



DIVIDEND DISTRIBUTION POLICY

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Contents

This document is divided into sections.

The contents of the document are to be treated as confidential and are not to be disclosed or distributed to any unauthorized persons or clients.

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.

Related Documents (available on Equinox)

Contacts

Governance Department

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Definitions

Term	Definition
BOD	Board of Directors
Company	Company means QLM Life & Medical Insurance Company QPSC (“QLM”)
CEO / DCEO	Chief Executive Officer / Deputy Chief Executive Officer
Shareholder(s)	Individuals or entities holding shares in the Company.
Dividend	The portion of the Company's profits distributed to Shareholders.
Fiscal Year	The financial year of the Company.
Annual General Meeting	A yearly meeting where Shareholders discuss and vote on key decisions, including the distribution of dividends.
Distributable Profit	The profit available for distribution to Shareholders after adjustments in accordance with applicable laws.
IFRS	International Financial Reporting Standards, a set of accounting standards developed by the IASB.
Offering	Refers to the issuance of shares by the Company to investors.
Constitutional Documents	Legal documents outlining the Company's structure, governance, and rules, including the articles of association.
Board of Directors	The governing body responsible for overseeing the Company's management and major decisions.
Solvency	The ability of the Company to meet its long-term obligations.
Capital Adequacy	The amount of capital a financial institution must hold to operate soundly and protect its depositors.
Market Conditions	The prevailing economic and financial circumstances influencing the Company's operations.

Policy

1. Purpose

1.1. The purpose of this policy (the "Policy") is to document the approach of the Company in respect:

- **Profit Allocation:** Define the purpose of the Dividends and Distribution Policy as ensuring fair and transparent allocation of the Company's profits among its Shareholders.
- **Regulatory Compliance:** Communicate the policy's role in adhering to Qatari law, specifically in relation to the distribution of dividends during the annual general meeting.
- **Transparent Financial Reporting:** Emphasize the policy's contribution to maintaining transparent financial reporting in accordance with International Financial Reporting Standards (IFRS).

2. Scope

2.1. The purpose of this policy is to establish guidelines which should be followed by the / Company for profit allocation among Shareholders based on shareholdings, ensuring adherence to Qatari law during the annual general meeting.

3. Responsibilities

3.1. The Policy is owned by the Board of Directors (BOD).

- a) The Policy clearly state the responsibility of the Board of Directors in proposing the distribution of profits, emphasizing their role in recommending the amount and form of dividends.
- b) The policy acknowledges the responsibility of Shareholders to approve proposed dividends during the annual general meeting, highlighting their decision-making authority.
- c) The policy conveys the responsibility of the Board in considering various factors, including regulatory requirements, economic conditions, and business expansion plans, before proposing dividends.

4. General provisions relating to profit allocation and dividend payments

4.1 Each Shareholder's share of the Company's profits shall be determined based on their respective shareholdings in the Company's share capital. Under Qatari law, a Qatari public shareholding company's distribution of dividends for a given fiscal year and the amount and payment date thereof are resolved by a resolution of the Shareholders at the annual general meeting. Shareholders may vote to approve the proposal adopted by the Board of Directors for the distribution of profits. Dividends may only be distributed from the distributable profit of the Company. The distributable profit is calculated based on a company's annual financial statements prepared in accordance with IFRS as laid out in its annual report. When determining the amount available for distribution, net profit for the fiscal year must be adjusted for profit/loss carry-forwards from the prior fiscal years and release of, or allocations to, statuary reserves requirements in accordance with the Qatari Commercial Companies Law. All dividends and distributions of the Company shall be distributed in Qatari Riyals. No dividend or distribution shall exceed the amount recommended by the Board and the Board shall not be obliged to recommend an amount of dividend or distribution. Shares acquired by investors in the Offering will be eligible for dividends and distributions in line with the constitutional documents of the Company, policies and recommendations of the Board, and requisite General Assembly approvals.

4.2 Prior to the Offering, the Company's dividend policy called for the distribution of 40-60% of net profits after tax for the respective prior fiscal year calculated in accordance with IFRS, applicable law, and the Company's constitutional documents. Additionally, before proposing dividends, the Board of Directors would consider several matters: regulatory solvency and capital adequacy requirements, general economic environment and market conditions, current and future business expansion and growth plans, and all other relevant factors that may have an impact on the Company's business.

4.3 Following fiscal year 2019, in which the Company's net profits exceeded QAR 86 million, the Board proposed a dividend of QAR 42 million (equal to approximately 48% of net profit). The Annual General Meeting of the Shareholders approved, and the Company distributed this amount to Shareholders, corresponding to a cash dividend of QAR 1.20 per share (based on the pre-conversion nominal value of QAR 10 per share).

4.4 Following the Offering, unless otherwise determined in accordance with applicable law and the decisions of the Board, subject to regulatory solvency and capital adequacy requirements, general economic environment and market conditions, current and future business expansion and growth plans, and all other relevant factors that may have an impact on the business, the Company intends to pay an annual dividend to its shareholders in the amount of 40-60% of the Company's net profit. Any dividend declared may be in form of cash dividend or by way of capitalisation of profits through bonus shares or a mix of both as the board may deem appropriate to recommend. Consequently, investors may not receive any return on their investment unless they sell their Shares for a price greater than that which they paid for them which shall be subject to the prevailing market price of the Company's Share at that time.