



**Remuneration Policy for the Board of Directors of the Union Insurance Company "P.J.S.C"
its Committees, the Executive Management, and the Employees**

Preamble:

The remuneration policy for the Board of Directors, its committees and the Executive Management has been prepared in accordance with the provisions of Federal Law No. (2) of 2015 regarding commercial companies and the relevant resolutions, including the Chairman of the Authority's Board of Directors Resolution No. (3/R.M) of 2020 regarding the approval of the Governance Manual for Public Joint Stock Companies, in line with the provisions of Paragraph 7 of Article 59 of the aforementioned Resolution, which entrusted the Nominations and Remunerations Committee with the task of "Preparation and annual review of the policy on granting remunerations, benefits, incentives and salaries to Board members and employees of the Company and the Committee shall verify that remunerations and benefits granted to the Senior Executive Management of the Company are reasonable and in line with the Company's performance."

First: Legal Articles regulating the Remuneration Policy of the Board of Directors and the Executive Management

1. Federal Law No. 2 of 2015 regarding Commercial Companies

Article (169)

1. "The Articles of Association shall state the method of calculating the remuneration of the Board Members, provided that it shall not exceed (10%) of the net profits of the ending Fiscal Year after deducting all the depreciations and reserves.
2. The penalties imposed on the Company due to contraventions by the Board of Directors of the Law or the Articles of Association of the Company during the ending Fiscal Year shall be deducted from the remuneration of the Board of Directors. The General Assembly may resolve not to deduct such penalties if it finds that such penalties are not due to omission or error by the Board of Directors."

2. Chairman of the Authority's Board of Directors Resolution No. (3/R.M) of 2020 regarding the approval of the Governance Manual for Public Joint Stock Companies

Paragraph No. 17 and 27 of Article (14)

"The duties and responsibilities of the Company's Board of Directors shall be determined by its Articles of Association, and the Board of Directors shall commit to the following:

17. Adopting the basis for granting incentives, remunerations and benefits for members of the Board of Directors and Senior Executive Management in order to help achieve the Company's interest, goals and objectives.

27. Recommending the Remuneration Policy of the Board of Directors for approval by the Shareholders.

Article (29)

"Remuneration of the Chairman and Members of the Board of Directors

1. Remuneration of the Chairman and Members of the Board of Directors consists of a percentage of the net profit, provided that it shall not exceed (10%) of those profits for the Fiscal Year after deducting all the depreciations and reserves.
2. The Company may pay additional expenses, fees, bonuses, or a monthly salary to its Board Members in accordance with the policies proposed by the Nominations and Remunerations Committee, reviewed by the Board of Directors and approved by the Company's General Assembly, if the member works in any committee, makes special efforts or performs additional work to serve the Company beyond his/her normal duties as a member of the Company's Board of Directors. Attendance allowance may not be paid to the Chairman or Member of the Board of Directors for Board Meetings.
3. Remuneration of the Chairman and Members of the Board of Directors shall be deducted from the penalties imposed to the Company by the Authority or the competent authority due to violations by the Company's Board of Directors of Companies Law or the Company's Articles of Association during the ended Fiscal Year. The General Assembly may not deduct those penalties or some of them if it becomes clear that these penalties are not resulting from omission or error by the Board of Directors".

Paragraph No. 7 and 8 of Article (59)

“Nominations and Remunerations Committee: The Board of Directors shall form a permanent committee called the Nominations and Remunerations Committee. The Committee shall convene its meetings once during the year or whenever needed, and its tasks are as follows:

7. Preparation and annual review of the policy on granting remunerations, benefits, incentives and salaries to Board members and employees of the Company and the Committee shall verify that remunerations and benefits granted to the Senior Executive Management of the Company are reasonable and in line with the Company's performance.
8. Ensuring that remunerations and bonuses, including options, other deferred remunerations, and benefits offered to Senior Executive Management are linked to the Company's performance in the medium and long term”.

Second: Objectives

- Determining clear standards regarding the remunerations of the Company's Board Members, its committees, and the Executive Management, in accordance with the Corporate Governance Manual, rules and regulations.
- Attracting the required competencies both at the level of the Company's Board of Directors and its committees, and at the level of the Company, including the Senior Executive Management alongside with the various departments of the Company and its employees, in a way that contributes to improving the Company's performance and achieving the interests of shareholders.
- Maintaining the competencies existing in the Company.
- Encouraging the members of the Board of Directors, the committees emanating from the Board and all employees of the Company to carry out their responsibilities, as well as raising the Company's performance.

Third: General Conditions

1. Remunerations shall be in line with the Company's strategy and objectives.
2. Remuneration shall be determined on the basis of the job level, duties and responsibilities assigned to the incumbent, academic qualifications, work experience and level of performance.
3. Subject to the prevailing practices in the labor market, taking into consideration the sector in which the Company operates and its size.
4. To achieve the desired objectives by preserving the skills and competencies existing in the Company, as well as attracting the necessary therefrom.

