

Dividend Policy

Orient Insurance PJSC

1. Introduction

This Dividend Policy outlines the principles and guidelines governing the distribution of dividends by Orient Insurance PJSC in a manner that balances the best interests of shareholders and the long-term sustainability of the company. The policy ensures that dividends are distributed transparently, equitably, and in compliance with the requirements of the Central Bank of the UAE (CBUAE) and other applicable regulations.

2. Objectives

The primary objectives of this policy are to:

- Ensure fair and consistent returns to shareholders while maintaining financial stability.
- Align dividend distribution with the company's profitability and capital position.
- Comply with regulatory requirements and approvals from the Central Bank of the UAE.
- Maintain a prudent balance between distributing profits and reinvesting in business growth.

3. Dividend Declaration and Approval Process

1. Annual Declaration:

- Dividends shall be declared annually, provided the company meets regulatory solvency and capital requirements.
- The dividend proposal shall be based on financial performance, liquidity position, and future investment needs.

2. Board Recommendation:

- The Board of Directors shall review the company's financial position and propose the dividend amount in line with this policy.
- The Board shall ensure that dividend distribution does not compromise financial stability or capital adequacy.

3. Regulatory Approval:

- The proposed dividends shall be subject to review and approval by the Central Bank of the UAE before being recommended to shareholders.

4. Shareholder Approval:

- After securing regulatory approval, the dividend distribution proposal shall be presented to the General Assembly for final approval.

4. Dividend Payout Considerations

The dividend payout ratio shall be determined annually based on the following key factors:

- **Profitability:** The company must generate adequate net profit before declaring dividends.
- **Regulatory Compliance:** The company must meet capital adequacy requirements as mandated by the Central Bank of the UAE.
- **Financial Strength & Liquidity:** The company must maintain sufficient liquidity to cover operational needs and potential liabilities.
- **Investment & Growth Plans:** The company shall retain sufficient earnings for future growth and strategic expansion.
- **Market Conditions:** Macroeconomic and industry conditions shall be considered to ensure sustainable financial performance.

5. Forms of Dividend Distribution

Subject to regulatory approval and financial performance, dividends may be distributed in the following forms:

- **Cash Dividends:** Paid directly to shareholders based on their holdings.
- **Stock Dividends (Bonus Shares):** Issuance of additional shares to shareholders, subject to market and capital requirements.
- **Combination of Cash and Stock Dividends:** A mix of cash payouts and bonus shares to optimize shareholder value.

6. Restrictions on Dividend Distribution

Dividends shall not be declared or distributed under the following conditions:

- If dividend distribution compromises the company's solvency position or regulatory capital requirements.

- If the Central Bank of the UAE restricts or delays approval due to non-compliance with financial regulations.
- If the Board deems it necessary to retain profits for business continuity or unforeseen financial risks.

7. Communication & Transparency

- The company shall clearly disclose dividend-related decisions in its annual report, financial statements, and regulatory filings.
- Shareholders shall be informed about dividend declarations, payment methods, and timelines in a transparent manner.
- Any amendments to the Dividend Policy shall be communicated to regulators and shareholders as required.

8. Review & Policy Amendments

- This policy shall be reviewed periodically by the Board of Directors to ensure alignment with the company's financial strategy, shareholder expectations, and regulatory requirements.
- Any modifications to this policy must be approved by the Board of Directors and the General Assembly.

9. Conclusion

Orient Insurance PJSC is committed to a balanced dividend distribution approach that ensures shareholder value while maintaining financial strength and regulatory compliance. The company will continue to assess its financial position and market conditions to make prudent and sustainable dividend decisions.

Approved by the Board of Directors on: 25/12/2024

Approved by the General Assembly on :