



Governance Report for 2018



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1. A statement of the measures taken to complete the corporate governance system during (2018) and how they were applied:

The management of the Fidelity United Insurance Company, represented by the Chairman and Members of the Board of Directors and Executive Management, is keen to apply the best international and local standards in the field of corporate and good governance as a public joint stock company listed on the Abu Dhabi Securities Market, in line with the institutional and other regulatory requirements prescribed by the Securities and Commodities Authority, including in particular the Authority's Chairman of the Board of Directors' Resolution No. (7/R.M) of 2016 Concerning Corporate Discipline and Governance Standards of Public Joint Stock Companies.

In addition, the Company follows the principles of strategic planning and continuous optimization and abides by disclosure and transparency procedures at the highest levels, with a complete willingness to respond to any new procedural or legal developments made by regulatory bodies.

2. A statement of the transactions of the members of the Board of Directors and their spouses and children in the Company's securities during (2018)

The Board of Directors is primarily responsible for the management and performance of the Company in accordance with the provisions of its Articles of Association and Article (154) of the Commercial Companies Law. The Board is also responsible for developing the strategy, documents and guidelines in order to ensure the application of strategic supervision and effective control of the Company. Members of the Board of Directors are aware of their obligations in respect of the disclosure requirements of their transactions in the Company's securities and are committed to all requirements set by the Securities and Commodities Authority and the Abu Dhabi Securities Exchange. Board members may not deal in quarterly, semi-annual or annual securities until disclosure and (10) business days after the announcement of any material information that will affect the price of the stock up or down, unless the information is the result of contingent or sudden events.

Members of the Board of Directors, their spouses and children, did not deal with the Company's securities during the fiscal year (2018).

3. Formation of Board of Directors:

The members of the Board of Directors were elected by the Shareholders General Assembly of the Company, in accordance with the provisions of its Articles of Association and in compliance with applicable laws and regulations. The election is compatible with the requirements of Article (40) of the Authority's Chairman of the Board of Directors' Resolution No. (7/R.M) of 2016 Concerning Corporate Discipline and Governance Standards of Public Joint Stock Companies, which requires that at least one third of the members of the board of directors be independent members. Board members were also elected in accordance with the provisions of Article (16) of the Company's Articles of Association, which stipulates that the Company shall be managed by a board of directors consisting of at least five members and not more than nine, provided that at least one third of them shall be independent members and the majority are non-executive members. Removal of Board members is decided by the Company's General Assembly through



cumulative secret voting. The term of the Board is set at three years and may be renewed in accordance with the provisions of the Company's Articles of Association.

The Company is currently managed by a Board of Directors consisting of seven members elected by the General Assembly; all of them are independent and non-executive members. Members of the Board of Directors have signed the declaration of the Independent Board Member as per the form prepared by the Securities and Commodities Authority.

The company is currently managed by a Board of Directors consisting of seven members elected by the General Assembly, all of whom are independent and non-executive members. Members of the Board of Directors have signed the approval of the Independent Board member as per the model prepared by the Securities and Commodities Authority.

a. The formation of the Board of Directors according to the categories of its members

Members	Position	Character	
Mr. Nawwaf Ghubash Ahmed Ghubash Al Marri	Chairman of Board of Directors	Independent	Non-executive
Mr. Ricardo Maurice Suleiman	Vice Chairman of the Board of Directors	Independent	Non-executive
Mr. Khalid Rashid Humaid Al Mazrouei	Member	Independent	Non-executive
Mr. Maurice Ricardo Suleiman	Member	Independent	Non-executive
Mr. Mohamed Ghobash Ahmed Ghobash A Marri	Member	Independent	Non-executive
Mr. Majid Sultan Mohammed Al Mail	Member	Independent	Non-executive
Mr. Nadeem Ahmed Irfan Ahmed	Member	Independent	Non-executive

A statement of the Chairman and members of the Board, their experience and qualifications :

Mr. Nawwaf Ghubash Ahmed Ghubash Al Marri (Chairman)

Mr. Nawwaf currently holds the position of the Chairman of the Board of Directors of the Company. He was appointed by the new Board of Directors elected at the Board meeting held on 2/08/2017 as Chairman of the Board. Mr. Nawwaf Ghubash is a member of the Board of Directors of the Company since 2002. He holds a Bachelor's Degree in Business Administration from the University of the United Arab Emirates - Al Ain. In the past years, he has been serving a Managing Director of the Board of Directors of the Company. Currently, he holds the following positions:

- Chairman of the Board of Directors of RAK Pharma - Bangladesh From 2015 till Nov. 2018.
- Chairman of the Board of Directors of the Fidelity United Insurance from 2017 to date.
- Member of the Board of Directors of Fidelity Insurance Company from 2002 to 2017.



- Managing Director of Fidelity Insurance Company from 2011 to 2017.
- Second Deputy Chairman of the Board of Directors of the Chamber of Commerce and Industry of Ras Al Khaimah during the period from January 2007 to December 2009.
- Member of the Board of Directors of Gulf Pharmaceutical Industries (Jolphar), Ras Al Khaimah, from 2005 to 2017.
- Member of the Board of Directors of RAK Properties from 2005 to 2012.
- Member of the Board of Directors of RAK Properties from 2018 to 2020.
- Member of the Board of Directors of the Emirates Insurance Association from January 2010 to 2013.
- Vice Chairman of Ghobash Trading & Investment Co. Ltd. from 1999 to date.
- Member of the Board of Directors of IMTAC from 1999 to date.
- Member of the Board of Directors and member of the Executive Committee of the Sahara Center in Sharjah from 2000 to date.
- Member of the Board of Directors of Al-Anwar Holding SAOG - Sultanate of Oman from 2003 to 2014.
- Member of the Board of Directors of Addax Bank - Kingdom of Bahrain from January 2010 to 2012.

