



الجزيرة تكافل
AL JAZIRA TAKAFUL

General Assembly

The Board of Directors of Aljazira Takaful
Taawuni (AJT) invites its shareholders to
attend the Ordinary General Assembly
Meeting (first meeting)
Through modern technical means
On 05/23/2024 AD

The Board of Directors of Aljazira Takaful Taawuni Company is pleased to invite the shareholders to participate and vote in the Ordinary General Assembly meeting (the first meeting), which is scheduled to be held, at exactly 19: 30 pm on Thursday 15-11-1445 AH corresponding to 23-05-2024 AD, via Modern technology means, to present the agenda of the General Assembly mentioned below:

1. Reviewing and discussing the Board of Directors Annual Report for the fiscal year ending 31 December 2023.
2. Voting on the External Auditor's Report for the year ending 31 December 2023 after discussing it.
3. Reviewing and discussing the Financial Statements for the fiscal year ending 31 December 2023.
4. Voting on releasing the Board of Directors members from their liability for the fiscal year ending 31 December 2023.
5. Voting on appointing the External Auditors among the candidates based on the Audit Committee recommendation as to examine, review and audit the financial statements for the second and third quarters along with 2024-year end financials and the first quarter for the year 2025 and determining their fees.
6. Voting on the businesses and contracts that will be concluded between the company and Aljazira bank (Founding Shareholder) In which the members of the Board of Directors, Eng. Abdulmajeed bin Ibrahim Al-Sultan, Mr. Naif Abdulkarim Al Abdualkarim, Mr. Khalid bin Othman Al-Othman, have an indirect interest, which is personal loans protection Policy for year 2023 AD, this contract was made without preferential conditions or benefits, amounted to (19,630,000) Saudi riyals (Attached)
7. Voting on the businesses and contracts that will be concluded between the company and Aljazira bank (Founding Shareholder) In which the members of the Board of Directors, Eng. Abdulmajeed bin Ibrahim Al-Sultan, Mr. Naif Abdulkarim Al Abdualkarim, Mr. Khalid bin Othman Al-Othman, have an indirect interest, which is Mortgage loans protection Policy for year 2023 AD, this contract was made without preferential conditions or benefits, amounted to (37,446,000) Saudi riyals (Attached)
8. Voting on the businesses and contracts that will be concluded between the company and Aljazira bank (Founding Shareholder) In which the members of the Board of Directors, Eng. Abdulmajeed bin Ibrahim Al-Sultan, Mr. Naif Abdulkarim Al Abdualkarim, Mr. Khalid bin Othman Al-Othman, have an indirect interest, which is Addition in statutory deposit for year 2023 AD, this contract was made without preferential conditions or benefits, amounted to (11,000,000) Saudi riyals (Attached)
9. Voting on the businesses and contracts that will be concluded between the company and Aljazira bank (Founding Shareholder) In which the members of the Board of Directors, Eng. Abdulmajeed bin Ibrahim Al-Sultan, Mr. Naif Abdulkarim Al Abdualkarim, Mr. Khalid bin Othman Al-Othman, have an indirect interest, which is Investment in the sukuks issued by Aljazira Bank for year 2023 AD, this contract was made without preferential conditions or benefits, amounted to (150,000,000) Saudi riyals (Attached)

10. Voting on the businesses and contracts that will take place between the Aljazira Takaful Taawuni and Aljazira Capital Company which is considered (Founding Shareholder), in which the members of the Board of Directors, Eng. Abdulmajeed bin Ibrahim Al-Sultan, Mr. Naif Abdulkarim Al Abdelkarim, Mr. Naif Mesnad Al Mesnad, Mr. Khalid bin Othman Al-Othman, have an indirect interest, which is Other income from managing investment funds, for year 2023 AD, this contract was made without preferential conditions or benefits, amounted to (10,506,000) Saudi riyals. (Attached).
11. Voting to delegate the Board of Directors with the authority of the General Assembly with the license mentioned in Section (1) of Article (27) of the Companies Law, for a one-year period effective upon the AGM approval date or up to ending of the authorized Board term, whichever is earlier, in accordance with the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.
12. Voting on disbursing an amount of (1,830,000) thousand Saudi riyals as an annual remuneration to the members of the Board of Directors for the fiscal year ended on 31 December 2023.
13. Voting on amending the updated evaluation and remuneration policies for members of the Board of Directors, committees, and senior management. (attached)

- **Attendance Eligibility**

1. The Shareholders registered in Aljazira Takaful's shareholders register at the Securities Depository Center Company "Edaa" at the end of the trading session preceding the General Assembly meeting.
2. The shareholder's right to discuss items on the meeting agenda and direct questions accordance with Article 91 of the companies' law.

- **E-Vote**

1. The shareholders who are registered in the website of (Tadawulaty) electronic trading services can remotely vote on the items of the General Assembly through (electronic voting) service, and note that the remote voting will start at 01:00 am on Sunday 11/11/1445 Hijri corresponding to 19/05/2024 AD, and continue until the end of the General Assembly .Please note that registration in Tadawulaty service and voting is provided free of charge for all shareholders through the following link: (www.tadawulaty.com.sa)
2. Eligibility for Registering the Attendance of the General Assembly's Meeting Ends upon the Convenience of the General Assembly's Meeting. Eligibility for Voting on the Business of the Meeting Agenda Ends upon the Counting Committee Concludes Counting the Votes.



