



# **RAS AL KHAIMAH NATIONAL INSURANCE COMPANY PSC**

## **BOARD REMUNERATION POLICY**

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## 1. Objective

Ras Al Khaimah National Insurance Company PSC's (RAKINSURANCE or the Company) Remuneration Policy (the Policy) sets clear principles which provide the basis for remunerations of the Company Chairman and the Members of the Board of Directors.

These principles are prepared in compliance with the following laws and regulations:

- The Federal Law by Decree No (32) of 2021 concerning the Commercial Companies,
- The Chairman of Securities and Commodities Authority Resolution No. (3/Chairman) of 2020 Concerning the Approval of Joint Stock Companies Governance Guide and its amendments.
- The Central Bank of the United Arab Emirates (CBUAE) Corporate Governance Regulation for Insurance Companies
- The Company's Article of Association; and any other laws or regulations in UAE applicable from time to time.

Further, these principles take into consideration the competitive, challenging and evolving nature of Ras Al Khaimah National Insurance Company.

## 2. General Guidelines

2.1. The remuneration of the Chairman and Members of the Board (the Members) shall consist of fixed compensation comprising the payment of an annual fixed amount approved by the Annual General Meeting. The remuneration may not exceed 10% of the net profit for such fiscal year after deducting all depreciations and reserves of the same year.

2.2. The remuneration may be of varying amount to reflect the Member's experience, specialization, tasks entrusted to him and his independence. The date of appointment and the term of membership at the Board are also taken into account, as well as any other considerations at the discretion of the Board of Directors.

2.3. The compensation, if any, the payment of the fixed amount to the Member of the Board shall include a part relating to their service on the Board and another part relating to their service on Board Committees, with greater weighting applied to chairing Committees. The Payment may also include the value of other non-monetary benefits (such as insurance and healthcare), as per the details included in the appointment letter signed by each Member of the Board.

2.4. The Company may also pay additional expenses, fees, bonus or a monthly salary to the extent determined by the Board of Directors, consistent with this Policy suggested by the Board Nomination and Remuneration Committee, reviewed by the Board and approved by the Annual General Meeting. If such Member serves in any committee, makes special efforts or performs additional works to serve the Company in excess of his regular duties as a Board Member. Such special remuneration can be shared through a special Board resolution or at the Nomination and Remuneration Committee Meeting subject to the Board approval and consequent approval at the Annual General Meeting.

2.5. The Board Members shall be reimbursed of costs directly related to the discharge of their responsibilities.

### **3. Exclusions**

3.1. Bonus or any incentive-based mechanisms based on the performance of the company must be excluded.

3.2. The Chairman or any of the Board members are not eligible for any allowances/ fees against the attendance of Board and /or Board Committee meetings.

### **4. Other Provisions**

4.1. Negative financial performance or net loss reported by the Company in a financial year should generally lead to a contraction of the Board's total remuneration where the negative financial performance was due to non-compliance with regulations, omissions or errors by the Board.

4.2. Fines that may have been imposed on the Company by the Authority or the Competent Authority due to violations committed by the Board of Directors of the

Federal Law or the Company's Articles of Association during the fiscal year shall be deducted from the remuneration of the Board of Directors. The Annual General Meeting may decide not to deduct such fines or part of them if it deems that such fines were not the result of default, negligence or error of the Board.

- 4.3. Considering the controls issued by the Authority in this regard, and in compliance with the Company's Article of Association and subject to the approval of the Annual General Meeting, a lump sum fees not exceeding (AED200,000) two hundred thousand dirhams, may be paid to each Board member at the end of the fiscal year if the Company didn't make profit during that year or if the Company achieves profits but the share of the Board member from such profit is less than (AED200,000) two hundred thousand dirhams, in such case, it is not permissible to combine both the remuneration and the fees.
- 4.4. The payment of such allowances to the Board shall be suspended if the company's accumulated losses exceed 50% of the capital, and/or If the company reports annual losses for three consecutive financial years.
- 4.5. The Board may recommend lower or no remuneration if it is of the view that there is a need to conserve capital, and may recommend higher remuneration, subject to applicable regulations, if the capital and reserves position supports a higher distribution to the Board.

## **5. Review**

The Board Remuneration policy is to be reviewed on annual basis or earlier, if deemed required, and submitted to the Board for approval in case of any amendment and to be ratified at the subsequent Company's Annual General Meeting.