



---

**Remuneration Policy for Board of Directors,  
Sub-Committees and Senior Executives**

**Leejam Sports Company**

Public Joint-Stock Company

**Caution:**

- This document is electronically monitored, and only matching hard copies in version number are authoritative compared to what is published in the Policies and Procedures E-library.
- This document shall be updated within a timeframe not exceeding thirty-six (36) months from the effective date.

## Approvals

Prepared By			
Name	BU	Date	Signature
Saud Alraggas	Board Secretary	February 1 <sup>st</sup> 2024	
Reviewed By			
Name	BU	Date	Signature
<p><b>The policy has been reviewed by the Nomination &amp; Remuneration Committee pursuant to the Minutes of the Committee Meeting held on 18 February 2024.</b></p>			
Authentication			
Name	BU	Date:	Signature
<p><b>Pursuant to the Minutes of the Board Meeting held on 13 March 2024.</b></p>			
Approval			
Name	BU	Date:	Signature
<p><b>Pursuant to the Minutes of the General Assembly Meeting held on 06 June 2024.</b></p>			

## Versions

Version History Log			
Version No. and Date	Approval	Approval Date	Brief description
First	General Assembly	General Assembly	First Version
04/04/2018			
Second	General Assembly	General Assembly	Second Version
09/12/2018			
Third	General Assembly	General Assembly	Second Version
06/06/2024			

## Table of Contents

<b>Article (1): Purpose of the Policy:</b> .....	2
<b>Article (2): Scope</b> .....	2
<b>Article (3): Objectives and Controls for Determining Remuneration</b> .....	2
<b>Article (4) Remuneration of the Board Members:</b> .....	4
<b>Article (5): Sub-Committee Member Remuneration</b> .....	6
<b>Article (6) Senior Executive Remuneration</b> .....	7
<b>Article (7) Final Provisions</b> .....	7
<b>Article (8) Publication and Amendment</b> .....	8

## **Article (1): Purpose of the Policy:**

This policy aims to set clear criteria for the remuneration of Board Members, Board Sub-Committees and Senior Executives of the Company in line with the provisions of the Bylaws and requirements of the Companies Law and Corporate Governance Regulations for Unlisted Companies issued by the Ministry of Commerce. It also helps attract individuals with sufficient competence, ability and talent to work on the Board of Directors, Sub-Committees and Executive Management, and retain them by adopting incentive remuneration plans and programs linked to performance, which contributes to improving the Company's performance and achieving the interests and aspirations of its shareholders.

## **Article (2): Scope**

Subject to applicable laws and regulations in Saudi Arabia, and the provisions stipulated in the Company's Articles of Association and internal regulations and policies, these rules are supplementary without replacing them. This policy shall apply to:

- 2.1 **Members of the Company's Board of Directors.**
- 2.2 **Members of Sub-Committees stemming from the Board of Directors.**
- 2.3 **Senior executives of the Company.**

## **Article (3): Objectives and Controls for Determining Remuneration**

### **3.1 Remuneration Objectives**

The remuneration of Board Members, Committee Members and Senior Executives shall be determined to achieve the following objectives:

- 3.1.1 Enabling the Company to retain Board Members, Committee Members and Senior Executives with the required level of expertise and qualifications.
- 3.1.2 Ensuring the Company's long-term success and development to serve the interests of its shareholders, while attracting the talent needed by the Company to achieve its business objectives, retaining this talent and motivating it.

3.1.3 Supporting the Company in adapting to the competitive pressures of the sectors in which it operates.

### 3.2 **Remuneration Determination Controls**

Without prejudice to the provisions of the Companies Law and Capital Market Law and their Implementing Regulations, the following shall be observed in the remuneration policy:

