الشركة الوطنية للتأمينات العامة (ش.م.ع.)
NATIONAL GENERAL INSURANCE CO. (PJSC)

DRAFT

Chairman and Directors Reward Policy

TO BE CONSIDERED BY THE BOARD OF DIRECTORS
AND THE GENERAL ASSEMBLY

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Preamble:

Out of the desire of the Board of Directors of the National General Insurance Co. (PJSC) “NGI” to follow the best practices in good governance with the aim of excellence in performance, continuity and sustainability in business, and within the framework of the completion by the Board of Directors of developing clear policies that embody the NGI’s vision for dealing with related parties, showing its respect and appreciation for the value of hard work, supporting and respecting the principles of disclosure, transparency, and work responsibility in an appropriate framework in accordance with the rules, regulations and best practices, **NGI Chairman and Directors Reward Policy** has been formulated.

1. The Objective of this Policy:

- Establishing clear controls and criteria for the rewards of the Chairman and Board Directors related to performance, and verifying their implementation, in accordance with the rules and regulations issued by the Securities and Commodities Authority and the NGI's Articles of Association, in addition to the relevant regulatory controls and procedures.

- Achieving full compliance with the regulations, rules and by-laws that govern its business by following up the issuance and updating of regulations and policies regulating the NGI's business, while following up and evaluating compliance with the implementation thereof.

- In implementation of the obligations set out in Paragraph (2) of Article (29) of the Authority Chairman's Decision No. (03/R.M) of 2020 regarding the adoption of the Governance Guide for Public Joint Stock Companies, as amended, which provides that the Reward and Nominations Committee of the company's Board of Directors shall propose a policy for the rewards of the chairman and directors, be reviewed by the board of directors, and approved by the company's General Assembly.

2. Issuing Chairman and Directors Reward Policy:

- Upon the recommendation of the Board of Directors, the General Assembly adopts Chairman and Directors Reward Policy, and the Board of Directors and the Nominations and Rewards Committee shall monitor its application and verify its effectiveness, and the company's compliance with this policy, as amended, wherever needed.

- In implementation of the above Paragraph, the annual General Assembly of the National General Insurance Co. convened on 17/03/2022, and the Chairman and Directors Reward Policy has been approved and adopted.

3. The Mechanism of Chairman and Directors Rewards:

- The Nominations and Rewards Committee shall recommend the Board of Directors for the rewards of the Chairman and Directors in accordance with the approved policy.

- The Board of Directors shall discuss the proposal of the Nomination and Reward Committee regarding the rewards of the Chairman and Directors, then it will be presented to the General Assembly for approval.

4. Criteria for Determining Rewards:

- An annual program must be drawn up to evaluate the performance of the directors in view of pre-approved objective criteria, which considers the company's performance compared to its objectives, strategy, and budget.
- Rewards must be based on the recommendation of the Nomination and Reward Committee.
- Rewards must be fair and take into consideration the performance evaluation, the Director’s experience, his competencies, his business and responsibilities, and the company's performance and profits, in addition to the achievement of the objectives set by the Board of Directors during the financial year.
- The reward must be reasonably sufficient to attract, motivate and maintain Directors with high efficiency and experience, in order to achieve balance between providing benefits to attract professional competencies on the one hand, and maintaining and motivating them on the other hand, and not to overestimate them.
- The rewards of the Chairman, Vice-Chairman, and Directors may vary, to reflect the Director’s experience, competencies, tasks assigned to them, efforts made to contribute, prepare, attend, and implement the business of the Board of Directors and its committees.

5. Rewards of the Chairman and Directors:

1. The reward of the Chairman and Directors, subject to approval by the General Assembly, consists of a percentage of the net profit, provided that it shall not exceed 10% of such profits for the ended financial year after the deduction of both depreciation and reserves.

2. As an exception from Paragraph (1) above, and taking into consideration the controls issued by the Authority in this regard, a Director may be paid lump sum remuneration not exceeding (200,000) two hundred thousand dirhams at the end of the financial year, whenever it is so allowed under the articles of association, and upon the approval of the General Assembly for the disbursement of such remunerations, in the following cases:
   a. Profits are not realized.
   b. If profits are realized and the director’s share in such profits is less than (200,000) two hundred thousand dirhams. In such a case, it is not permissible to combine the reward and remunerations.

3. Penalties incurred by the company due to the Board of Directors' violations of the law or the company's articles of association during the ended financial year shall be deducted from the Board of Directors' rewards. The General Assembly

may not deduct such penalties if it is found that such penalties are not the result of a default or error on the part of the Board of Directors.

4. The company may pay additional expenses, fees, bonuses, or a monthly salary to the Directors, if the Director works in a committee or makes special efforts or performs additional work to serve the company beyond his normal duties as a Director of the company. Such amounts must, if necessary, be determined according to accurate objective criteria.

5. The Chairman or a Director may not be paid an attendance allowance for the Board meetings.

6. Directors may not vote on the Board's reward item during the General Assembly meeting of shareholders.

7. In all cases, the General Assembly must approve the proposal regarding the reward and determination of the Chairman and Directors.

6. General Provisions:

1. In all cases, this policy must be subject to all laws, rules and regulations that apply to the rewards of the Board of Directors, as amended, from time to time.

2. The Board of Directors will ensure that the annual governance report includes details and reasons of all amounts paid by the company to the members of the Board of Directors in detail in accordance with this policy.

7. Policy Details:

Status: Draft for consideration and recommendation by the Board of Directors.

Effect date: 17/03/2022 (upon approval by the General Assembly)

Version: First

Prepared by: Secretary of the Board of Directors

Reviewed by: Nominations and Rewards Committee

Legal references:

1. Federal Decree-Law No. (32) of 2021 regarding Commercial Companies Law.
2. Authority Chairman Decision No. (03/R.M) of 2020 regarding the adoption of the Governance Guide for Public Joint Stock Companies, as amended.
3. NGI's Articles of Association, as amended.