Audit Committee report to the General Assembly of Shareholders

The Audit Committee report to the General Assembly

● Introduction:

The Audit Committee of Al Jazira Takaful Taawuni Company is pleased to present to its shareholders its annual report for the financial year ending December 31, 2023, which includes details about the committee's performance of its powers and tasks stipulated in the legislative regulations issued by the relevant regulatory authorities, and its opinion regarding the effectiveness of internal control procedures.

1. Audit Committee Responsibilities and Duties:

The Audit Committee is responsible for monitoring the performance and application of the company's internal control system, to ensure the effectiveness and efficiency of the applicable laws and regulations, verifies the implementation of decisions related to the internal control system, and ensures full compliance with the application of all relevant laws and regulations. The committee is responsible before the company's Board of Directors and assists it in Carrying out his responsibilities, the most important of which are the following:

- ✓ Ensuring the establishment of an effective internal control and compliance system.
- ✓ Reviewing the preliminary and annual financial statements and verifying their accuracy before presenting them to the Board.
- ✓ Monitoring and evaluating the work plans of the external auditors, the Internal Audit Department, and the Compliance Department, ensuring the effectiveness of their performance and assigned tasks, and assessing the efficiency and effectiveness of each one individually.

For this purpose, it has the right to review the company's records and documents and request any clarification or statement from members of the Board of Directors or Executive Management. The committee also performs its approved tasks, including supervising the Internal Audit Department and the Compliance Department.

The committee is formed by a decision of the General Assembly based on the recommendation of the Board of Directors after obtaining a written non-objection from the Insurance Authority, provided that the number of nominated members is not less than three and not more than five, and the majority of them are from outside the Board of Directors, and at least two members, including the Chairman of the Committee, must have recent experience. Relevant in the field of accounting and financial management, the Board of Directors appoints a Chairman of the Committee from among the independent members pursuant to a decision issued by the Board and documented in the minutes of the Board meeting in which the Chairman of the Committee was nominated.

During the period - from the date of the committee's approval to the date of this report - the committee exercised a number of responsibilities, the most important of which are, but are not limited to:

1. Reviewing and expressing an opinion on the initial and annual financial statements, meeting with the executive management and external auditors, and submitting recommendations regarding them to the Board of Directors for approval, noting that the Audit Committee obtained the necessary confirmations from the company's executive management and the external auditor regarding the adequacy of the allocations in the financial statements for the fiscal year 2023.
2. Study and review the nomination of the company's external auditor for the year 2024/2025, which included sending invitations to external auditors licensed to audit the company's accounts and ensuring their independence, as well as studying and analyzing the technical and financial offers submitted, which resulted in recommending the nomination of a number (2) of independent external auditors for the company. To audit the accounts for the

fiscal year 2024 until the end of the first quarter of 2025 for the company, and the committee's recommendation has been submitted to the Board of Directors.

3. Study the audit work plan for the internal audit department and the company's external auditors.
4. Study the compliance department's work plan, approve it, and follow up on its implementation.
5. Study the reports of the Internal Audit Department and the Compliance Department, follow up on the implementation of corrective measures, and submit recommendations thereon to the Board of Directors.

2. Results of the Effectiveness of Internal Control Procedures.

The company follows a regulatory framework based on three lines of defense:

First line of defense: Various departments within the company align their activities in accordance with the established and approved regulations and regulations from relevant authorities.

Second line of defense: While various control departments, represented by compliance management, risk management, financial management, and information security management, serve as the second line of defense, they assess, measure, and monitor different levels of risks across all levels of daily operations in accordance with their assigned roles to ensure consistency with established controls and compliance with regulatory, legislative, and regulatory requirements in this regard. These departments submit their periodic reports to internal administrative committees and committees of the Board as outlined in the committee work regulations, including the Risk Management Committee derived from the Board of Directors.

Third line of defense: The Internal Audit Department serves as the third line of defense and is responsible for conducting necessary examinations and reviews according to the internal audit plan, expressing opinions on them to the relevant

parties, monitoring the correction plan, and submitting the necessary reports to the Audit Committee periodically.

In general, reasonable assurance has been obtained about the availability of internal control procedures and systems, ensuring that these procedures cover important control aspects that significantly impact the company's performance of its duties regarding the effectiveness of internal control measures in various company activities.

- Evaluation by the Audit Committee on the adequacy of the company's internal control procedures:

The executive management is responsible for designing an effective internal control system and maintaining its effectiveness and efficiency, which includes all policies, procedures, and operations, designed under the supervision of the Board of Directors to achieve the company's strategic objectives. The company's internal control system has been designed in accordance with the recommendations of regulatory and supervisory authorities, and the company evaluates and monitors the internal control system through its control departments and relevant committees.

