



كـيو إل إم لتأمينات الحياة والتأمين الصحي شـ.م.بـ.
QLM Life & Medical Insurance Company Q.P.S.C.

Remuneration Policy

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Vice Chairman & Managing Director

Signed On: 31st December, 2020

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Company Standards and administration

The Company Standards contains a policy of document administration and control and is maintained by the Governance Department. The document is centrally available on Equinox.

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INDEX

1. OBJECTIVE.....	1
2. SCOPE	1
3. PRINCIPLES	1
4. POLICY STATEMENTS	2
5. ROLES & RESPONSIBILITIES	5
6. RELATED POLICIES AND DOCUMENTS	6
7. DEFINITIONS.....	6

 <small>شركة التأمين والحياة الطبية والتمويل المصرفي</small> <small>QAL Life & Medical Insurance Company s.a.s.c</small>	Remuneration Policy	Pol No: QLM/PL/05/21/01
		Version: 1.0

1. OBJECTIVE

The objective of this Policy is to lay down the guiding principles of the structure for the remuneration of Board of Directors, Executive Management and the rest of employees. The Board of Directors of QLM (the “**Company**”) recognizes that the Company’s performance and success depends on its ability to attract and retain competent employees. It is the intention of the Board to implement and monitor a Remuneration Policy (the “**Policy**”) that attracts, motivates and retains high performing employees and rewards them fairly and consistently.

2. SCOPE

This Policy applies to all Board members, whether executive, non-executive or independent and all employees across all levels and offices of the Company.

3. PRINCIPLES

This Policy is based on the following:

- (i) Appropriately compensate employees for the services they provide to the Company.
- (ii) Provide a flexible and competitive remuneration structure, which is referenced to the appropriate salary grades as per the approved HR Policies & Regulations Manual of the Company.
- (iii) Remuneration structure reflects the market practice and is tailored to the specific requirements of the Company, so as to attract, motivate and retain its employees and ensure that they perform in the best interests of the Company and its stakeholders.
- (iv) Remuneration complies with all applicable laws, rules and regulations governing the Company.
- (v) The basis and method of granting remuneration are set without any discrimination based on race, gender or religion
- (vi) Remuneration package provide for factors that reflect the outcomes of the Company’s activities and the risks of those activities, taking into account the cost of the associated capital and the time necessary for the outcomes of those activities to be measured.

 <small>شركة التأمين الطبي والحيوي والحيوي QLM Life & Medical Insurance Company</small>	Remuneration Policy	Pol No: QLM/PL/05/21/01
		Version: 1.0

- (vii) Employee remuneration packages are aligned with that of comparable organizations and is competitive by market standards
- (viii) The Remuneration package (and in particular performance-based remunerations) is designed to encourage behavior that supports the insurer's long-term financial soundness and its general risk management framework.
- (ix) A framework is established for periodic evaluation of the performance of individual employees relevant to the defined and set objectives of the Company.
- (x) Sufficiently defined KPI's backed by job descriptions are in place for all its employees that would allow consistent assessments and comparisons in an objective manner.
- (xi) Remuneration terms and condition ensures that it does not prejudice the interest of its business or customers
- (xii) The Company will ensure that all offer letters and employment contracts issued in the future are in accordance with the approved salary structure and the guidelines laid down in this Policy

4. POLICY STATEMENTS

4.1. Remuneration Components

The various remuneration components offered by the Company are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, employee's rank in the Company, their professional activity as well as the market practice. The remuneration components are:

- (i) **Fixed remuneration:** It is determined on the basis of the role of the individual employee, including responsibility and job complexity, seniority, performance and local market conditions.
- (ii) **Variable performance-based remuneration:** The variable performance-based remuneration is paid out solely at the discretion of the Board of Directors. The objective is to reward the Executive Management and employees with an incentive, which links their reward with the strategic goals and overall performance of the Company and their individual performance.

 <small>شركة التأمين للحياة والصحة والتمويل الإسلامي</small> <small>QAL Life & Medical Insurance Company S.A.S.</small>	Remuneration Policy	Pol No: QLM/PL/05/21/01
		Version: 1.0

Performance based remuneration varies according to seniority, responsibility of position held and the nature of risks to which a firm is exposed as a result of such employees' actions, achievement of Key Performance Indicator's (KPIs) as may be set by the Company and such other matters as the Company may determine from time to time to meet the Board approved Business plan and targets.

Such performance-based remuneration may be disbursed as cash bonus or in such other manner as the Board may determine from time to time.

- (iii) **Other benefits:** Other benefits are awarded on the basis of individual employment contracts and local regulations and market practice (for example: pension, gratuity, severance pay and non-monetary benefits like medical insurance, company cars etc.).

4.2. The Company will create a salary structure for fixed remuneration, which will lay down different grades at which an employee may join the Company and the corresponding fixed salary that will be paid to such employee, which will vary depending upon the grade of an employee. Such salary structure will be approved by the Board of Directors of the Company.

