pursuant to Decision No. (8-6-2017) Dated 13/2/2017 and amended pursuant to Decision No. (8-5-2023) dated 18/01/2023, which stipulated that the Remuneration and Nomination Committee (RNC) shall "*prepare a clear policy for the remunerations of the board members and its committees and the Executive Management, and presenting such policy to the board in preparation for approval by the General Assembly.*"¹

2. Purpose

The purpose of this policy is to stipulate and clearly outline the remuneration for the Board of Directors and its committee members and Executive Management in light of the Companies law requirements and CMA laws and regulations. In addition, this policy aims to attract talented professionals to work in Savola Group (Savola or the Company) board, its committees, and Executive Management through adapting performance-related motivational plans and programs for remuneration, which contributes to improve the performance of the company and to achieve the best interests of its shareholders.

3. General Standards for remuneration

The RNC committee responsibilities include recommending to the board the remuneration of the board, its committees, and the executive management in accordance with the approved criteria, as follows:

1. Be proportionate to Savola's activities and the required skills for its management;
2. Provide remunerations with the aim of encouraging the Board members and Executive Management to achieve the long-term success and development of the Company, and the variable part of the remuneration shall be linked to the long-term performance;
3. Remuneration shall be consistent with the strategy, objectives, the magnitude, nature and level of risks faced by the Company;
4. Benchmarking shall be used to take into consideration the remuneration practices of other companies. The disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations shall be avoided;
5. Shall be prepared in coordination with the RNC with respect to new appointments;
6. Remuneration shall be based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance;

⁽¹⁾ This Policy was approved based on the Savola Group General Assembly's (GA) resolution in its meeting held on 2nd November 2017 and was amended based on the GA approval in its meeting held on 10th May 2023, afterwards, it was amended based on the GA approval in its meeting held on 6th May 2025.

7. Be fair and proportionate to the board or committees member's activities carried out and responsibilities borne by the board or committees members, in addition to the objectives set out by the board to be achieved during the financial year;
8. Take into consideration the sector in which Savola operates, its size and experience of its board members;
9. Be reasonably sufficient to attract and retain highly qualified and experienced board members without exaggeration;
10. The remunerations of different board members may vary depending on the board members' experience, expertise, duties he/she undertakes, and independence and number of board meetings he/she attended in addition to other considerations.
11. The remuneration shall be suspended if it has been determined that such remuneration was based on inaccurate information provided by a member of the board or the executive management to prevent the exploitation of employment status to receive undeserved remunerations.
12. If the company developed a program to grant some of its shares to board members, Executive management, and employees, whether a new issue or shares purchased by the company, the RNC committee shall supervise this program in light of the company's bylaws and the relevant CMA laws and regulations.

4. The Board Members Remuneration

1. The remuneration of Savola board members may consist of a specified amount; an attendance fee; expense fees; other in-kind benefits; a certain percentage of the net profits; or a combination of two or more of those benefits. The remuneration of a board member shall be in line with the table stipulated herein and any amendments may take place in the future to be approved in line with relevant regulations.
2. The Remunerations of different Board members may vary depending on the Board members' experience, expertise, duties he/she undertakes, independence and number of Board meetings he/she attended in addition to other considerations, and in light of this policy. The Annual Directors' report to the GA shall include a comprehensive statement of all the amounts received by each board member during the fiscal year including remunerations, allowances, expenses, and other benefits, as well as all the amounts received by the members in their capacity as employees or executives, or in consideration of such technical, administrative, or advisory services (if any). Such a report shall also include a statement of the number of board meetings held and the number of meetings attended by each member.
3. Where the remuneration represents a certain percentage of Savola's profits the following guidelines shall be taken into consideration:
 - a) The remuneration of independent board members shall not be a percentage of the profits that are realized by Savola, nor shall it be based directly or indirectly on Savola's profitability.

b) The said percentage shall be determined based on a recommendation from the RNC in case the company achieved profits provided that the matter is presented to the GA for its approval and the matter is compliant with the Company bylaws and relevant regulations.

4. If the General Assembly decides to terminate the membership of any Board member who fails to attend three consecutive Board meetings or five non-consecutive Board meetings during his membership without a legitimate excuse accepted by the Board, then such Board member shall not be entitled to any remuneration for the period starting from the last Board meeting he/she attended, and he/she shall pay back any remuneration he/she received for that period.

5. The Committees' Members Remuneration

1. The board shall determine and approve its committee's remuneration, attendance fees and other benefits based on this policy which was approved in light of the RNC recommendation.
2. Committee member remuneration shall comprise of an annual remuneration (a lump sum/specific amount) and attendance fees, and other benefits as defined in this policy.