The Audit Committee reviewed various reports on the adequacy of internal control procedures and systems, including financial statements, actuarial expert reports, internal audit reports, compliance and anti-money laundering reports, and financing of terrorism reports. The committee also reviewed and monitored the corrective action plans submitted by the executive management and provided independent opinions to the Board of Directors on their adequacy and effectiveness. The committee documented its discussions and decisions in the meeting minutes and regularly raised issues requiring attention to the Board of Directors. During this year, the Audit Committee members held meetings with the head of internal audit, head of compliance, representatives of financial management, external auditors, as well as representatives of actuarial services and appointed actuaries, and representatives of Deloitte & Touche to implement International Standard No. 17, where they were briefed on the latest developments concerning matters requiring the committee's attention. Additionally, the committee received internal audit



reports, regulatory authority reports, as well as external auditor reports issued to management during the year, reviewed the management's action plans for the raised issues, and ensured compliance with the established plan requirements. The Audit Committee also reviewed the effectiveness of the internal control system and compliance procedures in Al Jazira Takaful Company and the relevant regulatory and legal requirements in the Kingdom of Saudi Arabia, and whether the management has fulfilled its duty by establishing effective internal control systems and seeking independent confirmation through internal audit management to evaluate the adequacy and effectiveness of these internal control .

Based on the reviews conducted during the year 2023 and the periodic reports presented to the Audit Committee since the inception of its membership from internal control departments such as Internal Audit, Compliance, Risk Management, and external regulatory bodies such as actuarial expert reports, external auditor reports, and Deloitte & Touche reports related to the implementation of International Standard No. 17, as well as reports from other regulatory and supervisory authorities.

Based on the confirmations and annual disclosures obtained from the executive management, the Audit Committee reasonably believes that the current internal control system is functioning acceptably. However, there is a need to improve some elements and components of the internal control system and evaluate them for the past fiscal year to enhance their efficiency in achieving the desired objectives according to best practices in this regard. Especially regarding the completion of the automation of information technology systems. It is worth noting that any internal control system, regardless of its design integrity and implementation effectiveness, cannot provide absolute assurance .

Ibrahim Mohammed Al Hurabi

Audit committee Chairman

(6)

Voting on the businesses and contracts that will be concluded between the company and Aljazira bank (Founding Shareholder) In which the members of the Board of Directors, Eng. Abdulmajeed bin Ibrahim Al-Sultan, Mr. Naif Abdulkarim Al Abdualkarim, Mr. Khalid bin Othman Al-Othman, have an indirect interest, which is personal loans protection Policy for year 2023 AD, this contract was made without preferential conditions or benefits, amounted to (19,630,000) Saudi riyals.

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KPMG Professional Services

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كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Limited Assurance Report to AlJazira Takaful Taawuni Company on the Board's Declaration on the Requirements of Article 71 of the Companies Law

To the Shareholders of AlJazira Takaful Taawuni Company

We were engaged by the management of AlJazira Takaful Taawuni Company (the "Company") to report on the Board's declaration prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest as detailed below ("Subject Matter") and the accompanying management's statement thereon as set out in Appendix 1, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not properly prepared, in all material respects, based on the applicable criteria ("Applicable Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement is related to the Board's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, presented by the Chairman of AlJazira Takaful Taawuni Company (the "Company"), which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

Applicable Criteria

We have used the following as the Applicable Criteria:

1. Article 71 of the Companies Law issued by Ministry of Commerce ("MOC").

AlJazira Takaful Taawuni Company's Responsibility

The management of the Company is responsible for preparing the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein. The management the Company is also responsible for preparing the Subject Matter information (i.e. Appendix 1).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter that information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Company complies with the Companies Law; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأسمالها (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبين ومراجعين قانونيين". و هي عضو غير شريك في الشبكة العالمية للشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة الجليزية محدودة بضمان. جميع الحقوق محفوظة.



AlJazira Takaful Taawuni Company's Responsibility (continued)

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information is properly prepared, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

Procedures Performed

Our procedures performed are as follows:

- Obtained the declaration that includes the transactions and/or contracts performed in which any of the BOD members of the Company has either direct or indirect interest during the year ended 31 December 2023;

Procedures Performed (continued)

- Reviewed the minutes of meetings of the BoD that indicate notifications to the BoD by certain directors of actual or potential conflicts of direct or indirect interest in relation to transactions and/or contracts involving the BoD member;
- Checked that the minutes of meetings of the BOD that the relevant directors who notified the BoD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transactions and/or contracts;
- On a sample basis, obtained the required approvals along with supporting documents in respect of the transactions and/or contracts included in the declaration; and
- Checked the transaction amounts included in the Declaration agree, where applicable, to the transaction amounts disclosed in note 15 to the audited financial statements of the Company for the year ended 31 December 2023.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction of Use of Our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company and MOC for any purpose or in any context. Any party other than the Company and MOC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company and MOC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company and MOC on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

KPMG Professional Services

Nasser Ahmed Al Shutairy
License No. 454



Jeddah, 24 April 2024
Corresponding to 15 Shawwal 1445H

Aljazira Takaful Taawuni Company (Saudi Listed Company)
A list of the transactions and contracts in which the members of the Board of Directors have a personal interest in:

(a) The following are the details of major related party transactions during the year ended 31 December 2023:

<u>Related party</u>	<u>Relation</u>	<u>Nature of transactions</u>	<u>Amount of transactions SAR'000</u>	<u>Terms of dealing</u>
Bank Aljazira	(Founding Shareholder)	Gross premium written against the bank's personal finance protection document for the period from 11/13/2023 to 11/12/2024	19,630	Without any preferential conditions
		Gross premium written against the private real estate financing portfolio protection for the period from 11/13/2023 to 11/12/2024	37,446	
		Gross premium written against the collective protection for bank employees for the period from 7/1/2023 to 6/30/2024	1,744	
		Gross premium written against the loan protection for the bank's employees for the period from 7/1/2023 to 6/30/2024	429	
		Gross premium written against the Political Violence for the for the period from 4/16/2023 to 4/15/2024	81	
		Gross premium written against the Bankers Blanket Bond for the for the period from 4/15/2023 to 4/14/2024	5,693	
		Gross premium written against the Director's & Officer's Liability for the for the period from 3/1/2023 to 2/28/2024	276	
		Gross premium written against the Property All Risk cover Properties for the for the period from 4/16/2023 to 4/15/2024	403	
		Gross premium written against the Property All Risk cover for Mortgaged Properties for customers for the for the period from 4/16/2023 to 4/15/2024	2,090	
		Gross premium written against the Property All Risk cover for Mortgaged Properties for Employees for the for the period from 16/4/2022 to 15/04/2023	59	
		Commission paid	16	
		Claims paid	38,997	
		Commission earned from deposits	3,963	
		Dividends received	-	
		Addition in statutory deposit	11,000	
		Investment in the sukuks issued by Bank Aljazira	150,000	
Profit on the sukuks issued by Bank Aljazira	4,784			
Bonus shares issued for Bank Aljazira	24,540			
Total Bank Aljazira transactions			301,151	

Aljazira Takaful Taawuni Company (Saudi Listed Company)
A list of the transactions and contracts in which the members of the Board of Directors have a personal interest in:

(a) The following are the details of major related party transactions during the year ended 31 December 2023:

AlJazira Capital	(Founding Shareholder)	Profit earned on mutual funds	2,083	Without any preferential conditions
		Gross premium written against the Director's & Officer's Liability for the for the period from 3/6/2023 to 3/4/2024	564	
		Custodian Charges	334	
		Other income	10,506	
		Bonus shares issued for Aljazira Capital	4,090	
Total AlJazira Capital Transactions			17,577	

Consolidated Brothers Company	(Founding Shareholder)	Gross premium written against the Property All Risk Cover Properties for the for the period from 12/22/2023 to 01/01/2024	57	Without any preferential conditions
		Gross premium written against the Medical Group for Employees for the period from 8/31/2023 to 7/29/2024	561	
		Bonus shares issued	4,090	
Total Consolidated Brothers Company Transactions			4,708	

DurrAh Advanced Development Company	Common Director	Gross premium written of Property All Risk cover for Sugar Factory for the for the period from 1/13/2023 to 1/12/2024	2,926	Without any preferential conditions
Total DurrAh Advanced Development Company Transactions			2,926	

Aljazira Takaful Taawuni Company (Saudi Listed Company)

A list of the transactions and contracts in which the members of the Board of Directors have a personal interest in:

(a) The following are the details of major related party transactions during the year ended 31 December 2023:


Ibrahim Abdulmohsen Mohammed Al-Sultan	Close relative of the chairman	Gross premium written of Property All Risk policy covering all risks for the residential complex for the period from 01/23/2023 to 01/22/2024	140	Without any preferential conditions
		Gross premium written of Property All Risk policy covering all risks for the residential complex for the period from 07/15/2023 to 07/14/2024	17	
		Gross premium written of Property All Risk policy covering all risks for the period from 07/15/2023 to 07/14/2024	10	
		Gross premium written of Property All Risk policy covering all risks for the period from 07/18/2023 to 07/17/2024	6	
		Gross premium written against the Medical Small Group for Employees for the period from 8/29/2023 to 8/28/2024	3	
Total Ibrahim Abdulmohsen Mohammed Al-Sultan Transactions			176	

Solidarity Bahrain	Shareholder	Bonus shares issued	7,755	Without any preferential conditions
Total Solidarity Bahrain Transactions			7,755	

Sager Nadershah	Member of the Board of Directors	Gross premium written paid during 2023 for a 10-year protection and savings insurance policy	7	Without any preferential conditions
		Gross premium written paid during 2023 for a 5-year protection insurance policy	1	
Khaled Al-Othman	Member of the Board of Directors	Gross premium written paid during 2023 for a 15-year protection and savings insurance policy	36	
Board of Directors		Remuneration and Allowances	1,830	

Aljazira Takaful Taawuni Company (Saudi Listed Company)
A list of the transactions and contracts in which the members of the Board of Directors have a personal interest in:

- (a) With reference to the names of the related parties mentioned above and the nature of their transactions, the company intends to deal with them during 2024, with the same nature of transactions.
- (b) The amount due from AlJazira Capital (Founding Shareholder) amounting to 7,084 thousand Saudi Riyals represents the balance of the investment account.
- (c) The contributions due, which appear in the statement of financial position, include an amount of 64,443 thousand Saudi Riyals from Bank AlJazira "Founding Shareholder".
- (d) The outstanding claims shown in the statement of financial position include 23,360 thousand Saudi Riyals for Bank AlJazira "Founding shareholder".
- (e) The delegation granted to the Board of Directors by the General Assembly has been implemented with regard to business and contracts in which members of the Board of Directors have an interest.


