

Item #7:

Voting to remove the Board of member, Mr. Mohammed Abdullah Aljumah based on the recommendation of the Board of Directors In accordance with Paragraph H of Article No. 6 of the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.



- 3) For the removal of one or more members of the Board, the applicant must demonstrate that the member is unable to perform the duties as prescribed by law, including -but not limited to- cases where the Board member did not attend three consecutive or five non-consecutive Board meetings during the course of his/her membership, has been convicted of a crime involving breach of trust, or where a decision has been issued by a competent authority, in accordance with the relevant laws, that affects the member's ability to perform his/her duties.
- d) Upon receiving the request referred to in paragraph (c) of this Article, the Board shall comply with the following:
 - 1) notify the concerned member of the removal request immediately upon receiving the request.
 - 2) Announce the removal request after verifying that it meets the requirements stipulated in this Article, provided that such announcement is included within the notice calling for the convening of the General Assembly. The invitation of the General Assembly shall include the name of the shareholder who submitted the request and the justifications of such request. The concerned Board member shall have the right to prepare a written statement to be made available to the shareholders upon publication of such notice, and to make a statement regarding the request in the relevant General Assembly meeting.
- e) If the resolution of the General Assembly approving the removal request results in affecting the validity of the Board's formation due to the number of its members falling below the minimum stipulated in the Companies Law or the Company's bylaws, the resolution of the Assembly must provide that the removal shall not become effective until the General Assembly approves the election of a new Board or the replacement of the removed member. The Board shall take the necessary measures to convene the General Assembly to elect a new Board or a member to replace the removed member within a period not exceeding (75) days from the date of the General Assembly's approval of the removal request.
- f) No person who has been previously removed from the Board of a Company, or who has resigned from the Board after receiving a removal request and prior to the convening of the General Assembly to vote thereon, may be re-nominated for membership of the Board of the same Company until the end of the term of the Board from which he/she was removed or resigned.
- g) A member of the Board must immediately, and without delay, notify the Board upon the issuance of any judicial judgment convicting him/her of a crime involving breach of trust, or where a decision has been issued by a competent authority, in accordance with the relevant laws, that affects the member's ability to perform his/her duties.
- h) The Board of Directors shall, upon becoming aware of the issuance of a final judicial judgment convicting one of its members of a crime involving a breach of trust, or upon becoming aware of the issuance of a decision by a competent authority, in accordance with the relevant laws, that affects a member's ability to perform his/her duties, recommend to the Ordinary General Assembly the removal of the concerned member.
- i) If a member of the Board resigns and has comments on the performance of the Company, he/she shall submit a written statement explaining such comments to the chairman of the Board and such statement shall be presented to the Board members.
- j) In the event of failure to elect a Board for a new term and the term of the current Board has lapsed, the members of such Board shall continue to perform their duties until a new Board is elected, provided that the period of such continuation of the lapsed Board does not exceed (90) days from the end date of the Board's term. And the Board shall undertake all necessary procedures to elect a new replacement Board before the expiry of the period specified in this paragraph.
- k) In the event that the chairman and members of the Board resign, they shall call for the Ordinary General Assembly meeting to convene in order to elect a new Board, and such resignation shall not be effective

Item #8:

**Voting on paying an amount of (2,538,180) SR as
remuneration to the Board members for the Fiscal year
ended on 31/12/2025G.**

- 7- In the absence of the Chairman of the Board, the Vice Chairman shall assume their duties.

Article (19): Remuneration of Board Members, Chairman and Managing Director:

- 1- Remuneration for Board members shall be a fixed amount, session attendance allowances, benefits in kind, or a percentage of net profits. Any combination of these benefits is permissible.
- 2- The Ordinary General Assembly shall determine the remuneration amount, ensuring it is fair, motivating, and commensurate with the member's performance and that of the Company. The regulations shall outline the controls necessary to implement this paragraph.
- 3- Upon Company profitability, a bonus equivalent to 10% of the remaining net profits may be distributed, after deducting reserves stipulated by the General Assembly per Cooperative Insurance Companies Control Law, and following a dividend distribution of not less than 5% of the Company's paid-up capital to shareholders. Bonus entitlement shall be proportional to the number of meetings attended by the member, with any conflicting estimations deemed void.
- 4- The maximum attendance allowance for the Board and committee meetings shall be five thousand riyals (SAR 5,000) per meeting, excluding travel and accommodation expenses.
- 5- Each Board member, including the Chairman of the Board, shall be reimbursed for actual expenses incurred attending Board or sub-committee meetings, including travel, accommodation, and subsistence expenses.
- 6- The Board of Directors' annual report to the Ordinary General Assembly shall comprehensively disclose remunerations, expense allowances, and other benefits received by each Board member during the fiscal year. It shall also include a statement of the amounts received by the Board members as employees, administrators, or for technical, administrative, or advisory work. It shall also include a statement of the number of Board meetings and the number of meetings attended by each member since the last General Assembly.

