

Dividend Policy	Version	1.0
	Date	1 st of October 2023
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Dividend Policy

Effective from (Date of AGM Approval)

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Policy Administration

Document Version History

Version Number	Version Date
v1.0	01/10/2023

Description	Name	Designation	Signature/Approval Date
Prepared & Reviewed By	Fadi Aboul Hosn	Chief Financial Officer	
Reviewed By (Legal/Compliance)	Khaled Barakat	General Counsel	
Reviewed By (Risk)	Javier Martin	Risk Manager	
Approved By	Walter Jopp	Chief Executive Officer	
Risk Committee Endorsement	Mohammed AIShehhi	Chairman of the Risk Committee	
Approved By the General Assembly on:			

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Introduction

The Islamic Arab Insurance Company PJSC (Salama) dividend policy provides guidance on the company's dividend distribution principles and philosophy. It also provides a clear policy statement on the determination of how much dividend to pay, the frequency of payments, and the approval model.

The dividend policy has been prepared in accordance with the applicable regulations of the Securities and Commodities Authority (SCA), The Central Bank of the UAE (CBUAE) and Salama's Articles of Association (AoA), and other applicable regulations.

Policy Statement

The dividends shall be paid to shareholders pursuant to the regulations, decrees, notices, and circulars issued by the SCA and CBUAE in this regard. Furthermore, dividends will be paid out of the net and accumulated income applicable to Shareholders. The dividend payout shall not exceed the lower of 100% of Salama shareholders' net income or the retained earnings as per the statement of financial position after deducting the statutory reserves, applicable taxes, and other amounts and reserves as stipulated in the applicable regulations.

The Board of Directors will be able to recommend to the General Assembly for the approval of the shareholders of the Company the distribution of dividend on quarterly, semi-annual or annual basis subject to complying with several factors including, but not limited to the following:

- The shareholders' profits and the shareholders' retained earnings after deducting statutory reserves, applicable taxes, and other reserves.
- The capital structure and capital adequacy for the Salama to maintain a solvency margin floor of at least 100%.
- Approval, in principle, from CBUAE as per Notice CBUAE/BSA/2022/4697 dated 21/11/2022.
- The cash flow requirements, currency fluctuation at foreign subsidiaries, and the availability of funds for existing and future projects.
- Business needs that might require retention of cash or a certain portion of the profit.
- Market volatility and the economic conditions.
- Expansion, investment, and acquisition opportunities.
- Other conditions that may be impacted by the distribution of dividends.

Salama aims to distribute dividends annually whenever feasible. However, given that many of the above factors are beyond Salama's control, there is no assurance that a dividend will be proposed, declared or paid in any given year.

Policy Management

This Policy shall undergo a mandatory review at least once every two years. If changes are proposed, the revised policy must be submitted to the board for review and approval. All amendments made during the review process shall strictly adhere to the laws, rules, and regulations applicable to Salama.

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In the event of conflict between this Policy and the Salama's Articles of Association (AOA) or regulatory guidelines, the AOA and regulatory guidelines shall take precedence.

This Policy will be effective from 1st of January 2024.

Approvals

Board of Directors' Approval: Reviewed and ratified by the board of directors on: / /2023.

1. H.E. Saeed AlHajeri, Chairman
2. H.E. Mohammed AlShehhi, Vice Chairman
3. Mr. Ahmad AlSadah, Member
4. Mr. Saeed AlQassimi, Member
5. Mrs. Maha Alfahim, Member
6. Mr. Ajit Joshi, Member
7. Mr. Fareed Lutfi, Member

Shareholders' Approval: The policy has been submitted to the AGM on / /2024 and has been approved by Shareholders.