- **Mr. Ricardo Maurice Suleiman (Vice Chairman)**

Mr. Ricardo currently holds the position of the Vice Chairman of the Board of Directors. He was appointed for the first time in 2017 by the Board of Directors elected at the Board meeting held on 2/08/2017 to serve as Vice Chairman. He holds a ISM certificate since 1968 from the International School of Marketing, United States of America, and an international Diploma in Marketing. He has held the following positions:

- Sales Representative at NCR Corporation, 1964.
- Sales Executive at American International Underwriters AIU, 1968.
- Sales Manager at Fidelity Insurance and Reinsurance, 1969. He acquired the Company after 25 years.
- Acting Partner Manager at the American Life Insurance (ALICO) as of 2010.
- President of Fidelity Insurance & Reinsurance Company SAL, 1994.
- Shareholder of Rimco - General Agents of GMC, Nissan and Infiniti motors in Lebanon.
- Was elected by the General Assembly held on 02/08/2017 as a member of the Board of Directors of the Fidelity United Insurance.

- **Mr. Khalid Rashid Humaid Al Mazrouei (Member of the Board)**

Mr. Khalid holds a Bachelor's degree from Emirates University in Accounting and Information Systems. He worked for 5 years for HSBC Bank and another five years for the Department of Economic Development - Government of Dubai. He currently holds the following positions:

- Member of the Board of Directors of Al-Bahri and Al Mazrouei Company.
- Member of the Board of Directors of Dubai Tourism and Travel Group.
- General Manager of Gulf Wings Travel.
- Businessman and owner of private companies.



Re-elected by the General Assembly held on 02/08/2017 as a member of the Board of Directors of the Fidelity United Insurance.

Mr. Maurice Ricardo Suleiman (Board Member)

He is currently a member of the Board of Directors of the Company, and was first elected in 2017 by the General Assembly. He holds a Bachelor's degree in Business Administration from the Lebanese American University in Beirut. He held the following positions:

Managing Director of the Board of Directors of Fidelity Insurance and Reinsurance Company Lebanon, 2004.

Managing Director of Solidarity Alliance Insurance Company - Syria, 2008.

Chairman/Member of the Board of Directors/Partner of Deraya Insurance Brokerage - Kingdom of Saudi Arabia, 2012.

Member of the Board of Directors, a Principal Shareholder and Founder of Platinum Reinsurance Brokerage Company SAL, 2014.

Chairman, Board Member and Partner Al Himaya Brokerage Co - United Arab Emirates, 2016.

He was first elected by the General Assembly held on 02/08/2017 as a member of the Board of Directors of Fidelity United Insurance Company.

Mr. Mohamed Ghobash Ahmed Ghobash Al Marri (Board Member)

He holds a high diploma in Business Administration from the Higher Colleges of Technology (1993 - 1999) in the Emirate of Ras Al Khaimah. He completed several banking, administrative and executive courses at Emirates Institute of Banking, Etisalat Academy and the National Bank of Abu Dhabi. He held the following positions:

Marketing Officer - Commercial International Bank, 1999-2001.

Assistant Director of the Channel – E-Vision (Etisalat), 2001-2005.

Broker - Abu Dhabi Financial Services, 2007-2008.

Senior Broker - Abu Dhabi Financial Services, 2007-2008.

Director of Stock Trading - Abu Dhabi Financial Services, 2009.

He was elected for the first time by the General Assembly held on 02/08/2017 as a member of the Board of Directors of Fidelity United Insurance Company.

Mr. Majid Sultan Mohammed Al Mail (Board Member)

He was elected for the first time by the General Assembly in 2017 as a member of the Board of Directors of Fidelity United Insurance Company. He has a varied background and international and local experience through various international multinational organizations. He is also well-practiced in various roles with private and semi-governmental companies, and has also worked directly with the Government in policy-making. Mr. Majid is a finance specialist and a third-level certified financial analyst with special experience in innovation and high-tech investments derived from his experience in transactions and associated investments. He is a member of the Advisory Board of Flat 6 Labs, Abu Dhabi's First Startup Accelerator Program. He holds a Master of Business Administration and Banking and Finance Services (First Class) from Paris Sorbonne University, Abu Dhabi, in November 2016. He earned a Bachelor of Science in Chemical Engineering from the University of Arizona, Phoenix, Arizona, USA in December 2004. He also completed a Diploma in Leadership



(Excellence) in July 2010 from the College of Business Administration - University of Cambridge. He worked for several institutions and companies including:

Operations Engineer, Operations Management, Habshan, 2005-2006.

Abu Dhabi Gas Industry Gasco, Abu Dhabi, United Arab Emirates, 2005-2008.

Mubadala GE Capital PJSC, Abu Dhabi, United Arab Emirates - Chicago, USA, 2008-2011.

Mubadala Capital 2011-2013.

Abu Dhabi Technology Development Committee, Abu Dhabi, United Arab Emirates, 2013-2016.

Flat 6 Labs, Abu Dhabi, United Arab Emirates.

Americana Group, United Arab Emirates.

