

Executive Compensation Policy



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• Introduction:

The Executive Compensation Policy outlines guidelines of AL-ASMA ALMUSTAGBALIA and its subsidiaries (henceforth referred to as the Group) on executive remuneration practices that are aligned with ownership interests and promoting long-term value creation.

• Scope:

The Policy applies to AL-ASMA ALMUSTAGBALIA executive management employee, the Managing Director (MD). Additionally, the Policy applies to subsidiaries' executive management employees which include the Chief Executive Officer (CEO), Chief Financial Officer (CFO), General Managers (GMs) and Directors.

• Policy Statement:

The Group aims for a balance between incentivizing its executive management employees to drive business growth and profitability while ensuring that their remuneration aligns with the values of the Group.

• Types of Remuneration:

The Group offers competitive remuneration that are in line with local benchmark, and may consist of basic salaried remuneration, allowances, and other benefits. The Group ensures compliance with The Kingdom of Saudi Arabia (KSA) labor law and/or host country of its operations on the structure of salaried remuneration of individuals in scope. The Group generally considers the contributions of short-term incentive remuneration, such as performance-based financial rewards or bonuses, in relation to the total remuneration of individuals in scope. The Group further considers the feasibility of long-term incentive remuneration in the total remuneration of individuals in scope, where applicable.

- ESG in Performance-based Remuneration:

The Group aims to integrate Environment, Social, and Governance (ESG) factors such as, but not limited to, environmental, and health and safety performance and targets achievement while assessing performance-based remuneration of individuals in scope. The Group undertakes to determine a timeline for the implementation of ESG integration in remuneration, no later than before the end of its financial year 2024 including defining the necessary management control system to enable its implementation



- **Refund or cancellation provisions**

The Group is guided by KSA labor law and regulations of the host country of its operations, where applicable, with respect to • Refund or cancellation provisions.

- **Say-on-Pay Voting:**

The Board of Directors (henceforth referred to as the Board) of AL-ASMA ALMUSTAGBALIA , acting as the board of the Group, through a delegation of authority matrix, will be presented with executive remuneration proposals. This allows the Board to express their views on the proposed remuneration structure, while respecting employee rights per applicable laws and regulation of the host country of its operations.

- **Severance:**

The Group complies with the KSA labor law and/or laws and regulations of the host country of its operations on government mandated end-of-service benefits and its guidelines for full- time employees and employees in other types of employment.

- **Stakeholder Engagement:**

The Group fosters close relationships with relevant stakeholders so that there is a clear understanding of their remuneration concerns. Through stakeholder engagement, the Group identifies relevant factors that are important to stakeholders and integrates these considerations into this Policy.

- **Training and Awareness:**

The Group aims to form awareness and promotes, amongst individuals in scope, a clear understanding of how these principles impact its operations and how the company's operations impact stakeholders



• **Compliance:**

The Group provides sufficient resources to ensure regular monitoring of its activities for compliance with KSA labor law, and laws and regulations of the host country of its operations, pertaining to its executive remuneration practices.

• **Roles and Responsibilities:**

- In general, all employees should uphold principles as set forth in this Policy.
- The Remuneration Committee of AL-ASMA ALMUSTAGBALIA is responsible for defining and reviewing the Executive Compensation Policy.
- Ultimate approval of the Policy rests with the Board.
- The Human Resources Manager/Director at the Group oversees the practical implementation and ensures compliance with the approved Policy.
- Given the sole proprietorship nature of the company, while there are challenges ensuring complete independence, the company remains committed to upholding the principles of fairness, transparency, and integrity in its compensation practices.

This Policy was last reviewed in January 2025 by:

CEO

Hashem Omar Hashem

Future Capital
for general contracting