عبدالمجيد السلطان
Abdulmajeed Alsultan
Chairman


نايف عبدالكريم
Naif Al Abdulkareem
Vice-Chairman


خالد العثمان
Khalid AlOthman
Board Member


أشرف بيبسيو
Ashraf Bseisu
Board Member


نايف المسند
Naif Mesnad Al-Mesnad
Board Member


إبراهيم الحرابي
Ibrahim Al-Hurabi
Board Member


عبدالكريم النجيدى
Abdulkarim Al Nujaidi
Board Member


يحيى آل منصور
Yahya Al Mansour
Board Member


صقر نادرشاه
Sager Nadershah
Board Member

(13)

Voting on amending the updated evaluation and remuneration policies for members of the Board of Directors, committees, and senior management.

Table of Approved Amendments to the Evaluation and Remuneration Policies for Board Members, Committees and Senior Management

Article No.	Current approved policy dated 2021 - October Version 3.0	Updated Policy for 2024 - March Version 3.1	Amendment wording Reason for amendment	Amendment Page																														
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10	<p>Thirteenth: Medical Insurance for Board Members: All members of the Board of Directors are entitled to medical insurance for themselves and their family members according to the following requirements:</p> <ol style="list-style-type: none"> 1- The member of the Board of Directors must be on duty at the company. 2- Medical insurance is provided for the spouse and children as mentioned below: <p>-Males up to the age of 25 years and females who are unmarried and unemployed. *The medical insurance policy expires if the term of membership is not renewed.</p>	<p>Thirteenth: Medical Insurance for Board Members: All members of the Board of Directors are entitled to medical insurance according to the company's approved policy for senior management. *The medical insurance policy will expire if the term of membership is not renewed.</p> <p>The company must comply with this policy, which is scheduled to be implemented as of the date of its approval by the General Assembly held on __/__/2024</p>	<p>Amendment wording: Medical Insurance Policy Amendment Reason for amendment: Amending the policy In line with the company's executive management policy</p>	(10)

الجزيرة تكافل
AL JAZIRA TAKAFUL



Evaluation and Remuneration Policies for Board Members, Committees and Senior Management

الإصدار رقم 3.1

MARCH

2024

Table of Contents:

Introduction	3
I: Evaluating the Performance of the Board of Directors and the Members of the Board's Committees	3
II: Fixed Compensation and Remuneration of the Board of Directors	3
III: Fixed Compensation and Remuneration for the Members of the Board Committees	4
IV: Variable Annual Remuneration for Board and Committee Members	4
V: Performance Evaluation and Remuneration of the Managing Director	4
VI: Performance Evaluation and Remuneration of Senior Management	5
VII: Recommendation of the Remuneration and Nomination Committee to the Board of Directors	6
VIII: Performance-Based Remuneration Over the Long Term	7
IX: Remuneration and Compensation Payment	7
X: Disclosure of Bonuses and Remuneration	7
XI: Suspension and Refund of Remuneration	7
XII: Reviewing the Bonuses and Remuneration Policy	8
XIII: Medical Insurance for Board Members	8

Introduction

Based on the provisions of the Company's Articles of Association and in compliance with the provisions of the Companies Law and the Corporate Governance Regulations issued by the Saudi Capital Market Authority and the Saudi Central Bank, and based on the recommendation of the Company's Board of Directors based on a proposal from the Nomination and Remuneration Committee, the General Assembly at its meeting held on --/--/---- approved this policy for the evaluation, remuneration and compensation of the members of the Board of Directors, its subcommittees and senior management.

◆ First: Evaluating the Performance of the Board of Directors and the Members of the Board's Committees:

The Nomination and Remuneration Committee evaluates the performance of the Board of Directors, its members and the Board's committees' members annually by assessing the skills, expertise and work mechanisms of the Board in general and identifying strengths and weaknesses. The process takes into account the individual performance of Board members in terms of their fulfillment of the suitability criteria and their commitment to perform their duties and responsibilities, identifies strengths and weaknesses and suggests addressing them in line with the interest of the company, and the Board works to address the weaknesses (if any). The evaluation process is based on the following main axes:

- 1 - The extent to which the member meets the suitability criteria.
- 2 - Commitment to attend meetings.
- 3 - Independence and the absence of conflicts of interest.