5. Disclosure of the remunerations of the Board Members, Committees and Executive Management in accordance with the provisions of the Chairman of the Board of Directors of the Securities and Commodities Authority Resolution No. (3/R.M) of 2020 regarding Public Joint Stock Companies and any resolutions issued in this regard.
6. All remunerations and amounts paid to the Board Members, its committees, and the Executive Management prior to the approval of this policy shall be considered valid and approved.

Fourth: Remunerations of Members of the Board of Directors and Committees

1. Remunerations of the Members of the Board of Directors shall consist of a percentage of the net profits of the Company after deducting the depreciations and reserves, provided that it shall not exceed 10% of these annual profits, and it shall be determined annually by the Board through a recommendation it submits to the General Assembly for approval and consent in accordance with the applicable law and regulations.
2. Additional expenses, fees, bonuses or a monthly salary may be paid to the Members of the Board of Directors in exchange for special efforts or additional work carried out by the member beyond his/her normal duties.
3. Meeting attendance allowances may be paid to members of the committees emanating from the Board, and the Board may determine their amount as per a proposal from the Nominations and Remunerations Committee. The Board shall also be entitled to authorize the Chairman to resolve and determine the same.
4. Alternately, the remuneration may be combined with the expenses, fees, additional bonuses, and other benefits that shall be decided to the Members of the Board of Directors.
5. Remuneration of the members may be of varying amounts to reflect the member's experience, competence, duties entrusted to him/her and his/her independence. The date of joining the Board and tenure shall also be taken into account. Regarding the committees emanating from the Board, the number of meetings attended by the member, and any other considerations shall be taken into account at the discretion of the Board of Directors.
6. With regard to what was mentioned in the Second Clause above, additional expenses, fees, or bonuses, etc. may be made in quarterly or semi-annual payments as per to the resolution of the Board, as for the annual remuneration based on the net profits shall be paid after being approved by the General Assembly.

7. The Board shall resolve and pay an annual remuneration for the rapporteur of the Board of Directors, and it shall also have the right to approve the payment of a remuneration, bonus or an additional allowance to any member of the Executive Management who participated in the meetings of the Board of Directors or exerted additional efforts beyond his/her normal duties.

Fifth: Remunerations of the Executive Management of the Company

Without prejudice to the provisions of the employment contracts concluded between the Company and the Senior Executive Management Personnel and the employees of the Company, annual remunerations, additional bonuses, fees or expenses shall be paid to the Executive Management Personnel, taking into account the following:

1. Executive Management shall execute the remunerations policy for employees and Senior Executives, in consultation with the Board of Directors.
2. Taking into account the behavior followed by companies operating in the same sector.
3. Linking remunerations to the Company's performance, alongside with performance indicators for employees, which is based on the annual evaluation of each employee.
4. Remuneration determined for employees may vary according to criteria related to the position, responsibilities and tasks assigned to each employee, experience, and annual evaluation results.
5. Benefits stipulated in the employment contract and/or the applicable Labor Law may be combined with two or more benefits stipulated in the provisions of this policy.
6. In the event that the remuneration is decided based on inaccurate or false information, such matter shall be submitted to the Board to take a decision to suspend its disbursement or recover it according to the circumstances of the case.

Sixth: Responsibility and Scope of Application

1. Nominations and Remunerations Committee, in coordination with the Executive Management, shall observe the execution of this policy and shall verify that its conditions are followed.
2. Nominations and Remunerations Committee shall review this policy and make the necessary amendments in consultation with the Executive Management, provided that it shall be presented to the Board for approval in accordance with the regulations followed in this regard.
3. This policy shall apply to the Board of Directors, its committees, and the Senior Executive Management in the company, and it may be used as a guide to be applicable in whole or in part to the Company's employees.

Seventh: Final Conditions

1. This policy shall enter into force as of the date of its approval by the General Assembly.
2. The Board may make the necessary amendments to this policy without the need for re-approval by the General Assembly of the Company, unless the Board decides otherwise.
3. Remunerations and benefits paid prior to the entry into force of Resolution No. 3/R.M by the Chairman of the Board of Directors of the Securities and Commodities Authority, regarding the approval of the Governance Manual for Public Joint Stock Companies, and prior to the approval of this policy, shall be considered approved and valid.
4. The provisions contained in the Companies Law and the Insurance Law, as well as the provisions contained in the regulations, instructions and resolutions issued pursuant to either of them, and any amendment thereto, shall be applicable where there is no special provision in this policy.
5. The conditions of the policy shall not be applied except to the extent that they do not conflict with the provisions of the Federal Companies Law No. 2 of 2015 and the Law Establishing the Insurance Authority and regulating its work, as well as the provisions contained in the regulations, instructions and resolutions issued pursuant to either of them and any amendment thereto.