

## Group Policies & Procedures



Level 1	Process: Human Resource
Level 2	Remuneration Policy

### Copyright Statement

'Company' has proprietary rights over the Document and its contents. No part of this Document shall be copied nor is the Document to be removed or relocated from Company's premises for any reason without the express written permission of the Governing Body or Senior Executive Functionary or the CEO or authorized Senior Management.

## **Group Policies & Procedures**

### **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.

### **Group Standards and administration**

The Group Standards contains policy of document administration and control and maintained by the Group Governance Department and this policy should be read in conjunction with the Group Standards. The log of all amendments to the documents is centrally available on Equinox.

### **Related Documents (available on Equinox)**

### **Contacts**

Group Governance Department

# Group Policies & Procedures

## Contents

- Contents..... 3
- Definitions..... 4
- Policy..... 5
  - 1 INTRODUCTION..... 5
  - 2 SCOPE..... 5
  - 3 OBJECTIVES OF THE REMUNERATION POLICY ..... 5
  - 4 POLICY STATEMENT ..... 5
  - 5 REMUNERATION COMPONENTS ..... 6
  - 6 REMUNERATION POLICY RESPONSIBILITIES ..... 7
  - 7 GUIDING PRINCIPLES FOR PERFORMANCE BASED VARIABLE INCENTIVES ..... 8
  - 8 PERIODIC REVIEW OF THE REMUNERATION POLICY ..... 9

## Group Policies & Procedures

### Definitions

Term	Definition
<b>Company</b>	Company means Qatar Insurance Company
<b>Group</b>	Qatar Insurance Company together with its subsidiaries
<b>BOD</b>	Board of Directors
<b>CAO</b>	Chief Administration Officer

## Group Policies & Procedures

### Policy

#### 1 **INTRODUCTION**

The Board of Directors of QIC (the “**Company**”) recognises 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 QIC Group;

- (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 Personnel Policies & Regulations Manual of the Company.
- (iii) Remuneration structure reflects the market practice and is tailored to the specific requirements of QIC Group, so as to attract, motivate and retain its employees.
- (iv) Attract, motivate and retain employees and ensure that they perform in the best interests of the Company and its stakeholders.

## Group Policies & Procedures

- (v) Remuneration complies with all applicable laws, rules and regulations governing the location each office of the Company.
- (vi) Employee remuneration packages are aligned with that of comparable organizations and is competitive by market standards
- (vii) A framework is established for periodic evaluation of the performance of individual employees relevant to the defined and set objectives of the company.
- (viii) Sufficiently defined KPI backed by job descriptions in place for all its employees that would allow consistent assessments and comparisons in an objective manner.
- (ix) 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.
- (x) 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
- (xi) 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.

## 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 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

## Group Policies & Procedures

and 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 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).

5.2 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.

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

## Group Policies & Procedures

based on the approved salary structure of the Company and the guiding principles laid down in this Policy.

- (iv) **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 governance procedures and systems for granting rewards and incentives with an aim of ensuring conformity with this policy.
- (ii) **The Business and Strategy Committee of the Board**

Annually, The Business and Strategy 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 Business and Strategy Committee.

Group Internal Audit, as part of its yearly review of the rewards and incentives process, will ascertain the extent of compliance and provide its findings before the Business and Strategy 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;



## Group Policies & Procedures

- (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, and Compliance) 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 Business and Strategy Committee of the Board 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.

## Group Policies & Procedures