The Board may make the necessary arrangements to obtain a specialized external evaluation of its performance every three years when the need arises, and for non-executive directors when the need arises to periodically evaluate the performance of the Chairman of the Board after taking the views of the executive members without the Chairman of the Board attending the discussion allocated for this purpose and identifying the strengths and weaknesses and proposing to address them in line with the interest of the company.

◆ Second: Fixed Compensation and Remuneration of the Board of Directors:

The compensation of the Board of Directors consists of the following elements:

1 - Fixed Annual Remuneration:

The Chairman and members of the Board of Directors receive a fixed annual remuneration as shown below:

Position	Fixed annual remuneration amount
Chairman of the Board of Directors	SAR 200,000
(Each board member (independent, executive and non-executive)	SAR 150,000

2- Meeting Attendance Allowance:

Each member of the Board of Directors shall receive the sum of (5,000) five thousand SAR for each meeting of the Board of Directors and General Assemblies he attends.

3- Meeting Attendance Expenses:

The Company shall arrange and pay the actual expenses incurred by the Board members to attend the Board and General Assembly meetings, including travel, accommodation and subsistence expenses.

Third: Fixed Compensation and Remuneration for the Members of the Board Committees:

The remuneration of the members of the committees of the Board of Directors consists of the following elements:

1- Annual fixed remuneration for the independent members of the Board committees.

The independent members of the Board committees receive a fixed annual remuneration as described below.

Committee Name	Board Members	Non-Board Members
Each member of the committees, except for the Audit Committee and the Sharia Committee	SAR 50,000	SAR 50,000
Audit Committee Member	SAR 100,000	SAR 100,000
Shariah Committee Member	SAR 60,000	SAR 60,000

2- Meeting Attendance Allowance.

Each member of the affiliated committees shall be paid SAR 5,000 for each meeting of the committees of which he/she is a member, including the attendance of committee chairpersons at general assembly meetings.

3 - Expenses for Attending Meetings.

The Company shall make the necessary arrangements for the attendance of the members of the committees, including the attendance of the committee chairpersons at the General Assembly meetings, and shall pay the actual expenses incurred by them to attend such meetings, including travel, accommodation, and subsistence expenses.

Fourth: Variable Annual Remuneration for Board and Committee Members: *

If the Company achieves profits at the end of the calendar year, the Board of Directors may, based on the recommendation of the Nomination and Remuneration Committee, distribute a percentage of the profits to some or all members of the Board of Directors and subsidiary committees not exceeding (1%) of the remaining net profit after deducting the reserves decided by the General Assembly in accordance with the provisions of the Cooperative Insurance Companies Control Law. After distributing a profit to the shareholders not less than (5%) of the company's paid-up capital, provided that the entitlement to this bonus shall be proportional to the number of sessions attended by the member and linked to the Nomination and Remuneration Committee's evaluation of his duties, responsibilities, and performance during the year.

In all cases, the total amount of remuneration and financial or in-kind benefits received by a member of the Board of Directors, or any member of the subsidiary committees may not exceed SAR 500,000 per year, and this limit does not apply to members of the Audit Committee.

* It does not apply to the Managing Director.

Fifth: Performance Evaluation and Remuneration of the Managing Director:

The fixed remuneration of the Managing Director is determined by the Board of Directors of the Company.

At the end of each calendar year, the Managing Director formulates an operational plan for the company (estimated budget) for the following year, which is submitted and approved by the Board of Directors, which includes the objectives and success factors that the Managing Director needs to achieve the company's vision and strategies, which are as follows:

- Providing specialized human resources with high efficiency.
- Working through advanced technology that contributes to enhancing the company's competitiveness.
- Creating highly attractive competitive products that contribute to the development of the company's customer base.
- Diversifying effective distribution channels that achieve the company's goals.
- Achieving the targeted net income and projected revenues and expenses.

No later than December of each year, the Managing Director submits the annual operating plan to the Board of Directors for review and approval and a copy of it is provided to the Nomination and Remuneration Committee after it is approved by the Board of Directors.

At the end of the fiscal year, the Board of Directors evaluates the performance of the Managing Director taking into account the following performance indicators:

- The extent to which the company's vision and mission are realized.
- The extent of the company's implementation of the operational plan approved by the Board of Directors.
- The extent to which the company applies the regulations of the legislative authorities.
- The extent of achieving the target of net shareholders' income, revenues, and expenses.

The Nomination and Remuneration Committee recommends to the Board of Directors, based on the results of the evaluation described above, the value of the annual incentive performance bonus proposed to be granted to the Managing Director:

- The Committee should consider the practices of other companies in setting bonuses and avoid unjustified increases.
- The remuneration should be fair and not cause any conflict of interest that would negatively affect the company's performance.
- Aiming to achieve the interests of the insured, shareholders, and the company's long-term strategic objectives.

