



شركة الوثبة الوطنية للتأمين
ALWATHBA NATIONAL INSURANCE CO

REMUNERATION POLICY
FOR
BOARD AND ITS COMMITTEES



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DISCLAIMER:

This English version of this policy is a translation of the original Arabic document and has been made for information purpose for Non-Arabic speakers. In case of any discrepancy or misinterpretation, the original Arabic document of the said policy shall prevail.



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1. Introduction

The "Remuneration Policy for Board and its Committees of "Al-Wathba National Insurance Company PJSC" is prepared in compliance with article (29) of the CG Regulations issued by the Securities and Commodities Authority. As per the Chairman of Authority's Board of Directors' Decision no. (3) of 2020, which stipulated that the Nomination and Remuneration Committee shall "prepare a clear policy for the remunerations of the board members and its committees and presenting such policy to the board in preparation for approval by the General Assembly".

2. Purpose

The purpose of this policy is to stipulate and clearly outline the remuneration for the Board of Directors and its committee members in light of the Companies law requirements and Securities and Commodities Authority laws and regulations. In addition, this policy aims to attract talented professionals to work in Al-Wathba National Insurance Company's Board and its committees 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 Nomination and Remuneration Committee responsibilities include recommending to the board the remuneration of the board and its committees in accordance with the approved criteria, as follows:

- a. Be in line with Company's activities and the required skills for its management.
- b. The variable part of the remuneration shall be linked to the long-term performance.
- c. Remuneration shall be consistent with the strategy, objectives, the magnitude, nature, and level of risks faced by Company.
- d. 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.
- e. Shall be prepared in coordination with The Nomination and Remuneration Committee with respect to new appointments.
- f. Remuneration shall be based on job level, duties and responsibilities, educational qualifications, practical experience, skills, and level of performance.
- g. Be fair and in line with the board or committee's 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.
- h. Take into consideration the sector in which the Company operates, its size and experience of its board members.
- i. Be reasonably sufficient to attract and retain highly qualified and experienced board members.
- j. 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.



- k. 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.

4. The Board Members Remuneration

- a. Remuneration of the Chairman and members of the Board of Directors is made up of a percentage of the net profit not exceeding 10% of the fiscal year profits, The Company may also pay expenses, fees, additional bonuses, a monthly salary as decided by the Board of Directors to any of its members if this member works in any committee, makes special efforts, or additional work to serve the Company in addition to his regular duties as a member of the Board of Directors.
- b. The remuneration of the various board members may vary in light of the policy recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. The Corporate Governance report 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 the board meetings held and the number of meetings attended by each member beginning from the date of the last meeting of the AGM.
- c. Where the remuneration represents a certain percentage of the Company's profits, provisions of article No. (169) of the Companies' Law shall be taken into consideration in addition to article (29) of the CG regulation, provided that this percentage may not exceed 10% of the net profits for such fiscal year after deducting all consumption and reserves, subject to approval by the AGM.

5. The Committees' Members Remuneration

- a. The board shall determine and approve its committee's remuneration, attendance fees and other benefits based on the Nomination and Remuneration Committee recommendation.
- b. Committee member remuneration shall comprise of an annual remuneration (a lump sum) and/or attendance fees.

6. Additional guidelines for remuneration and payment process

- a. Disclosing the remuneration of the board and its committee members in the CG report in line with applicable laws and regulations.
- b. Members are entitled to the remuneration from the date they have joined the board or committee and as per the duration of their membership.
- c. Processing of board and committee member remuneration payment shall be prepared by the board secretary or whoever does his job and payment order shall be approved by the CEO.
- d. The payment for Board, committee's remuneration and committee's meeting attendance fees can be processed as installments on a quarterly basis, whereas the annual remuneration of the board shall be paid in full after Annual General Assembly meeting approval.



- e. Fines that may have been imposed on the Company by the Authority or the Relevant Competent Authority due to violations by the Board of the Law or the Articles of Association during the ended fiscal year shall be deducted from the remuneration. The General Assembly may decide not to deduct such fines or some of them if it deems that such fines were not the result of default or error of the Board.

7. Final Provisions (for publications, access, and amendments)

This policy shall be implemented and complied with by the Company starting from the date it is approved by the AGM. This policy shall be made available to the internal & external stakeholders after AGM meeting approval. The content of this policy shall be reviewed - as needed - by the Nomination and Remuneration committee, provided that, any recommended changes are presented by the board to the AGM in the next meeting for approval.

Note:

This policy was approved by the Shareholders General Assembly in its meeting held on