

**Nomination Policy to Membership of the Board of Directors
Union Insurance Company "P.J.S.C"**

Preamble:

The nomination policy to membership of the Board of Directors has been prepared for the purpose of setting clear and specific criteria and procedures for membership in the Board of Directors of the Union Insurance Company in accordance with the requirements of the Chairman of the Authority's Board of Directors Resolution No. (3/R.M) of 2020 regarding the approval of the Governance Manual for Public Joint Stock Companies, Federal Law No. (2) of 2015 regarding Commercial Companies, and the Company's articles of association.

Article (1) Definitions

Companies Law Authority	:	Federal Law No. (2) of 2015 regarding Commercial Companies Securities and Commodities Authority
Stock Exchange	:	Abu Dhabi Securities Exchange where the shares of the Company are listed
Resolution	:	The Chairman of the Authority's Board of Directors Resolution No. (3/R.M) of 2020 regarding the approval of the Governance Manual for Public Joint Stock Companies
Board Member	:	A natural person or a representative of a legal person who wishes to run for membership in the Board of Directors.
Executive Board Member	:	A member who holds a position in the Company or receives a monthly or annual salary therefrom.
Non-executive Board Member	:	A member who does not hold a position in the Company and does not receive a salary therefrom, the remuneration he receives as a Board Member shall not be considered as a salary.
Independent Board Member	:	The member who has no relationship with the Company or any of its Senior Executive Management or its auditor or the parent, subsidiary, sister or affiliate company, which may result in material or moral benefit that may affect his decisions.

Article (2) Formation of the Company's Board of Directors

1. The Company shall be managed by a Board of Directors comprising of 7 (seven) members, the term of Board membership shall be three years. Members whose term has expired may be re-elected.
2. In the formation of the Board, the percentage of women's representation, which should not be less than 20% and/or any percentage determined by the competent authorities, shall be taken into consideration. Failure to reach such percentage, the Company shall disclose the reasons in the Annual Governance Report or as per the method determined by the competent authorities.
3. In the formation of the Board of Directors, any requirements set by the Cabinet or the competent authority in accordance with the provision of Article (10) of the Companies Law shall be taken into consideration. If the percentage of the UAE nationals in the Board of Directors is less than what is provided pursuant to such article, the percentage must be completed within three months at most, otherwise the Board's resolutions after the expiry of the period shall be void.
4. The provisions of the Authority's Board Chairman Resolution No. (3/R.M) of 2020 regarding the approval of the Governance Manual for Public Joint Stock Companies shall be applicable to the percentage of the Executive and Non-executive Members and Independent Members that must be available in the Board, in accordance with Article 9/5 of the resolution.
5. The independence of the candidate member of the Board of Directors shall be denied in the cases stipulated in Article (19) of the Chairman of the Authority's Board of Directors Resolution No. (3/R.M) of 2020 regarding the approval of the Governance Manual for Public Joint Stock Companies.
6. The Board of Directors shall elect a Chairman and a Deputy Chairman from amongst its members; the Deputy Chairman shall act on behalf of the Chairman if he is absent or has any impediment. A Managing Director of the Company may be elected, who may not be a CEO or General Manager of another company.
7. The Board shall appoint a rapporteur who is not a member and follows it directly; he shall have the right to seek the assistance of an external party, his responsibilities and remuneration shall be determined by a resolution of the Board of Directors, and the resolution must also include the qualifications that the rapporteur shall possess, provided that it includes one of the following qualifications:
 - a. To hold a degree in law, finance, accounting, administration, or another equivalent qualification, and to have practical experience of no less than three years.
 - b. To be a competent person, preferably with at least three years of experience in the field of Corporate Governance.
8. The Company shall maintain a register of the members and the rapporteur of the Board of Directors at its headquarters, which includes the data specified by the Securities and Commodities Authority.

Article (3) Election of Board Members

1. The General Assembly shall elect the members of the Board of Directors by cumulative secret ballot, which means that each shareholder has a number of votes equal to the number of shares he/she owns so that he/she votes for one candidate or distributes them among the candidates he/she chooses, provided that the number of votes he/she grants to the candidates does not exceed the number of votes/shares in his/her possession.
2. Subject to the provisions of the Commercial Companies Law No. 2 of 2015, decrees enforcing the same, and the Company's Articles of Association, the members of the Board of Directors shall be experienced non-shareholders.

Article (4) Selection of the Chairman of the Board of Directors

1. The Board of Directors shall elect a Chairman and a Deputy Chairman from amongst its members; the Deputy Chairman shall act on behalf of the Chairman if he is absent or has any impediment.
2. The Board of Directors shall elect a Managing Director from amongst its members and shall determine his/her responsibilities and remunerations.

Article (5) Vacancy of the position of a Board Member

1. In the event a position of one of the Board Members becomes vacant, the Board may appoint a member in the vacant position, provided that such appointment must be presented to the General Assembly at its first meeting for approval or appointment of others; the new member shall complete the term of his/her predecessor.
2. If the vacant positions reach one-fourth of the number of Board Members, the remaining Board Members must call for the General Assembly to convene within 30 days from the date of the last position being vacant to elect whoever to fill those positions.
3. In the event that a Board member is a legal person, this legal person may appoint a representative in the Board, and it may also change its representative in the Board by an official letter addressed to the Company so that the new member shall complete the term of its predecessor.
4. The position of a member of the Board of Directors becomes vacant in any of the following cases:
 - a. If the member resigns by a written notice sent to the Company.
 - b. If the member is convicted of a crime that violates honor and trust.
 - c. If a member is absent from the Board meetings for three consecutive meetings or five nonconsecutive meetings during the term of the Board of Directors without an excuse acceptable to the Board.
 - d. If the member dies or suffers from one of the eligibility impediments or becomes incapacitated in a way that prevents him from carrying out his/her duties as a member of the Board of Directors.
 - e. If the member declares bankruptcy or stops paying his/her commercial debts.
 - f. If a resolution is issued by the General Assembly to dismiss the member.
 - g. If his/her membership violates the provisions of the law.