Sixth: Performance Evaluation and Remuneration of Senior Management:

1- Fixed Remuneration for members of the senior management:

Fixed remuneration for senior management employees is determined in accordance with the pay structure approved by the company's board of directors, where the structure consists of several job grades and each grade is divided into levels, and the job grades and job level of the occupants of senior management positions are determined through an evaluation process of their job tasks, responsibilities and powers, taking into account their educational qualifications, professional experience, competencies, skills and personal abilities, in addition to taking into account the practices of other companies related to remuneration so that the company management can attract, retain and motivate local and professional competencies, without exaggerating them, in order to attract, retain and motivate them. However, it should not be exaggerated to avoid unjustified wage increases. All senior directors are paid in accordance with the company's compensation and remuneration policy.

2 - Performance-related variable remuneration for members of senior management:

The annual "performance bonus" is a one-time incentive bonus granted once a year to members of senior management and is directly linked to individual and collective performance levels and the Company's financial results. In all cases, these bonuses are awarded exclusively to directors who have achieved satisfactory performance results. Since the bonus is based directly on the company's performance and profitability for that fiscal year, performance bonuses are not a guarantee, vested right or privilege at all and should not be interpreted as such, and management should not refer to them as fixed compensation, explicitly or implicitly, unless contractually agreed with the senior management at the time of engagement.

Al Jazira Takaful aims to link a portion of the total compensation of senior management and senior executives to performance for the following reasons:

- 1 - Clearly linking the company's objectives to the performance and results of senior directors, which have the greatest impact on the company's overall results.
- 2 - Provide feedback on the individual and collective performance of each executive department.
- 3 - Incentivize awareness of the performance results of executives to continue to work and keep them for as long as possible.
- 4 - Linking variable remuneration to the performance of senior management over the long term to mitigate risks and stabilize the company.
- 5 - Realizing the interests of the insured, shareholders, and the company's long-term strategic goals.

3 - Criteria for disbursing the annual fixed and variable remuneration for members of senior management:

- The bonus is paid to directors who have obtained satisfactory results in the balanced scorecard and overall evaluation by the direct director or managing director.
- The bonus is paid to directors who have completed - at least 6 months of continuous employment by the end of the year.
- The director must be on the job at the time the bonus is due and have not resigned or is not willing to renew the contract.
- The director must not have received a warning letter or been investigated for any violation in that year.

4 - Performance measurement and evaluation tools for senior management:

Measuring the annual performance of senior managers is one of the most sensitive measures for any organization. Therefore, Al Jazira Takaful uses two main measurement criteria to avoid personal or biased judgment and is committed to full transparency while considering all factors that affect the awarding of the annual performance bonus.

A. The Balanced Scorecard, which includes four main objectives:

- Financial Goal
- Customer goal (internal, external)
- Internal systems
- Staff Goal (development, training, human resources, and information systems)

B. Comprehensive assessment:

This includes assessing abilities or other qualities such as behavior, attendance, teamwork, appearance, and other essential skills necessary to obtain a comprehensive evaluation of each member.

5 – Procedures for evaluating the performance and determining the remuneration of the Managing Director’s senior management:

At the end of each calendar year, the Managing Director shall evaluate his senior management members and the final result shall be documented in the evaluation form, which shall be signed by the Managing Director and the concerned senior management member shall also sign an acknowledgment that he has read it and shall be given the opportunity to express his opinion on the evaluation form. The results of the evaluation of the Managing Director’s senior management members shall be submitted to the Remuneration and Nomination Committee by the Managing Director in accordance with the evaluation mechanism mentioned above.

- To consider the practices of other companies in determining remuneration and to avoid unjustifiably high remuneration.
- Remuneration should be fair and based on a specific mechanism that does not tolerate personal opinion and does not allow discrimination between members with the same evaluation.
- Do not cause any conflict of interest that would negatively affect the company’s performance.
- Aim to achieve the interests of the insured, shareholders, and the company’s long-term strategic objectives.

6 – Procedures for evaluating the performance and determining the remuneration of the Audit Committee’s supervisory department managers:

The directors of the Audit Committee’s supervisory departments are evaluated by the Audit Committee, and the final result is documented in the evaluation form to be signed by the Chairman of the Audit Committee, and the relevant director of the supervisory department also signs a declaration that he has read it, giving him the opportunity to express his opinion on the evaluation, and the results of the evaluation of the directors of the supervisory departments are submitted to the Remuneration and Nomination Committee by the Chairman of the Audit Committee according to the evaluation mechanism mentioned above.

The Audit Committee shall determine the proposed remuneration for the employees of the Supervisory Departments, taking into consideration the following in determining such remuneration:

- Evaluating the performance of employees in these positions and determining their remuneration without any interference from the company’s executive management, taking into account the views of the Managing Director during the evaluation process in a manner that does not conflict with the independence of the committee’s decision in accordance with the stipulated regulations.
- Remuneration should contribute to enhancing the impartiality and independence of these positions.
- Considering the practices of other companies in determining remuneration while avoiding any unjustified increase in remuneration.
- Remuneration should be fair and based on a specific mechanism that does not tolerate personal opinion and does not allow discrimination between members with the same evaluation.
- It should not cause any conflict of interest that would negatively affect the company’s performance.
- Aim to achieve the interests of the insured, shareholders, and the company’s long-term strategic goals.
- Not to exceed the specified percentages for each evaluation as stipulated in the policy for determining the amounts of remuneration according to the percentage of achievement approved by the Nomination and Remuneration Committee.