- 3.2.1 Alignment with the Company's strategy and objectives.
- 3.2.2 Remuneration shall be provided to motivate Board Members and Executive Management to ensure the Company's long-term success and development, such as linking the variable part of remuneration to long-term performance.
- 3.2.3 Remuneration shall be determined based on the level of position and assigned tasks and responsibilities, academic qualifications, practical experience, skills, performance level.
- 3.2.4 Alignment with the size, nature and degree of risks at the Company.
- 3.2.5 Taking into account the practices of other companies in determining remuneration, while avoiding unjustified increases in remuneration and compensation.
- 3.2.6 Aiming to attract, retain and motivate professional competencies, without excess.
- 3.2.7 Preparation shall be coordinated with the Nomination Committee for new appointments.
- 3.2.8 Cases of suspending or recovering remuneration if it is found to have been decided based on inaccurate information provided by a Board Member or Executive Management member; to prevent abuse of position to obtain undue remuneration.
- 3.2.9 Organizing the granting of company shares to Board Members and Executive Management, whether a new issuance or shares purchased by the Company.

## **Article (4) Remuneration of the Board Members:**

### **4.1 Remuneration Rules**

- 4.1.1 Board Member remuneration shall be as follows:
- 4.1.2 Annual remuneration for the Chairman of the Board (350,000).
- 4.1.3 Annual remuneration for the Vice Chairman of the Board (300,000).
- 4.1.4 Annual remuneration for a Board Member (250,000).
- 4.1.5 Meeting attendance allowance shall be (3,000) per meeting attended by the member; not to exceed twelve meetings annually, excluding travel and accommodation expenses.
- 4.1.6 If the Board assigns any of its members with an official mission outside Riyadh city, the member shall be compensated for the actual cost, according to the Company's policy for travel rules.
- 4.1.7 Health insurance shall be provided to all Board Members and their families as part of in-kind benefits, in accordance with regulatory controls.
- 4.1.8 Professional liability insurance shall be provided to all Board Members as part of in-kind benefits, including liability lawsuit risks.
- 4.1.9 Board Members and one of their family members shall be granted an annual subscription for admission to sports clubs as part of in-kind benefits.
- 4.1.10 Board Member remuneration may be a fixed amount, in-kind benefits or meeting attendance allowance, or a certain percentage of the Company's annual net profits. Two or more of these benefits may be combined.
- 4.1.11 Independent Board Members are excluded from the provisions of the previous article, and the remuneration of Independent Board Members may not be a percentage of the profits made by the Company or directly or indirectly based on the Company's profitability.
- 4.1.12 Board Member remuneration may vary in amount to reflect the member's experience, specializations, assigned tasks, independence, number of meetings attended and other considerations.

4.1.13 Annual remuneration distribution and payment shall be on a quarterly basis (every 3 months). Including the value of remuneration or meeting attendance allowances for Board meetings as per the attendance register allocated to each member.

#### 4.2 **Additional Remuneration**

4.2.1 The Chairman of the Board may receive additional remuneration besides the remuneration they are entitled to as a Board Member. The Board of Directors shall determine this additional remuneration (if any) annually based on the Nomination and Remuneration Committee recommendation.

4.2.2 Board Members may receive additional remuneration for their membership in other committees besides the remuneration they are entitled to as Board Members. This additional remuneration (if any) shall be determined according to the specific controls for it in this policy.

4.2.3 Board Members may receive additional remuneration for their positions as senior executives besides the remuneration they are entitled to as Board Members. This additional remuneration (if any) shall be determined according to the specific controls for it in this policy.

4.2.1 If the Board Secretary is a Board Member, they may receive additional remuneration besides the remuneration they are entitled to as a Board Member. The Board of Directors shall determine this additional remuneration (if any) annually based on the Nomination and Remuneration Committee recommendation.

#### 4.3 **Restricted Benefits**

The Company may not provide a loan of any kind to any Board Member or shareholder, or guarantee any loan they contract with others. Excluded are loans and guarantees provided by the Company under employee incentive programs that have been approved pursuant to the Bylaws provisions or by resolution of the Ordinary General Assembly.

#### 4.4 **Non-Entitlement to Remuneration and Obligation to Refund**

If the General Assembly decides to terminate the membership of any Board Member absent without legitimate excuse accepted by the Board from attending three consecutive meetings or five separate Board meetings during their



membership term, this member shall not be entitled to any remuneration after the last meeting they attended, and must refund all remuneration paid to them for that period.

