

Human Capital & Culture

# Compensation & Benefits Policy

## Purpose

The purpose of this policy is to define a transparent, competitive, and performance-aligned approach to compensation and employee benefits across B&S Investments. This policy ensures consistency, legal compliance, and internal equity while supporting the company's ability to attract, retain, and motivate high-caliber talent across diverse sectors including exhibitions, manufacturing, tourism, creative content, hospitality, and digital ventures.

## Scope

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This policy applies to all full-time, part-time, and contract employees at B&S Investments and its subsidiaries operating in Saudi Arabia and globally. It governs all aspects of remuneration, including base salary, allowances, incentives, bonuses, benefits, and end-of-service entitlements. It also applies to executive and non-executive levels, with additional considerations for expatriate packages and sector-specific reward practices..

## Policy Statement

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B&S Investments is committed to offering a fair and competitive compensation structure that recognizes individual performance, internal alignment, and market benchmarks. Our approach to total rewards is designed to:

- Align with business objectives and shareholder value
- Support a culture of performance, accountability, and recognition
- Maintain compliance with labor laws and regulatory standards
- Encourage career progression and long-term employee engagement
- Recognize differences in role complexity, geographic cost-of-living, and sector dynamics

All compensation and benefits decisions must be merit-based, non-discriminatory, and approved within the Delegation of Authority..

## Roles & Responsibilities

Role	Responsibility
<b>Board of Directors / Compensation Committee</b>	Oversees executive pay philosophy, approves group-wide reward frameworks and reviews remuneration governance
<b>Group CEO &amp; Business Unit CEOs</b>	Ensure alignment of compensation with strategic goals and performance outcomes
<b>Chief People Officer (CPO)</b>	Develops compensation strategy, oversees benchmarking, audits salary practices, and ensures benefit competitiveness
<b>Finance Department</b>	Supports payroll accuracy, cost modeling, and budget controls for reward programs
<b>HR Business Partners</b>	Implement salary structures, administer benefits, and advise managers on compensation decisions
<b>Line Managers</b>	Recommend salary adjustments based on performance and ensure fairness in reward decisions
<b>Employees</b>	Understand their compensation package, comply with related procedures, and raise queries through formal channels if needed

## Procedures & Implementation

### 1. Salary Structure

- Positions are graded based on job evaluation methodology (e.g., Hay or Mercer frameworks)
- Each grade has a minimum, midpoint, and maximum salary range, reviewed annually

- Salary offers and adjustments must fall within approved bands and be supported by HR and Finance

## 2. Base Pay & Adjustments

- Base salary is determined by market rate, job grade, internal parity, and candidate qualifications
- Annual merit increases are based on:
  - Individual performance (via the Performance Appraisal Process)
  - Market movement and inflation indices
  - Business unit performance and budget capacity
- Off-cycle increases require business justification and CPO approval

## 3. Allowances

Allowances vary by geography and job category. They may include:

- **Housing Allowance**
- **Transportation Allowance**
- **Mobile/Internet Allowance**
- **Children's Education Support (for eligible roles)**
- **Expatriate Relocation Benefits**

All allowances are defined in the employment contract and are subject to tax and regulatory treatment as per jurisdiction.

## 4. Incentive Programs

- **Short-Term Incentives (STI):** Annual bonus based on KPIs, performance rating, and business results
- **Long-Term Incentives (LTI):** Offered to senior leadership or high-potential employees as part of retention strategy
- Incentive eligibility, targets, and payment conditions are approved by the Group Compensation Committee

## 5. Benefits

Standard benefits include:

- **Medical Insurance:** Fully/partially covered for employees and dependents, depending on grade
- **Life & Disability Insurance:** Group policy for critical illness and accidental coverage

- **Annual Leave:** Minimum 30–21 working days per year, depending on grade and location
- **Sick Leave:** As per local labor law (e.g., 30 paid sick days under Saudi law)
- **Maternity/Paternity Leave:** Compliant with national law and Group policy standards
- **Travel Benefits:** Airfare entitlements for expatriates and business travel cover
- **Professional Development Allowance:** For certification, learning, and conference participation

Sector-specific or senior-level roles may be eligible for enhanced benefits under separate guidelines.

#### 6. End-of-Service Benefits & Gratuity

- In Saudi Arabia, end-of-service benefits are calculated per Labor Law Article 84
- Employees in other jurisdictions receive severance or gratuity as per local legal requirements
- Voluntary resignation vs. involuntary termination affects payment terms

#### 7. Payroll Administration

- Payroll is processed monthly and includes itemized payslips
- Deductions include GOSI, income tax (where applicable), and approved recoverables
- Salary disputes must be raised within 15 business days of payment

#### 8. Non-Compliance & Exceptions

- Unauthorized salary decisions are not binding and may result in disciplinary action
- All exceptions to standard policy (e.g., counter-offers, off-band salaries) must be formally approved and documented

## Monitoring & Review

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This policy is reviewed every 12 months by the CPO and Compensation Committee. The review process includes:

- Benchmarking against peer organizations
- Legal and tax updates by jurisdiction

- Internal audit results and employee feedback
- Cost-of-living index changes and inflation trends

Modifications are communicated company-wide, and HR Business Partners are responsible for ensuring managers understand implementation.

## Associated Documents

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- Employee Grading & Salary Band Matrix
- Performance Management Policy
- Recruitment & Onboarding Guidelines
- Bonus & Incentive Program Framework
- Payroll Processing SOP
- Benefits Enrollment & Claims Manual
- Expatriate Compensation Guidelines
- End-of-Service & Gratuity Policy
- Total Rewards Statement Template
- HR Delegation of Authority