Article (20): Powers of Chairman, Vice Chairman, Managing Director and Secretary of the board:

The Board of Directors shall appoint a Chairman and a Vice-Chairman from among its members. Additionally, it shall appoint a Chief Executive Officer and may appoint a Managing Director, with the condition that the Chairman of the Board and any executive position within the Company cannot be held concurrently. The Chairman of the Board is authorized to sign on behalf of the Company and implement Board resolutions. The Chairman of the Board is responsible for representing the Company before the judiciary, arbitration bodies, and third parties. The Chairman of the Board may, by written resolution, delegate some of their powers to other Board members or third parties to carry out specific work or activities. The Board of Directors shall determine the salaries, allowances, and bonuses for the Chairman of the Board and the Managing Director in accordance with the provisions of Article (19) of these AOA. The Board of Directors shall appoint a Board Secretary. The Board may also appoint one or more advisors in various affairs of the Company and shall determine their remuneration. Terms of office for the Chairman of the Board, Vice Chairman, Managing Director, and Board Secretary shall not exceed their



**Policy of Board Directors Remunerations, Its Emanating Committees, and the
Executive Management**

Malath Cooperative Insurance Co.

Version	
Classification	
Prepared By	
Reviewed By	
Approved By	
Approval Date	

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Article (1): Introduction

Board Directors Remunerations policy, its Emanating Committees, and the Executive Management for the Malath Cooperative Insurance Co was established in purpose to be align with paragraph (1) Article 58 of the Corporate Governance Regulations issued by the Capital Market Authority (CMA). Also to be align with the applicable laws and regulations which issued from the other regulators in the Saudi Arabia Kingdom, and the Company's Articles of Association.

Article (2): Purpose

The policy aims to set clear remunerations standards to the members of Board, its committees and executive management, in order to determine all remuneration due to them that motivates them to perform their tasks and duties professionally to the fullest accordance with the company's Articles of Association and regulatory regulations.

Article (3): Definitions

The following words and phrases - whenever mentioned - shall have the meanings assigned to them unless the context otherwise requires:

Company: Malath Cooperative Insurance Co.

Insurance Authority: Responsible authority to regulating the insurance sector in the Saudi Arabia Kingdom.

Authority: Capital Market Authority.

Policy: Board Directors Remunerations Policy, its Emanating Committees, and the Executive Management.

Board: Malath Cooperative Insurance Co Board of Directors.

Remunerations: Amounts, allowances, profits and equivalents, coupled with periodic and annual remunerations related to the performance and short or long motivation plans, also any other in-kind benefits, except the actual expenses incurred by the company for a Board member in purpose of performing its work.

Assembly: General Assembly of Malath Cooperative Insurance Co Shareholders.

References

1. Companies Law issued by the Ministry of Commerce.
2. Implementing Regulation of the Companies Law for Listed Joint Stock Companies.

3. Company Articles of association.
4. Circulars of the Insurance Authority.
5. Corporate Governance Regulations.

Article (4): General Standards of Remunerations

Without prejudice to the Companies Laws, Company's AOA, and regulatory regulations, when the Company determines remuneration shall take into account the following:

1. The Policy shall align with the Company's strategy and objectives, to be consistent with the volume and nature of the Company's risk level.
2. The variable part of remunerations shall be taken into account to be linked with the long term performance.
3. Remunerations shall be provided in purposes of motivating the Board and the Executive Management to make the company successful and grow in the long term.
4. Remunerations shall be identified based on the job level, tasks, responsibilities, which assigned to its holder, qualifications, experiences, skills and performance level.
5. Other companies' practices of identifying remunerations shall be taken into account with avoiding what may arise of unexplained increasing of remunerations and compensations.
6. Remunerations shall aim to attract, maintain and motivate the professional competencies, Without exaggerating it
7. It shall be prepared in coordination with the Remunerations and Nominations Committee upon new appointments.
8. Regulating the granting of shares in the Company to the members of the Board and the Executive Management, whether it is a new or shares purchased by the Company.

Article (5): Generals

1. The Remuneration and Nominations Committee is responsible for preparing the remuneration policy, periodically reviewing it, and evaluating its efficiency in achieving its objectives.
2. The Board member's remunerations must be approved by the General Assembly and the details of proposed remunerations and compensations must be published to be available to all shareholders before holding the General Assembly meeting to vote on such remunerations.

Article (6): Remunerations of Directors

In accordance with Article (19) of AoA, the Board member's remunerations must be as follows:

1. The minimum annual remuneration for the Chairman and members of the Board must be (SR 200,000) two hundred thousand and the maximum must be (SR 500,000) five hundred thousand, for the Board membership and the participation in performing its works, including the additional remunerations if the Member participates in any of the committees emanating from the Board.
2. If the company achieves profits equal to (10%) of the remaining net profit may be distributed after deducting the precautions decided by the General Assembly in application the Cooperative Insurance Companies Control Law and after distributing a profit to shareholders of no less than (5%) of the company's paid-up capital, the entitlement to this remuneration must be proportional with the number of sessions attended by the Member, and any discretion to the contrary is void.

