



Notes	The amended and current version of the article	The text of the previous article	Statement
The introduction was separated from the objectives, and "senior executives" were added among the individuals to whom this policy applies.	<p>This document defines the remuneration of the members of the Board of Directors, committee members, the Board Secretary, committee secretaries, and senior executives at Arabian Shield Cooperative Insurance Company, including the Chairman, Vice Chairman, members of the Board, and executive management members, in accordance with market practices and the applicable laws and regulations in the Kingdom of Saudi Arabia.</p> <p>This document has been prepared in accordance with the directives issued by the Ministry of Commerce and Investment, the Corporate Governance Regulations issued by the Capital Market Authority, and the Insurance Companies Governance Regulations issued by the Insurance Authority.</p>	<p>This document outlines the remuneration for the Board of Directors, committee members, the Board Secretary, committee secretaries, and senior executives of Arabian Shield Cooperative Insurance Company, including the Chairman, Vice Chairman, Board members, and executive management members. The compensation is determined in accordance with market practices and the laws and regulations in force in the Kingdom of Saudi Arabia. The policy also aims to enhance the disclosure and transparency policy of Arabian Shield Cooperative Insurance Company regarding remuneration and compensation, taking into account that the determination of such compensation is based on the performance of duties by the Board and committee members.</p> <p>This policy is subject to a recommendation by the Nomination and Remuneration Committee, approval by the Board of Directors, and implementation upon approval by the shareholders at the General Assembly meeting.</p> <p>The policy has been prepared based on the directives issued by the Ministry of Commerce and Investment, the Corporate Governance Regulations issued by the Capital Market Authority, and the Insurance Company Governance Regulations issued by the Saudi Arabian Monetary Authority (SAMA)</p>	Introduction
	<p>- This policy aims to define clear standards for the remuneration of the Board of Directors, its committees, and senior executives in light of the Companies Law, regulatory rules and procedures, the company's Articles of Association, and the Corporate Governance Regulations, to enable them to perform their duties optimally.</p> <p>-Implementing the disclosure and transparency policy of Arabian Shield Cooperative Insurance Company regarding remunerations and compensations, taking into account that the determination of such payments is based on the performance of the duties of board members, board committee members, and executives.</p>	Add a new paragraph	Objectives

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	- Clarifying the meaning of basic and additional remunerations and allowances as defined in the Labor Law.		
The Board Secretary has been added, along with senior executives in the company who are accountable for their work to the Chief Executive Officer.	<ul style="list-style-type: none">This policy applies to the members of the Board of Directors, members of its affiliated committees, and senior executives at Arabian Shield Cooperative Insurance Company during their term of service. It covers the Board committees and senior executives, including the Chief Executive Officer, heads of key departments in the company, as well as the Risk Management, Internal Audit, and Compliance Officers.	This policy applies to the members of the Board of Directors and the members of its affiliated committees at Arabian Shield Cooperative Insurance Company during their term of membership. The Board committees include: the Executive Committee, the Investment Committee, the Nominations Committee, the Risk Management Committee, and the Board Secretary.	Scope of Application
Add a new paragraph	<ul style="list-style-type: none">The Board of Directors proposes the remuneration of Board members based on the recommendations of the Nominations and Remuneration Committee, in accordance with relevant laws, regulations, directives, and any conditions approved by the General Assembly. No proposed remuneration or compensation for the Chairman or any Board member shall be approved without the approval of the General Assembly, taking into consideration the following criteria:The company must ensure that all details of the proposed remunerations and compensations are disclosed in writing and made available to all shareholders prior to the General Assembly in which such remunerations and compensations will be voted upon.The remuneration must be proportional to the company's business activities and performance during the fiscal year.The remuneration must be aligned with the company's results, objectives, and long-term performance.	<p>The Board of Directors proposes the Board's remuneration based on the recommendations of the Nominations and Remuneration Committee, and in accordance with the applicable laws, regulations, and relevant directives, as well as any conditions approved by the General Assembly. No proposed remuneration or compensation for the Chairman of the Board or any board member shall be approved without the approval of the General Assembly, taking into consideration the following criteria:</p> <ul style="list-style-type: none">The company must ensure that all details of the proposed remuneration and compensations are disclosed in writing and made available to all shareholders prior to the General Assembly meeting during which such remunerations and compensations will be voted upon.Remuneration shall be allocated in proportion to the company's activity and business performance during the fiscal year.Remuneration shall be allocated in alignment with the company's results, objectives, and long-term performance.	General Policy for Determining the Remuneration of the Board of Directors its Committees and Senior Executives