6. Executive Management's Remuneration

The RNC committee shall review and approve the salary scale and the incentive scheme for all employees and executive management, on a regular basis, based on the management recommendations and the executive management remuneration includes:

- Basic salary (to be paid on a monthly basis at the end of each Gregorian month)
- Allowances that include for example (and no limited to) housing, transportation, children education/schools fees, and phone allowances.
- Medical insurance benefits for all employees and executive management and their families.
- Life insurance policy (including events of partial or permanent disability, and death at workplace).
- Annual bonus based on KPIs/SMART associated with individual annual appraisal evaluation.
- short-term incentive plans linked with extraordinary/exceptional performance and long-term incentive plans such as stock option programs (whenever exists);
- Other benefits included, but are not limited to, annual leave, annual air tickets, executive airport services, and end of service benefits according to labor law and HR policies adopted by the company.
- Executive management team's compensation plans, programs, and general guidelines shall be approved by the RNC Committee.

- The CEO implements the remuneration policy for all employees and executive management in light of the plans, programs and general guidelines approved by the RNC committee.

7. Additional guidelines for remuneration and payment process

1. Board members shall not vote on the agenda item relating to the remuneration of board members at the GA meeting.
2. Disclosing the remuneration of the board, its committee members and executive management in the annual directors' report in line with applicable laws and regulations.
3. Members are entitled to the remuneration from the date they have joined the board or committee and as per the duration of their membership.
4. Processing of board and committee member remuneration payment shall be prepared by the board secretary and payment order shall be approved by the CEO.
5. The payment for Group board meeting attendance fees, committee's remuneration and committee's meeting attendance fees can be processed as installments on a quarterly basis, whereas the Group annual remuneration of the board shall be paid in full after Annual General Assembly meeting approval.

8. Breakdown of Board Members and its committee's remuneration

1) Board members

a) Attendance fee per meeting	SAR 5,000
b) Additional allowance (transportation expenses and travel per-diem) for board members who are based outside Jeddah.	SAR 3,000
c) Annual remuneration as a specific amount: <ul style="list-style-type: none"> - For the Chairman - For each board member 	SAR 600,000 SAR 400,000
d) Compensation based on profitability: a certain percentage of the net profits after fulfilling all legal requirements, and it shall be determined based on the RNC committee recommendation, taken into consideration that the matter shall be presented to the GA for its approval in line with the Company's bylaws and relevant laws, and the independent board members remuneration shall not be a percentage of the profits that are realized by Savola, nor shall it be based directly or indirectly on Savola's profitability.	
e) Amendments and payment: <ul style="list-style-type: none"> • The annual remuneration of the Board's Chairman and member referred to in paragraph (c) of item (1) above might be subject to review from time to time based on RNC recommendation in light of the company's performance after obtaining the GA meeting approval. • Meeting attendance allowance and the additional entitlement shall be paid on a quarterly basis whereas the annual remuneration shall be paid after the annual GA meeting approval; the said specific amount remuneration is not linked to company profitability. 	

2) Audit Committee Members

Attendance allowance per meeting	SAR 5,000
Annual Committee remuneration for each committee member (specific amount)	SAR 200,000
Remuneration and attendance allowance shall be paid on a quarterly basis.	

3) Members of any Other Committee affiliated from the Board (2)

Attendance allowance per meeting	SAR 5,000
Annual Committee remuneration for each committee member (specific amount)	SAR 150,000
- Remuneration and attendance allowance shall be paid on a quarterly basis.	

4) Other Non-Cash Benefits

Travel, accommodation, and transportation costs for non-Jeddah based members for attending meetings shall be covered by Savola.
Savola shall cover accommodation, travel and transportation for all board, committee members and executive management for any meetings convening outside Jeddah.
All airfare tickets for board and committee members shall be issued or refunded in First or Business class, roundtrip, (preferably the national carrier) (as per availability).

5) Board Secretary: Attendance fees and any other fixed remuneration (if any) for the Board's Secretary shall be determined by the Board whether by a resolution or stated in the CG manual and policies, hence, the Board always has the right to revisit such decision from time to time as sees appropriate.

9. Final Provisions (for Publications, Access and Amendments)

This policy shall be implemented and complied with by the Company after GA approval and to be effective as of the fiscal year ended 31 December 2024. This policy shall be published and made available to the shareholder and the public on the Company's website after GA meeting approval. The content of this policy shall be reviewed - as needed - by the RNC committee, provided that any recommended changes are presented by the board to the GA in the next meeting for approval.

⁽²⁾ This includes Board committees such as RNC, Investment, and any other permanent committees affiliated from the Board formed based on a board resolution and the board approve its charter.