Mr. Nadeem Ahmed Irfan Ahmed (Board Member)

He was first elected by the General Assembly in 2017 as a member of the Board of Directors of the Fidelity United Insurance. He holds a Master's degree in Business Administration from the University of Aligarh, Indi, and has held the following positions:

Since 1986 - 1992: Financial Executive at Pradeshia Industrial & Investment Corporation of U.P. Ltd.

Since 1992-1995: Head of Business at Sterling Securities Limited, Delhi.

Since 1995 - 1998: Deputy Director of Fortis Financial Services Limited, Mumbai.

From March 1999 to December 2002: Director of Abu Dhabi Investment Company (ADIC), "Invest Abu Dhabi".

From January 2003 to February 2008: Director of HSBC Private Equity Middle East (HSBCPE).

From March 2008 to April 2012: Partner /investor in BNP Paribas Frist (Private Equity Fund in the Middle East and North Africa).

Since 2008: Member of the Board of Directors of BNP Paribas Frist (Private Equity Fund in the Middle East and North Africa) and a member of the Board of Directors of the Fund Company and the Fund Manager since its incorporation;

May 2012 to August 2016: Member of the Board of Directors of Private Portfolio Companies of BNP Paribas Frist (Private Equity Fund in the Middle East and North Africa).

December 2012 to date: Director of Investment Management - Ghobash Trading & Investment Limited

Membership of the Board of Directors in any other joint stock companies

Members	Name of the other public shareholding company	Position
Mr. Nawwaf Ghubash A. Ghubash Al Marri	Ras Al Khaimah Properties Company	Member of the Board of Directors



- b. A statement of women's representation in the Board of Directors for the year 2018:**
There is no female representation in the Board of Directors for the year 2018.
- c. A statement of the reasons why no women were nominated for the membership of the Board of Directors**
The nomination for membership of the Company's Board of Directors was opened in 2017 and no female member has applied for membership of the Board of Directors.

A statement of the following:

- 1. Total remuneration of Board members paid for the year 2017**
- No remuneration has been paid to the Board of Directors for 2017 due to the losses shown in the Company's balance sheet.
- 2. Total remuneration proposed to be paid to the member of the Board of Directors for the year (2018), which will be presented at the Annual General Meeting for approval**
- There will be no proposed remuneration for the Board members for 2018.
- 3. A statement of the details of allowances paid to the Board members for the fiscal year 2018 for attending the meetings of Board committees:**

S	Name	Allowances payable for attending the meetings of Board committees		
		Name of Committee	Allowance amount	Number of meetings
1	Maurice Ricardo Suleiman	Executive Committee	0	3
2	Khalid Rashid Humaid Al Mazrouei	Executive Committee	0	3
3	Mohamed Ghobash Ahmed Ghobash Al Marri	Executive Committee	0	3
4	Majid Sultan Mohammed Sultan Al Mail	Executive Committee	0	3
5	Nadeem Ahmed Irfan Ahmed	Executive Committee	0	3

S	Name	Allowances payable for attending the meetings of Board committees		
		Name of Committee	Allowance amount	Number of meetings
1	Ali Rashed Hamaid Al Mazrouei	Audit Committee	0	4
2	Marwan Estambouli	Audit Committee	0	4
3	Alok Nawani	Audit Committee	0	4

S	Name	Allowances payable for attending the meetings of Board committees		
		Name of Committee	Allowance amount	Number of meetings
1	Majid Sultan Mohammed Sultan Al Mail	Nomination and Remuneration Committee	0	2
2	Maurice Ricardo Suleiman	Nomination and Remuneration Committee	0	2
3	Mohamed Ghobash Ahmed Ghobash Al Marri	Nomination and Remuneration Committee	0	2

S	Name	Allowances payable for attending the meetings of Board committees		
		Name of Committee	Allowance amount	Number of meetings
1	Khalid Rashid Humaid Al Mazrouei	Investment Committee	0	2
2	Maurice Ricardo Suleiman	Investment Committee	0	2
3	Mohamed Ghobash Ahmed Ghobash Al Marri	Investment Committee	0	2
4	Majid Sultan Mohammed Sultan	Investment Committee	0	2

- d. The number and dates of Board meetings held during the fiscal year 2018 as well as the attendance frequency by all the members; in person and by proxy.

Date of the meeting	Number of present members	Number of members present by proxy	Names of absent members
15/03/2018	6	-	Khalid Rashid Humaid Al Mazrouei
23/04/2018	7	-	-
13/05/2018	6	-	Ricardo Maurice Suleiman
09/09/2018	7	-	-
30/10/2018	7	-	-



e. A statement of the Board's tasks and functions carried out by a Board member or the Executive Management under a delegation from the Board, specifying the duration and validity of the delegation:

One of the Board's responsibilities is to ensure an effective internal control system. This task has been assigned to the Audit Committee to verify the adequacy of the system and make any recommendations to the Board of Directors that would activate and develop the system to achieve the objectives of the Company. The Audit Committee also ensures the adequacy of the information contained in the financial statements and final accounts to enable investors to evaluate the performance of the Company, form proper opinions about its performance and to take informed decisions to protect their investments.

The senior management key team is responsible for managing the day-to-day business of the Company and its key business affairs, in line with the requirements of protecting shareholders' interests. The tasks and functions of the Board of Directors carried out by the Executive Management are as follows:

1. Verify of the financial statements of the Company in each quarter of the year as well as at the end of the fiscal year.
2. Ascertain the adequacy of disclosure in the financial statements.
3. Emphasize the adequacy of the information contained in the financial statements and the final accounts issued by the companies in order to enable investors to evaluate companies' performance.