Seventh: Recommendation of the Remuneration and Nomination Committee to the Board of Directors:

The Nomination and Remuneration Committee shall review the evaluation results and proposed remuneration for the members of senior management received from the Managing Director and the Chairman of the Audit Committee to ensure that they are consistent with this policy and the estimated budget of the company and its business results, and the Committee shall be responsible for the following:

- Approving the total amount of remuneration for all employees of the company after taking into consideration the percentage of net profit and the recommendation of the Managing Director.
- Approving the remuneration of the members of the senior management affiliated to the Managing Director, taking into account the recommendations of the Managing Director

- Adopting the remuneration of the directors of the supervisory departments of the Audit Committee, taking into account that the remuneration should be balanced with that of the members of the senior management of the Managing Director and taking into account the recommendations of the Chairman of the Audit Committee in this regard.
- Recommending to the Board of Directors the annual remuneration of the members of the Board of Directors, the members of the sub-committees and the Managing Director.
- Disclosing in all cases what has been approved above by the Nomination and Remuneration Committee and any material deviation from the criteria and limits of this policy.

Eighth: Performance-Based Remuneration Over the Long Term:

To motivate the Managing Director and Senior Management Members (Member) to make the company successful in the long term, Al Jazira Takaful has linked the remuneration to long-term performance by linking the variable remuneration to the achievement of the company's strategy for the next five years to be paid according to the following:

- 100% of the approved remuneration value will be paid to the member upon its approval by the Board of Directors for the current year's financial year through performance measurement and comparison with the approved annual operational plan.
- Allocate an additional annual variable percentage (deferred) not exceeding 20% of the total remuneration value for the current year proposed by the Nomination and Remuneration Committee to the Board of Directors to link it to the extent to which the senior management achieves the implementation of the company's strategy for the next five years approved by the Board of Directors, according to the following conditions:
 - o The deferred variable percentage shall be applied to the Managing Director and all other members of senior management occupying functional grades (from functional grade 20 and above) in a fair and equal manner.
 - o Determine the vesting period of the variable (deferred) bonus for a period of not less than (three years) from the date of adoption of the strategy.
 - o The percentage of bonuses to be deferred is determined based on the nature of the work planned to be accomplished by the Company's strategy for the coming years, the current and potential risks related to it, and the activities of the employee concerned.
 - o The components of long-term performance-related performance awards (deferred variable remuneration) are determined by the relative importance of the components of the Company's strategy and the related risks.
 - o Ensure that the totally deferred variable remuneration will not limit the Company's ability to enhance its capital base.
- The variable (deferred) remuneration is paid to the member once every three years in the month of December.
- The deferred amount is paid at - 100% of the total deferred bonus amount for the previous two years.
- The employee's performance rating must be at least Exceed during the previous three years.
- If the concerned employee (member) resigns before the payment due date, his/her right to the deferred bonus shall be forfeited, and the Nomination and Rewards Committee shall have the right to disburse the bonus to the employee as the case may be in recognition of his/her efforts.
- In the event of retirement, death, or disability (may Allah forbid), the deferred amount will be paid to the employee or his/her heirs until the date of the occurrence of the event.

Ninth: Remuneration and Compensation Payment:

After the Board of Directors approves the compensation and remuneration proposal, the senior management shall implement it within a period not exceeding 10 working days. Wages and bonuses shall be paid in Saudi Riyals by direct deposit from the bank account specified by the concerned person.

Tenth: Disclosure of Bonuses and Remuneration:

At the end of each calendar year, the Nomination and Remuneration Committee shall prepare, in accordance with the prescribed form, a comprehensive statement of all remuneration, allowances, expenses and other benefits received by the members of the Board of Directors, members of subsidiary committees and members of senior management during the fiscal year as employees or administrators, and what they received for The statement must include the number of board and committee sessions and the number of sessions attended by each member from the date of the last General Assembly meeting. This statement shall be included in the Board of Directors' report to the Ordinary General Assembly and the remuneration shall be included in the agenda of the General Assembly for approval.

Eleven: Suspension and Refund of Remuneration:

The Board of Directors of the Company shall have the right, by a resolution issued by the Board of Directors, to suspend the payment of the bonus or recover it if it is found that it was decided based on inaccurate information provided by any of the members of the Board of Directors, subsidiary committees or senior management, in order to prevent the exploitation of the position to obtain undeserved remuneration.

 **Twelfth: Reviewing the Bonuses and Remuneration Policy:**

The Nomination and Remuneration Committee should periodically review this policy and assess its effectiveness in achieving its intended objectives and recommend amendments to the Board of Directors as needed.

 **Thirteenth: Medical Insurance for Board Members:**

All members of the Board of Directors are entitled to medical insurance as per the company's approved policy for senior management.

*The medical insurance policy expires if the term of membership is not renewed.

The company must adhere to this policy, which is scheduled to be implemented as of the date of its approval by the General Assembly held on __/__/2024.



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