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- The member's remuneration shall be determined based on the annual evaluation, taking into account their participation, attendance, and effectiveness, in line with the company's overall strategy.
- Consideration shall be given to the member's experience in the insurance sector and any other related industries that may be connected to insurance-related activities.
- Remuneration must be consistent with the size, nature, and risk level of the company.
- Remunerations should be designed to encourage Board members and their committees to support the company's success and long-term growth, such as linking the variable portion of the remuneration to long-term performance.

- A member of the Board of Directors and members of the committees are required to attend at least two-thirds of the meetings held during the company's fiscal year.
- Board members' remuneration may vary in amount to reflect the member's experience, specialization, assigned responsibilities, independence, number of meetings attended, and other relevant considerations.
- The annual remuneration shall be calculated based on the period and date of joining or leaving, provided that the member has attended at least two-thirds of the meetings held from the date of joining or until departure.
- The maximum amount paid shall not exceed the limit specified in the company's Articles of Association and as stated in this policy.

Remuneration
of Board
Members

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The annual remuneration shall be determined for the Board member and/or the subcommittee member, the Board Secretary, and the Committee Secretariat.

The Maximum Annual Remuneration	Capacity
300,000	Chairman of the Board
250,000	Board Members
150,000	Committee Chairs
120,000	Committee Members
95,000	Board Secretary
50,000	Committee Secretariat

The Maximum Annual Remuneration	Capacity
200,000	Chairman of the Board
150,000	Board Members
100,000	Committee Chairpersons
100,000	Committee Members
70,000	Board Secretary
30,000	Committee Secretariat

- The remuneration for membership in the committees formed by the Board of Directors consists of an annual remuneration and an attendance allowance for each meeting.
- The remuneration of the Audit Committee members is approved by the General Assembly based on a recommendation from the Board of Directors.
- Committee members' remuneration may vary in amount to reflect the member's level of experience, specialization, assigned responsibilities, independence, number of meetings attended, and other relevant considerations. Remunerations should be designed to motivate the Board members and their committees to support the company's success and long-term growth, for example, by linking the variable portion of the remuneration to long-term performance.

Remuneration of Board Committee Members

Senior executives have been added to the Nominations and Remuneration Policy.

- A basic salary paid at the end of each Gregorian month.
- Basic allowances, including housing allowance and transportation allowance, calculated at the equivalent of three months of the basic salary, in line with common

There was no previous text about senior executives

Remuneration of Senior Executives

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practices in the private sector.

- The committee may, after reviewing the company's financial position, add additional allowances to cover expenses such as education allowance and cost-of-living allowance.
- Medical insurance for the employee and their family according to the company's human resources policy.
- Work injury, total or partial disability, and death insurance during work, subject to annual evaluation.
- An annual bonus linked to performance indicators, in accordance with the remuneration policy for the Board of Directors, its committees, and executive management.
- Other benefits including annual travel tickets, as per the human resources policy approved by the company.
- The Chief Executive Officer shall implement the executive management's remuneration policy based on the recommendation of the Nominations and Remuneration Committee.

Adding a condition to the general terms.

- Board members are not allowed to vote on the item concerning Board remuneration at the General Assembly meeting. This restriction applies whether the Board member is voting in person or by proxy on behalf of others.
- A Board member may receive remuneration for serving on the Audit Committee, which is formed by the General Assembly, as well as for any executive, technical, administrative, or advisory roles undertaken based on an additional professional license. This is in addition to any remuneration the member may receive as a member of the Board or any committee formed by the Board of Directors. Such remuneration does not fall within the maximum limit stipulated in the Companies Law or the company's Articles of Association.
- The remuneration of independent Board members must not be a percentage of

- Board members are not permitted to vote on the Board remuneration item during the General Assembly meeting. This restriction applies whether the Board member is voting on their own behalf or as a proxy for another party.
- A Board member may receive remuneration for their membership in the Audit Committee, formed by the General Assembly, as well as for any executive, technical, administrative, or advisory roles performed under an additional professional license assigned by the company. This is in addition to any remuneration received as a member of the Board or any committee formed by the Board of Directors. Such remunerations are not included within the maximum remuneration limit stipulated in the Companies Law and the company's Articles of Association.
- The remuneration of independent Board members must not be based on a percentage of the company's profits and must not be directly or indirectly linked to the company's profitability or

General Conditions for Remuneration

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the company's profits, and it must not be directly or indirectly tied to the company's profitability or any other factors that may affect their independence of judgment.