4.3. Eligibility rules and remuneration timings shall conform to the expected timelines of the employee's performance-based risk realisation.

4.4. This Policy shall be reviewed, annually, by the Board of Directors as per prevailing market conditions and applicable laws, rules and regulations. In reviewing the Policy, the Company shall consider comparable information from companies in the same industry. If required, the Board for approval of such Policy or its revision shall seek advice from independent third parties.

4.5. Annual Remuneration Assessment

Fixed Remuneration: Based on the guiding principles laid down herein, the fixed remuneration shall be determined as under:

- (i) **Board of Directors' remuneration:** Annual remuneration of the Board of Directors shall be determined by the shareholders of the Company in the annual general meeting, based on the recommendations of the Board of Directors of the Company

 <small>شركة التأمين الطبي والحيوي QLM Life & Medical Insurance Company s.a.s.c</small>	Remuneration Policy	Pol No: QLM/PL/05/21/01
		Version: 1.0

- (ii) **CEO's remuneration:** The Board is responsible for making decisions in respect to the remuneration payable to the CEO.
- (iii) **Remuneration payable to executive management:** The remuneration payable to members of the executive management is determined by the CEO based on the approved salary structure of the Company and the guiding principles laid down in this Policy.
- (iv) **Remuneration payable to Internal Auditors:** To ensure independency in terms of the governance policy and guiding principles, the remuneration of the chief of the internal audit function and its staff with the annual budget is determined by the Audit Committee of the Company.
- (v) **Remuneration payable to other members of staff:** The remuneration payable to other staff members is determined by the CEO based on recommendations of the line managers in accordance with the approved salary structure of the Company and the guiding principles laid down in this Policy.

Variable performance-based remuneration: In addition to the fixed remuneration, the Company aims to reward its executive management and employees with a performance based variable incentive bonus, which links their reward with the strategic goals and overall performance of the Company.

- (i) **Determination of Rewards:** The incentive bonus payable to the Executive Management and employees of the Company shall be determined by the Board of Directors of the Company. The Board, will therefore, ensure the existence of governance procedures and systems for granting rewards and incentives with an aim of ensuring conformity with this policy.
- (ii) Performance based remuneration is awarded in a manner which promotes sound risk management and avoids excessive risk-taking, i.e. by granting a significant proportion of performance-based pay as deferred cash for significant risk takers.
- (iii) Variable performance-based incentive is awarded by ensuring:
 - Direct relationship to the overall performance of the Company and its financial condition;
 - An appropriate balance between fixed and performance-based components;

 <small>شركة التأمين للحياة والتأمين الصحي Q.L.M. Life & Medical Insurance Company S.A.S.</small>	Remuneration Policy	Pol No: QLM/PL/05/21/01
		Version: 1.0

- That the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible;
 - That the performance-based component reflects the risk underlying the achieved result;
 - That a significant part of performance-based component is granted as deferred payment for 'risk takers', i.e. it can be deferred up to a period of three (3) years to take a long-term view of the underwriting cycle and portfolio development.
- (iv) The Board of Directors decides on the funds to be allocated to the variable performance-based remuneration pool. In so determining, the Board shall have regard to risk, capital, reserving and liquidity limits.
- (v) There shall be no guaranteed variable pay and it shall be paid at the sole discretion of the Board.
- (vi) The Company shall identify functions which are considered as risk takers.
- (vii) The determination of rewards for employees working in Control functions (Internal audit, actuarial, Risk Management, and Compliance) shall be made in a separate manner from the rest of the business to ensure their independence.

5. ROLES & RESPONSIBILITIES

Role	Responsibilities
BOD	The BOD has the overall responsibility for the approval of this Policy annually and subsequent revisions to it.
NRC	Develops and implements the performance assessment process for Directors Submits Directors performance reports to the BOD annually
HRD	Develop mechanisms to review performance of employees Ensure employees performance assessments are in accordance with the approved policy.

 <small>شركة التأمين والحياة الطبية والتمويلية QLM Life & Medical Insurance Company QPSC</small>	Remuneration Policy	Pol No: QLM/PL/05/21/01
		Version: 1.0

6. RELATED POLICIES AND DOCUMENTS

This policy should be read in conjunction with all other Company documentation such as:

- a) Human resources policy and procedures
- b) Employee handbook
- c) Other policies and procedures

The latest versions of these documents can be found on the Intranet.

7. DEFINITIONS

Term	Definition
Regulatory Authority	Applicable regulatory authority or Supervisor e.g. Qatar Financial Market Authority, Qatar Central Bank.
Company / QLM	Company means QLM Life & Medical Insurance Company QPSC.
BOD	Board of Directors
NRC	Nomination and Remuneration Committee of the Board

Variable performance based remuneration (Reward and Incentive process)