In all cases, the total amount received by the member in terms of remuneration and financial or in-kind benefits does not exceed (500,000) five hundred thousand riyals annually.

3. The maximum attendance allowances of the Board and its committees must not exceed (SR 5000) for each meeting, exclusive of the travel and accommodation expenses.
4. Each Member, including the Board Chairman, the company must be paid the actual expenditures incurred to attend the Board or its emanating committees' meetings, including the travel, accommodation and housing expenses.

Article (7): Controls for Determining and Disbursing Remuneration of Directors

1. The remunerations must be fair and proportionate to the member's competencies, tasks and responsibilities, in addition to the goals set by the Board to be achieved during the fiscal year.
2. Remunerations should be based on the recommendation of The Remuneration and Nomination Committee.
3. Remuneration must be commensurate with the company's activity and the skill required to manage it.
4. The company business industry, its size, and the experience of the board must be considered.
5. Remuneration must be reasonable enough to attract, incentivize and maintain qualified and experienced members.
6. The Board must propose the remuneration of its members to the General Assembly for approval, upon the recommendation of the Remunerations and Nominations Committee in accordance with regulatory regulations, instructions and with any terms approved by the General Assembly. Any remuneration and compensation for the members will not be

approved unless obtained the approval from the General Assembly, Board Members may not vote on the remuneration for the members at the General Assembly meetings.

Article (8): Assigning Directors with Additional Tasks or Positions at the Company

The member may deserve a remuneration for any additional tasks or executive positions, technical, administrative, or advisory positions - under a professional license - assigned to him in the company, in addition to the remuneration that he may receive in his capacity as a member of the board of directors and in the committees formed by the board of directors, in accordance with the Companies Law and the company's articles of association.

Article (9): Remuneration of Directors' Variations and Dependence on Company Profit

- a) Remunerations of the members must be of varying amounts to reflect each member's experience, specialization, assigned tasks, independence, number of meetings he attends, and any other considerations.
- b) Remunerations of the independent members must be not a percentage of the company profits, and must be not dependent whether directly or indirectly on the company's profitability.

Article (10): Disclosure of Remunerations

If the General Assembly decides to terminate the Board Member due to his absence from three consecutive meetings or five non-consecutive meetings without a legitimate excuse accepted by the board, such member must not be entitled to any remuneration for the period follows the last meeting he attended, and must return all paid remunerations for the period.

Article (11): Disbursement of Remunerations Based on Incorrect or Misleading Information

If the Audit Committee or CMA finds that the remunerations disbursed to any member were based on incorrect or misleading information that has been submitted to the General Assembly or included in the Board Annual Report, the member must return the remunerations to the Company, also the Company can have entitled to request the member to return it.

Article (12): Remunerations of Committee Members

If the Audit Committee members and all the other committees' members are members in the Board or not, they must be remunerated as follows:

1. Amount of SAR (100,000) one hundred thousand Saudi riyals for their duties as committee members regardless of the numbers of assigned committees.
2. Amount of SAR (5000) five thousand Saudi riyals for the attendance of each committee meeting.
3. Each committee member must be paid the actual expenses incurred in attended meetings and to perform their duties as committee members.

Article (13): Executive Management

Fixed Remunerations:

The Company must pay the basic salary, other benefits and allowances to the Executive Management as per the job grades structure, salary levels, internal policies approved by the board, and any additional benefits or allowances that are proposed from the CEO, then discussed with the Remunerations and Nominations Committee to recommend them to the Board for approval.

Annual Remunerations:

The Board at its discretion can approve the allocate an amount to be distributed to the members of the Executive Management as an incentive, the incentive must be subject to a specific mechanism approved by the Board to ensure fairness and equity.

Eligibility for Raise:

The Remunerations and Nominations Committee must increase the Executive Management Members basic salary in the cases that it deems justifiable, in accordance with the internal policies.

Article (14): Disclosure of Remunerations

The details of the remunerations must be disclosed to the board members, its committees, and the Executive Management in the Board's Annual Report, according to the regulatory regulations.

Article (15): Cases of Suspending Disbursement of Remunerations or Redeeming Remunerations

The Company can suspend the disbursement of the remuneration or retrieval it if found out that it was decided based on inaccurate information submitted by an Executive Management Member, to prevent exploitation positions to received undeserved remuneration.

Article (16): Review of Regulations

The policy must be reviewed periodically (biennially) as a minimum, and updated according to the regulatory regulations, the Nominations and Remunerations Committee must review and evaluate the effectiveness of this policy in line with the Company's strategy and objectives, upon to the board recommendation and General Assembly approval.

Article (17): Effectiveness

This policy activates from the date of Ordinary General Assembly approval.