S.	Name of authorized person	Delegation authority	Duration of Delegation
1	Bilal Mohammed Monir Adhami	Manage the Company's regular day-to-day business in technical and administrative matters, and manage the operational and insurance activities.	Undefined / pending the revocation of the delegation

f. A statement of the details of transactions carried out with the related parties (stakeholders), indicating the nature of relationship and transaction type:

Board members are aware of their obligations regarding disclosure requirements for their transactions in the Company's securities. They are bound by all the requirements set by the Securities and Commodities Authority and the Abu Dhabi Securities Exchange, where they may not deal in the securities of the Company or any of its sister companies or subsidiaries, if any, for 15 days prior to the end of the quarterly, semi-annual or annual financial period, and for 10 working days after the announcement of any material information that may affect the price of the stock up or down, unless the information is the result of unforeseen or sudden events.

Board members are also aware of the disclosure requirements for their commercial or contractual transactions with the Company as provided in the relevant regulations.



1) Insurance transactions with related parties:

The following is a statement of the details of insurance transactions with the related parties during 2018, which were represented in the usual insurance services and products provided by the Company to the related parties in return for insurance premiums at the approved and quoted value, as follows:

Account name	Total premiums	Balance of Accounts Receivable
Aban Investment Company	13,030.00	12,587.00
Dar Al-Dawa (Arabian Ethicals)	318,067.34	145,224.00
Attaya Projects Ltd.	9,259.00	21,369.00
ATEIS Middle East	139,981.86	37,571.00
Al Bahri & Al Mazrouei Technical Systems	1,347,484.21	464,222.00
Al Bahri & Al Mazrouei Trading Co.	1,846,301.24	508,693.00
Computer network systems	413,702.52	109,871.00
Emitac Group	1,138,788.39	61,615.00
Emitac Mobiles	1,617,277.96	568,764.00
Ghobash Trading & Investment Group / Family	-	12,313.00
Ghobash Trading & Investment Group	32,238.00	(46,641.00)
Ghobash Trading Group	72,151.00	15,003.00
Gulf Commercial Group	235,370.57	4,586.00
Integrate Dynamic Services	-	180.00
Khaled Rashid Al Mazrouei	15,513.00	10,970.00
Maken Properties	162,706.00	21,261.00
Prime Hospitality	74,302.00	22,516.00
Tawazon Chemical Company	8,395.00	1400.00
Telematics Ltd.	97,193.26	3,066.00
Gulf Commercial Group	376,591.00	336,224.00
Mechany Fashion	65,124.00	712.00
Amman Computer and Network Systems	18,451.00	18,451.00
Nawwaf Ghubash	43,498.00	10,647.00
Fidelity Assurance And Reinsurance SAL	-	(277,125.00)

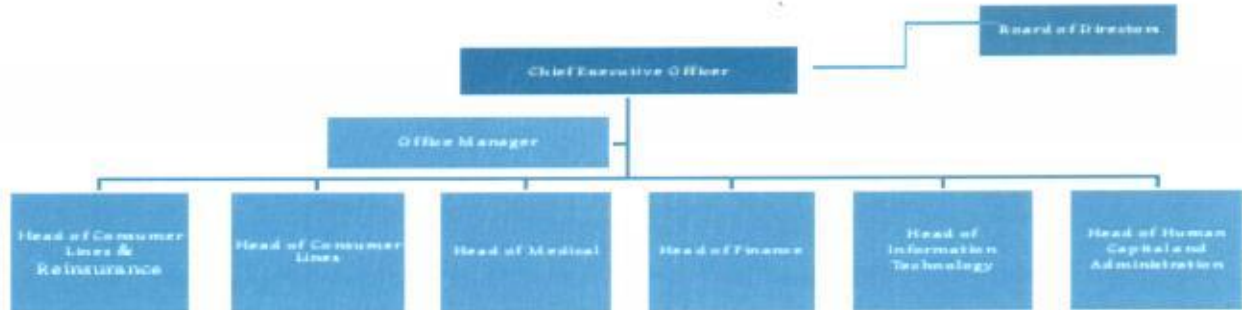
2) Transaction with related parties in other fields:

On 1/1/2018, the Company entered into a technical management agreement with M/s Fidelity Assurance and Renaissance Co. SAL, a major shareholder of the Company, and the strategic shareholder whose admission to the Company was approved as part of the capital restructuring process. The conclusion of the said Agreement took place after the approval of the General Assembly of the company held on 05/01/2017, which discussed and approved the conditions of the strategic shareholder's admission to the Company and the financial and operational benefits expected to be obtained as a result of this admission. Such conditions and benefits were reflected in the provisions of the Agreement under the contractual obligations of the relevant party. The contents of the agreement were disclosed to the competent regulatory authorities, in accordance with



the provisions of Article (17) of the Authority's Chairman of the Board of Directors' Resolution No. (7/R.M) of 2016 Concerning Corporate Discipline and Governance Standards of Public Joint Stock Companies.

g. Organizational Structure:



h. A detailed statement of the first-and-second-level senior executive staff according to the Company's organizational structure, their positions and appointment dates, and total salaries and benefits paid thereto:

S.	Position	Date of appointment	Total salaries and allowances paid for 2018 (AED)	Total bonuses paid for 2018 (AED)	Any other cash / in-kind bonuses for 2018 or payable in the future
1	Chief Executive Officer	1-Feb-18	1,485,000	N/A	N/A
2	Head of Commercial Lines and Reinsurance	3-Apr-16	480,000	N/A	4,400
3	Head of Consumption Lines	3-May-15	464,400	N/A	12,000
4	Head of Health Insurance	15-Apr-18	341,041,	N/A	N/A
5	Head of Finance Department	24-Aug-15	540,000	N/A	8,000



6	Head of IT Department	4-Nov-18	75,507	N/A	N/A
7	Head of Human Resources Department	31-Aug-15	420,000	N/A	18,000

The duration of delegation of the Executive Management staff of the Company is valid for an indefinite period under a matrix of authority approved by the Board of Directors. The delegation continues in force until the resignation or termination of the Executive Management's member, or until such powers are terminated or amended by a resolution of the Board of Directors. The delegations are given in full compliance with the provisions of the Company's Articles of Association and related regulations, laws and resolutions .

4. External Auditor

a. About the Company's auditor

Pursuant to the Commercial Companies Law No. (2) of 2015, and in accordance with Article (52) of the Company's Articles of Association, the General Assembly shall appoint an auditor for a renewable financial year and determine its fees. The auditor shall review and audit the accounts of the fiscal year for which it was appointed. Currently, Ernst & Young (EY) is the external auditor of the Company based of the service offer presented by them, which was the lowest offer selected by the General Assembly.

Ernst & Young is a global leader in financial auditing, tax consulting, business transactions and advisory services. EY has started its operations in the Middle East and North Africa region since 1923. For more than 90 years, the company has grown to more than 5,000 employees in 20 offices and 15 countries with common values and firm commitment to the highest standards of quality.

The contract with EY was renewed in 2017 by a resolution of the Company's General Assembly dated 30/04/2017.

A statement of fees and costs for the audit or services provided by the External Auditor for the year 2018 according to the following table:

The fees and costs of the audit and services provided by the auditor are in accordance with the decision of the General Assembly, as detailed in the previous item. The below table shows the details of such fees:

Name of Audit Office	Ernst & Young
Number of years served as an external auditor of the Company	From 2015 to date
Total fees for the audited financial statements during 2018 (AED)	AED 165,000/-
Fees and charges of services other than the auditing of financial statements during 2018 (AED)	102,500



Details and nature of other services provided	Financial advisory services and other services in accordance with the table below
A statement of the other services provided by <u>another external auditor</u> other than the Company's auditor during 2018	The Company did not hire any other external auditor other than the Company's auditor to provide any services during 2017.

The following table details the fees and costs of the additional services performed by the external auditor as follows:

Service	Fees
Report on quarterly electronic forms	30,000
Report on annual electronic forms	10,000
Report on supervision fees	10,000
Report on investment provisions (Annual)	6,000
Quarterly reports on investment provisions	9,000
Report on the revenues of the Health Authority in Abu Dhabi	10,000
Report on money laundering operations for 2017	10,000
Report on money laundering operations for 2018	10,000
Services related to financial statements for 2017 & translation into Arabic	7,500
Total	102,500

- b. A statement of the unqualified opinions made by the Company's auditor on the financial quarterly and annual financial statements for 2018 In the absence of any unqualified opinions, the same should be stated explicitly.**

There were no unqualified opinions made by the Company's external auditors on the interim financial statements for 2018

4. Audit Committee:

- a. A statement of the names of the members of the Auditing Committee, and their tasks and functions:**

At its first meeting on 02/08/2017, the previous Board of Directors formed an internal audit committee consisting of three members. Members of the Board of Directors unanimously approved the Committee's membership of the following members:

Name	Capacity
Mr. Ali Humaid Al Mazrouei	Chairman
Mr. Alok Nawani	Member
Mr. Marwan Estambouli	Member



The Committee consists of three members who are independent from the Company's staff, and fulfills the requirements of Article (48) of the Authority's Chairman of the Board of Directors' Resolution No. (7/R.M) of 2016 and the Governance Regulations, as all members are independent and have financial experience in the auditing field.

The Board of Directors has consulted and appointed, at the Company's expense, an internal audit firm that also performs its role independently. In general, the Board's policies conform to the provisions of Article 9 of the Governance Regulations. A mechanism will be put in place to provide complete confidentiality and meet the requirements of the said article. The rules of this proposed mechanism will be presented to the Board of Directors for approval.

Tasks and functions of the Auditing Committee:

1. Develop and implement the contracting policy with the external auditor. Submit a report to the Board of Directors identifying the issues that it considers important to take an action thereon, with recommendations concerning the steps to be taken.
2. Follow-up and monitor the independence of the external auditor. Submit a report to the Board of Directors specifying the issues that it considers important to take action thereon, with recommendations concerning the steps to be taken.
3. Monitor the integrity of the Company's financial statements and reports (annual, semi-annual and quarterly), and observe them as part of its normal work during the year and after closing the accounts in any quarterly period, with special focus on the following:
 - Any changes in accounting policies and practices
 - Highlight aspects subject to the Board of Directors' discretion
 - Significant amendments resulting from the audit
 - Assuming the Company's going-concern
 - Adherence to the rules of incorporation, disclosure and other legal requirements related to the preparation of financial reports.
4. Coordination with the Company's Management, Executive Management, Financial Director or the manager responsible for the same tasks in the Company in order to perform its duties. The Committee shall meet with the auditors of the Company at least once a year.
5. Consider any items that are deemed important and unusual or should be mentioned in such reports and accounts, and shall give due attention to any matters raised by the Company's Chief Financial Executive, the manager responsible for the same duties, the compliance officer or the auditors.
6. Review the financial controls, internal controls and risk management systems of the Company.
7. Discuss the internal control system with the Management and ensure that it fulfills its duty to establish an effective internal control system.
8. Consider the results of the main investigations conducted on the internal control matters, as assigned to it by the Board of Directors or performed at the initiative of the Committee and the approval of the Management.
9. Make sure effective coordination is in place between the auditors of the Company and the external auditor. Ensure availability of the resources necessary for the internal audit body, and review and control the effectiveness of that body.
10. Review the Company's financial and accounting policies and procedures.