#### **4.5 Remuneration Based on Incorrect or Misleading Information**

If the Audit Committee or the Authority finds that the remuneration paid to any Board Member is based on incorrect or misleading information presented to the General Assembly or included in the Board of Directors annual report, they must refund it to the Company, which has the right to claim its refund.

### **Article (5): Sub-Committee Member Remuneration**

- 5.1 The annual remuneration shall be: For heads of sub-committees stemming from the Board of Directors: 120,000.
- 5.2 The annual remuneration shall be: For members of sub-committees stemming from the Board: 100,000.
- 5.3 Meeting attendance allowance for sub-committee meetings stemming from the Board shall be: 2,500 for each member who attended the relevant meeting as per the member's attendance register.
- 5.4 If the Board assigns any committee member with an official mission outside Riyadh city, the member shall be compensated for the actual travel cost, according to the Company's approved travel policy and rules.
- 5.5 Professional liability insurance shall be provided to all Committee Members as part of in-kind benefits.
- 5.6 Committee Members and one of their family members shall be granted an annual subscription for admission to sports clubs as part of in-kind benefits.
- 5.7 Annual remuneration distribution and payment shall be on a quarterly basis (every 3 months), including the value of remuneration or meeting attendance allowances for sub-committee meetings stemming from the Board of Directors as per the attendance register allocated to each member.
- 5.8 The Nomination and Remuneration Committee shall review sub-committee member remuneration and make recommendations to the Board of Directors in this regard.

## **Article (6) Senior Executive Remuneration**

- 6.1 The Board of Directors shall determine, based on Nomination and Remuneration Committee recommendations, the remuneration of all senior executives pursuant to employment contracts and relevant internal remuneration policies, plans and schemes.
- 6.2 The Nomination and Remuneration Committee shall review and approve employment contracts with senior executives, including contracts to be concluded with new appointees. It shall also review and approve any contract concluded with an employee for a salary or remuneration equaling those of senior executives.
- 6.3 Senior executives shall be entitled to benefits provided by the Company, namely pension plans, health insurance services, use of the Company's recreational facilities, housing allowances (or equivalent) and transportation allowances (or equivalent).
- 6.4 The nature and levels of benefits provided to senior executives shall be subject to periodic review by the Nomination and Remuneration Committee in addition to Board approval.
- 6.5 The Company may provide variable remuneration for senior executives determined according to market dynamics and subject to achieving predefined objectives related to performance. Variable remuneration plans shall be subject to Nomination and Remuneration Committee recommendation as well as Board approval.
- 6.6 The Company may provide senior executives and other employees with stock ownership opportunities through employee stock ownership plans. These plans and programs shall be subject to Nomination and Remuneration Committee recommendation as well as Board approval, and shall be in accordance with applicable regulations, laws and instructions.

## **Article (7) Final Provisions**

- 7.1 This policy shall be approved by General Assembly resolution based on a Board of Directors recommendation, provided the recommendation is based on a Nomination and Remuneration Committee recommendation. It shall be effective from the date of approval by the General Assembly.
- 7.2 The Nomination and Remuneration Committee shall be responsible for overseeing implementation of this policy. It shall periodically review it and

make recommendations to the Board of Directors regarding any amendments, to be subsequently approved by the Company's General Assembly.

- 7.3 The Board of Directors shall disclose in its annual report details of policies related to remuneration and mechanisms for determining it, and financial and in-kind amounts and benefits paid to each Board Member in return for any executive, technical, administrative or advisory work or positions.

#### **Article (8) Publication and Amendment**

- 8.1 The provisions of this policy shall apply and be complied with by the Company effective from the date of approval by the General Assembly of Shareholders. It shall also be published on the Company's website to enable shareholders, public and stakeholders to view it.
- 8.2 The content of this policy shall be reviewed as needed based on a Board recommendation, provided that these amendments are presented to the General Assembly of Shareholders for adoption at the earliest meeting.