



## Remuneration Policy 2026

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## Definitions

Term	Definition
<b>Company</b>	Company means QLM Life & Medical Insurance Company
<b>Board</b>	Board of Directors
<b>HR</b>	Human Resource
<b>KPI</b>	Key performance indicator
<b>PMS</b>	Performance Management System



## 1 INTRODUCTION

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 staff members across all levels and offices of the Company.

## 3 OBJECTIVES OF THE REMUNERATION POLICY

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.

## 4 POLICY STATEMENT

This Policy is based on the following policy statement of the Company:

- (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, 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 location of each office of 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, considering the cost of the associated capital and the time necessary for the outcomes of those activities to be measured.
- (vii) Employee remuneration packages are aligned with that of comparable organizations and is competitive by market standards.
- (viii) Remuneration package (and in particular performance-based remunerations) is designed to encourage behavior that supports the Company'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 Key Performance Indicators (KPIs) backed by job descriptions in place for all its employees that would allow consistent assessments and comparisons in an objective manner.
- (xi) Employee shall not cover exposure to the outcome share price before acquiring the shares or the remuneration where Company share is allotted to employees in lieu of employment or share-related term remuneration.
- (xii) Remuneration terms and conditions ensures that it does not prejudice the interest of its business or customers.
- (xiii) The Company will ensure that all offer letters and employment contracts issued are in accordance with the approved salary structure and the guidelines laid down in this Policy.

## **5 REMUNERATION COMPONENTS**

5.1 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 grade in the Company, their professional activity as well as the market practice. The remuneration components are:

(i) **Fixed remuneration:** It is determined based on 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, overall performance of the Company and their individual performance. 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 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 based on 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.).

5.2 The Company has created a salary structure for fixed remuneration, which lays 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 is approved by the Board of Directors of the Company.

5.3 Eligibility rules and remuneration timings shall conform to the expected timelines of the employees performance-based risk realisation.

## **6 REMUNERATION POLICY RESPONSIBILITIES**

**6.1 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.
- (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.

**6.2 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 procedures and systems for granting rewards and incentives with an aim of ensuring conformity with this Policy.
- (ii) **The Nomination and Remuneration Committee of the Board:** Annually, the Nomination and Remuneration Committee of the Board will recommend proposals to the Board of Directors in respect of the rewards and incentives to be awarded to all employees including the Executive Management. Such proposals shall be based on the principles outlined in this Policy.

The Board will therefore take the ultimate responsibility of approving the proposals put forward by the Nomination and Remuneration Committee.

The Internal Audit, as part of its periodical review of the rewards and incentives process, will ascertain the extent of compliance and provide its findings before the Nomination and Remuneration Committee. The Board may, therefore, take into consideration the results of the Internal Audit review when concluding on the matters related to granting rewards and incentives.

## **7      GUIDING PRINCIPLES FOR PERFORMANCE BASED VARIABLE INCENTIVES**

- 7.1    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.
- 7.2    Variable performance-based incentive is awarded by ensuring:
  - (i)    Direct relationship to the overall performance of the Company and its financial condition;
  - (ii)   An appropriate balance between fixed and performance-based components;
  - (iii)   That the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible;
  - (iv)   That the performance-based component reflects the risk underlying the achieved result;
  - (v)   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.
- 7.3    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.
- 7.4    There shall be no guaranteed variable pay and it shall be paid at the sole discretion of the Board.
- 7.5    The Company shall identify functions which are considered as risk takers.
- 7.6    The determination of rewards for employees working in Control functions (Internal audit, Risk Management, Compliance, and Actuarial) shall be made in a separate manner from the rest of the business to ensure their independence.



## **8 PERIODIC REVIEW OF THE REMUNERATION POLICY**

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

## Variable performance-based remuneration (Reward and Incentive process)