11. Review the external auditor's letters, its action plan and any material queries submitted by the auditor to the Executive Management regarding accounting records, financial accounts or control systems, and their response and approval to the same.
 12. Ensure that the Board of Directors responds in a timely manner to the clarifications and material issues raised in the external auditor's letter.
 13. Establish controls that enable the Company's staff to report any potential irregularities in financial reports, internal controls or other matters under complete confidentiality; and set the steps necessary to ensure independent and fair investigations of such violations.
 14. Monitor the extent to which the Company complies with the rules of professional conduct.
 15. Ensure the application of the rules related to its functions and the powers entrusted to it by the Board of Directors.
 16. Submit reports to the Board of Directors on the matters listed in this item.
 17. Consider of any other matters determined by the Board of Directors.
- b. A statement of the number and dates of meetings held by the Audit Committee during 2018, to discuss matters relating to financial statements and any other matters, with an indication of the number of times the members were personally present at the meetings held:**

The Committee held (4) meetings during its term in 2018, as follows:

Meeting No.	Meeting date	Number of members present
1/2018	14/03/2018	3
2/2018	08/05/2018	3
3/2018	11/07/2018	3
4/2018	28/10/2018	3

Number of personal presence of the Committee's members:

Name	Number of attendance times	Personal / by-proxy presence
Ali Rashid Humaid Al Mazrouei	3	Personal
Alok Nawani	3	Personal
Marwan Estambouli	3	Personal, through Conference Call

5. Nomination and Remuneration Committee:



a. **Names of the members of the Nomination and Remuneration Committee, and the details of its functions and the tasks entrusted to it:**

Pursuant to Article (46) of the Authority's Chairman of the Board of Directors' Resolution No. (7/R.M) of 2016, the Board of Directors shall establish a Nomination and Remuneration Committee consisting of at least three **non-executive** directors, of whom at least two are **independent members**. Following its first meeting after the AGM, the Board of Directors on 02/08/2017 established the Nomination and Remuneration Committee at its meeting No. 6/2017. For the purpose of complying with the provisions of the Governance Regulations, the Board reconstituted this Committee so that the Committee is composed of three members of the non-executive directors. The current directors of the Company were appointed at their meeting No. 4/2018 held on September 9, 2018, whereby Mr. Mohamed Ghobash was appointed in place of Dharma Chandran, in accordance with formal procedures conforming to the Commercial Companies Law and the Memorandum of Association. In light of this, the Committee's Chairman and the members have been appointed so that the Committee is composed of the following Board members:

Majid Sultan Mohammed Sultan Al Mail	Chairman
Maurice Ricardo Suleiman	Member
Mohamed Ghobash Ahmed Ghobash	Member

A statement of the Committee's function and the task assigned to it:

- The Committee shall carry out all the prescribed functions and tasks, in accordance with the relevant rules and resolutions, including the resolutions of the Securities and Commodities Authority, so as its main tasks will be as follows:
 1. Establish a policy on nominations for the Board of Directors and Executive Management, taking into account gender diversity within the composition, encouraging women through incentive and training programs. The Committee shall provide the Authority with a copy of this policy and any amendments thereto.
 2. Organize and follow up the procedures for nomination to the Board of Directors, in accordance with the applicable laws and regulations and the provisions of the resolutions of the Securities and Commodities Authority.
 3. Ensure independence of independent members.
 4. Prepare and annually review the policy for the granting of bonuses, benefits, incentives and salaries for the members of the Board of Directors of the Company and its employees, and make sure that the bonuses and benefits granted to the Senior Executive Management are reasonable and commensurate with the performance of the Company.
 5. Perform annual review of the skills required for Board membership, and prepare a description of the capabilities and qualifications required for membership of the Board



of Directors, including the time required to be allocated by a Board member to the proceedings of the Board of Directors.

6. Review the Board structure and make recommendations regarding possible changes.
 7. Prepare and annually review the policy of granting bonuses and benefits, incentives and salaries in the Company.
 8. Identify the Company's needs of competencies at the level of senior executive management and employees, as well as the bases of their selection.
 9. Any other matters determined by the Board of Directors or provided for in the relevant legislation and resolutions.
- b. **A statement of the number and dates of meetings held by the Committee during the fiscal year 2018, as well as the number of times the Committee members were personally present at the meetings held**

The Committee held (1) meeting during its term in 2018, as follows:

Meeting No.	Meeting date	Number of members present
1/2018	18/09/2018	3

A statement of the number of personal presence of the members in the Committee's meetings:

Name	Number of attendance times	Personal /by-proxy presence
Majid Sultan Mohammed Sultan	1	Personal
Maurice Ricardo Suleiman	1	Personal
Mohamed Ghobash Ahmed Ghobash	1	Personal

6. Insiders' Trading Follow up & Supervision Committee (Executive Committee):

The Executive Committee, which is responsible for monitoring and supervising insiders' trading of, was formed after the restructuring with the approval of the Board of Directors at its meeting No. 6/2017 held on 02/08/2017. In terms of the roles, this Committee differs from the (Follow-Up and Development Committee) that was formed in 2017.