Article (6) Cases in which the General Assembly appoints Members of the Board of Directors

According to the provision of Article 144/3 of the Companies Law, the General Assembly may appoint a number of experienced members in the Board of Directors who are not shareholders in the Company, in the event of any of the following cases:

- a. The unavailability of the required number of candidates during the nomination to the Board of Directors in a manner that leads to the number of members of the Board of Directors being less than the minimum number for valid meeting.
- b. Approval of the appointment of Board Members who were appointed to the vacant positions by the Board of Directors.
- c. Resignation of the Board Members of during the General Assembly meeting.

Article (7) Board of Directors Membership Conditions

The candidate of the Board of Directors shall meet the following conditions:

1. He/she shall have at least five years of experience in insurance activity.
2. He/she should not have been sentenced with a criminal penalty or a crime violates honor or trust, unless he/she has been exonerated.
3. No court ruling issued to dismiss or remove him/her from his position as a member of the Board of Directors of one of the joint stock companies listed on the financial market during the year preceding the nomination.
4. The professional record issued by the authority is devoid of administrative penalties.
5. No lawsuits, reports or investigations at the Public Prosecution against him/her in relation to honesty and integrity.
6. Any other conditions required by the Companies Law or the Company's Articles of Association.

Article (8) Declaration of Interest

1. The candidate shall attach to the nomination application a declaration in which he/she discloses all interests and relationships that may or may deem to affect his/her ability to perform his/her duties as a member of the Board of Directors, and shall submit the same declaration upon assuming his/her position.
2. In particular, the candidate shall disclose the partnerships, relevant employment, or the main interests of relatives, which may create a conflict or potential conflict of interest, the candidate shall also inform the Company when any changes in interest occur if he/she is elected as a member of the Board of Directors and shall complete the form approved for such purpose.
3. Whoever wishes to run for membership in the Board of Directors shall disclose any conflicts of interest in accordance with the procedures prescribed by the Securities and Commodities Authority.

Article (9) Nomination Procedures

1. Nominations and Remuneration Committee shall undertake the process of organizing and following up the procedures of nomination to membership of the Board of Directors in accordance with the applicable laws and regulations, and the provisions of the Chairman of the Board of Directors of the Securities and Commodities Authority Resolution No. 3/R.M of 2020 regarding the approval of the Governance Manual for Public Joint Stock Companies.
2. After the Company obtains the necessary approvals to open the door for nomination, the Company shall publish an announcement for nomination in two local daily newspapers, one of which is issued in Arabic and/or in the manner specified by the Authority, and the nomination for membership of the Board of Directors remains for a period of at least ten years from the date of the announcement.
3. Each shareholder/person who wishes to nominate to membership of the Board of Directors and meets the conditions for nomination to membership of the Board of Directors shall submit an application to the Company's Management at its headquarters located in Dubai – Sheikh Zayed Road, and shall attach to the application an profile summary of the applicant and the type of membership nominated for (Executive Member – Non-Executive Member – Independent member); and the documents mentioned in the next clause, in accordance with the periods and dates stipulated in the applicable laws, regulations and resolutions.
4. The candidate shall attach the following documents to his/her application:
 - a. Curriculum Vitae indicating his/her practical experience, qualification and the capacity he/she wishes to be nominated.
 - b. A declaration of his/her compliance with the provisions of the Companies Law, decrees enforcing the same, and the Company's Articles of Association, and that he/she will exert the care of a prudent person in performing his/her job.
 - c. A list of companies/corporations where he/she works or is a Board Member, as well as any work he/she directly or indirectly performs, which may be competitive to the Company.
 - d. In case of the representatives of legal person, an official letter from the legal person specifying the names of its candidates to the membership of the Board of Directors, shall be attached.
5. Names of the candidates and their candidacy data shall be published on the Company's Notice Board and on the Company's website, at least two days prior to the date of the General Assembly meeting.
6. Nominations and Remunerations Committee, in coordination with the Company's Executive Management, shall provide the Stock Exchange and the Authority with a list that includes the names of candidates on the day following the closing of nomination, and the Committee shall study the remarks that may be received from the competent authorities about any candidate, as well as taking the necessary resolution in accordance with the laws and regulations enforcing the same.
7. After the candidacy door is closed, the candidate may not assign his candidacy to another person.
8. The company shall provide the Securities and Commodities Authority, Abu Dhabi Securities Exchange, and the Insurance Authority with the results of the General Assembly meeting, which includes the results of the election of members of the Board of Directors during the period specified by the competent authorities.
9. The Board of Directors shall provide the concerned authorities with its resolution in relation to the election of the Chairman and Deputy Chairman of the Board of Directors, within the period specified by the competent authorities.

Article (10) Final Conditions

1. This policy shall enter into force as of the date of its approval by the General Assembly, and the contents of this policy shall be amended – as needed – based on the recommendation of the Board of Directors, provided that any proposed amendment thereto shall be presented to the General Assembly of shareholders at its nearest meeting for approval.
2. The provisions contained in the Companies Law and the Insurance Law, as well as the provisions contained in the regulations, instructions and resolutions issued pursuant to either of them, and any amendment thereto, shall be applicable where there is no special provision in this policy.