- If the General Assembly decides to terminate the membership of any Board member due to their absence from three consecutive Board meetings without a valid excuse, that member shall not be entitled to any remuneration for the period following the last meeting they attended. The member must return any remuneration received for that period—if applicable.
- If the Audit Committee, the Board of Directors, or the relevant authority determines that any remuneration paid to a Board member was based on incorrect or misleading information presented to the General Assembly or included in the Board's annual report, the member must return the amount to the company. The company has the right to reclaim it. This does not exempt the Board member from liability for any damages caused to the company, its shareholders, or any related parties as a result.
- The Board of Directors shall disclose in its annual report the details of remuneration policies, the mechanisms for determining them, and any financial or in-kind benefits granted to each Board member for any executive, technical, administrative, or advisory roles.
- The performance of Board members and committee members is evaluated annually through the completion of assessment forms approved by the Board of Directors. The Nominations Committee submits its recommendations to the Board

any other factors that may influence their independence of judgment.

- If the General Assembly decides to terminate the membership of any Board member due to absence from three consecutive Board meetings without a valid excuse, the member shall not be entitled to any remuneration for the period following the last meeting attended and must return any remuneration received for that period, if applicable.
- If the Audit Committee, the Board of Directors, or the relevant authority or institution determines that the remuneration paid to any Board member was based on incorrect or misleading information presented to the General Assembly or included in the Board's annual report, the member must return the amount to the company. The company has the right to reclaim the payment. This does not exempt the Board member from any liability for damages caused to the company, its shareholders, or any other related parties as a result.
- The Board of Directors shall disclose in its annual report the details of the remuneration policies, mechanisms for determining them, and any financial or in-kind benefits granted to each Board member for any executive, technical, administrative, or advisory roles.

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regarding the results of the evaluations of members and committees. If a member scores less than 75% of the total evaluation points, financial deductions shall be applied to their remuneration.

Deleted (remuneration of Board members and committees related expenses, and allowances) and each topic was detailed separately.

- The annual remuneration of Board members and committees includes both the fixed remuneration and meeting attendance allowances.
- Each member of the Board of Directors or its committees is entitled to a cash amount as an attendance allowance for each meeting, as determined by the Board of Directors based on the recommendation of the Nominations and Remuneration Committee, in accordance with the applicable laws, regulations, and relevant directives, provided that the attendance allowance does not exceed the maximum limit specified in this policy.
- Travel, accommodation, and subsistence expenses are not included. The total attendance allowance is calculated within the overall maximum remuneration limit for each member. Attendance via video conferencing is considered full attendance for the purpose of implementing this clause.
- Board and committee members may, at their discretion, waive all or part of the remuneration allocated to them if they deem it necessary—for example, in cases of weak company performance, failure to achieve sufficient profits, or other such circumstances.

- Each member of the Board of Directors or its affiliated committees is entitled to a cash amount as an attendance allowance for each meeting, as determined by the Board of Directors based on the recommendation of the Nominations and Remuneration Committee, in accordance with the applicable laws, regulations, and relevant instructions. The attendance allowance for Board and committee meetings must not exceed the maximum amount specified in this policy, per meeting, and excludes travel, accommodation, and subsistence expenses. The total attendance allowances shall be counted within the overall maximum remuneration limit allocated to each member. Attendance via video conferencing shall be considered full attendance for the purposes of this clause.
Board and committee members may waive all or part of the remuneration allocated to them at their discretion if they deem it appropriate, such as in the event of a decline in company performance, failure to achieve sufficient profits, or other similar circumstances.

Attendance
Fee for
Meetings of
the Board of
Directors and
Its
Committees

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