- a. Names of the members of the Committee, and the details of its functions and the tasks entrusted to it:

Name	Capacity
Mr. Maurice Ricardo Suleiman	Chairman
Mr. Khalid Rashid Humaid Al Mazrouei	Member
Mr. Mohamed Ghobash Ahmed Ghobash Al Marri	Member
Mr. Nadeem Ahmed Irfan Ahmed	Member

This Committee is responsible for following up the implementation of all resolutions issued by the Board of Directors and meets when needed. It also manages, follows up and supervises the insiders' trading of and their property, keeps their register and submits the periodic statements and reports to the market.

7. Summary of the Report of the Committee's proceedings during 2018:

In addition to its duties under the Authority's Chairman of the Board of Directors Resolution No. (7/R.M) of 2016 Concerning Corporate Discipline and Governance Standards of Public Joint Stock Companies, in 2018, the Committee undertook the following tasks:

- Review the performance of the company's management.
- Approval of strategic projects.
- Approve any decision or initiative that goes beyond "Management authority."
- Approval of senior management appointments.
- Discuss policies and procedures, develop a matrix of powers and recommend that they be submitted to the Board for approval.
- Study and review strategic initiatives.

8. Any other committee (s) approved by the Board of Directors:

a) Investment Committee:

This committee is responsible for following up the Company's investments.

b) Names of the Committee's members, its functions and the tasks entrusted to it:

Name	Capacity
Mr. Khalid Rashid Humaid Al Mazrouei	Chairman
Mr. Maurice Ricardo Suleiman	Member
Mr. Mohamed Ghobash Ahmed Ghobash Al Marri	Member
Mr. Majid Sultan Mohammed Sultan Al Mail	Member
Mr. Nadeem Ahmed Irfan Ahmed	Member



9. Internal Control System

- a. **The Board's acknowledgement of its responsibility for the Internal Control System in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness:**

The Internal Control Department of the Company reports directly to the Board of Directors and carries out its tasks "**based on the Authority's Chairman of the Board of Directors' Resolution No. (7/R.M) of 2016 Concerning Corporate Discipline and Governance Standards of Public Joint Stock Companies**", so that it enjoys sufficient independence to perform its functions. The Board approved the establishment of the Internal Control Department and its by-laws in line with the governance requirements.

- b. **Name, qualifications, and date of appointment of the Internal Control Department Manager:**

Mr. Manoj Varghese, Manager of the Internal Control Department, holds a Master's degree in Commerce from the University of Gandhi, 1990. He has been employed by the Company since 2011.

- a. **Name, qualifications, and date of appointment of the compliance officer**

Mr. Manoj Varghese was assigned the duties of the Compliance Officer given his extensive accounting and management experience in several companies as Compliance Officer. He takes over the functions and powers of this Department with sufficient independence to perform his duties, and he reports directly to the Board of Directors.

It should be noted here that the Company has changed its internal auditors, RSM, and hired Grant Thornton on 05/12/2017 to carry out the internal audit tasks. Their scope of work for 2018 covers the following areas:

- 1) VAT
- 2) Subscription
- 3) Claims
- 4) Reinsurance
- 5) Financial affairs
- 6) Legal affairs
- 7) Human resources
- 8) Corporate Governance
- 9) Branch accounts auditing
- 10) Information technology.

During the year 2018, they issued two reports dealing with subscription, claims, financial & legal affairs, IT, corporate governance, and branch audits. Work is in progress for other areas within the scope referred to above.



- b. **A statement on how Internal Control Department handles Company's major problems:**

The Company did not face any major problems during the year (2018).

10. **Details of the violations committed during the fiscal year (2018), causes thereof, how they were addressed, and steps taken to avoid them in the future**

The Company did not commit any violations during the fiscal year 2018.

11. **A statement of the cash and in-kind contributions made by the Company during 2018 towards local community development and the environment preservation:**

Fidelity United Insurance Company believes that corporate social responsibility is built on doing everything that is rational and beneficial, based on the principles of commitment to all that is consistent with the community ethics that benefit the society or a large segment of it. Therefore, the Company takes social values into account when making business decisions in order to achieve positive and sustainable results towards business, environment and society as a whole.

The Company also believes that responsible businesses can play a vital role in the development of society and economy based on the principles of social justice and equality. The Company is therefore in close contact with entities that support its social responsibility objectives, which will provide long-term benefits to the Company's employees, customers, shareholders, partners and individuals in the local communities in which the Company operates.

The Company had no activities in this area for 2018 due to the difficult financial conditions and losses incurred during the year.

12. **General Information:**

- a. **A statement of the Company's share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year of 2018:**

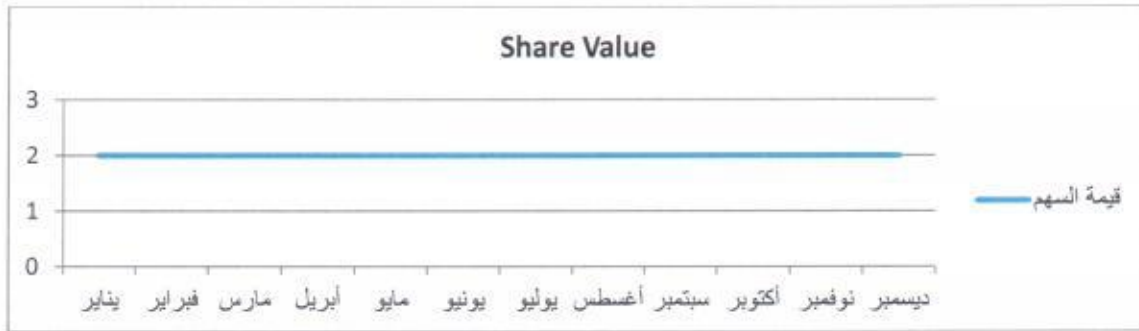
No transactions have taken place on the Company's shares during the year 2018 (except for the restructuring). The share price is fixed from 01/01/2018 to 31/12/2018 at AED 2.



The below table shows the share price during the year, with a statement of highest and lowest price at the end of each month.

Month	Highest price	Lowest price	Month	Highest price	Lowest price
January	AED 2	AED 2	July	AED 2	AED 2
February	AED 2	AED 2	August	AED 2	AED 2
March	AED 2	AED 2	September	AED 2	AED 2
April	AED 2	AED 2	October	AED 2	AED 2
May	AED 2	AED 2	Nov	AED 2	AED 2
June	AED 2	AED 2	Dec	AED 2	AED 2

b. A statement of Comparative Performance of the Company's shares against the General Market Index and the Company's Sector Index during the 2018:



No transactions have taken place on the Company's shares during 2018, so the share price did not interact with the general market index or the sector index.

c. Statement of Shareholders' Equity as at 31/12/2018 (Individuals, Companies, and Governments), classified as follows: Citizen, GCC, Arab, and Foreigner:

S.	Shareholder classification	Shareholding %			Total
		Individuals	Companies	Governments	
1	Citizen	30.822.123%	44.177.877%	0	75%
2	Arabic	0	25%	0	25%
3	Foreigner	0	0	0	0
	Total	30.822.123%	44.177.902%	0	100%



d. A statement of shareholders holding 5% or more of the Company's capital as at 31/12/2018:

S.	Shareholder	Number of shares held	Company's capital ownership %
1	Ghobash Trading & Investment Ltd. Co	44,164,708	44.164%
2	Fidelity Insurance & Renaissance SAL	25,000,000	25%
3	Nawwaf Ghubash Ahmed Saeed Ghubash Al Marri	15,000,000	15th%
4	Rashed Humaid Ali Al Mazrouei	15,000,000	15th%

e. A statement of the order of shareholders according to the size of equity as at 31/12/2018

S.	Equity (share)	Number of shareholders	Number of shares held	Shares held in the capital % (approx.)
1	Less than 50,000	49	13,212	0.013212%
2	From 50,000 to less than 500,000	1	200,000	0.2%
3	From 500,000 to less than 5,000,000	1	622,080	0.62208%
4	More than 5,000,000	4	99,164,708	99.164708%

f. A statement of the measures taken with respect to the controls of investors' relations, indicating the following:

A special page has been created on the Company's official website www.fidelityunited.ae under the section About Us / Investor Relations Page, where all the information about the Company and its shareholders is uploaded.

Name and contact information of the Investor Relations Officer.

✓ Mr. Rafiq Rahim Shaaban - Chief Financial Officer

- Telephone: 04-2288194 –

- Email: rafiq.shaban@fidelityunited.ae

✓ Ms. Huda Samara - Secretary of the Board of Directors and Investor Relations

- Telephone: 04-2128024 –

- Email: hudas.samara@fidelityunited.ae



The link of Investor Relations webpage on the Company's website.

<http://www.fidelityunited.ae/investorrelations/>

- g. A statement of the special resolutions presented at the General Assembly meetings held during 2018 and the actions taken thereon:**
- a. In its meeting held on 23/04/2018, the General Assembly of the Company:
- i. **Discussed the amendment of the Company's Articles of Association after obtaining official approvals from the competent authorities** to change its name to the (Fidelity United Insurance), so that the Company's new name will be used wherever mentioned in its Articles of Association. The General Assembly also discussed the amendment of Article (2) of its Articles of Association to read as follows:
Article (2) (Company Name): "The name of this company is the Fidelity United Insurance, a public joint stock company (Hereinafter referred to as the "Company".
The General Assembly unanimously approved the above amendment, provided that the Company shall apply to the competent authorities to enforce the amendments, in accordance with the applicable laws, regulations and procedures.
- i. **Name of Board meetings' rapporteur and date of his/her appointment:**
Ms. Huda Samara was appointed as the Board meetings' rapporteur on 06/01/2013
- h. A statement of significant events in the Company during 2018:**
- Mr. Bilal Adhami was appointed as Chief Executive Officer on 01/02/2018.
 - Company's trade name was changed.
- i. A statement of the percentage of Emiratization at the company by the end of 2018:**
By the end of 2018, the Emiratization rate was 4% and the Company is seeking to increase it.
- j. A statement of the projects and innovative initiatives undertaken by the Company or under development in 2018:**
The Company did not launch any innovative projects during 2018 due to the capital restructuring process and the introduction of the strategic investor into the Company. The Company has paid great attention to the success of this process and it is hoped that the strategic partner will contribute to the development of the Company's operations and the launch of innovative projects in the future.





Nawwaf Ghubash
Chairman of Board of Directors