

Corporate Governance Report for financial year ending 31 December 2019

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1. Introduction

The Company's board of directors ("the **Board**") is committed to promoting good corporate governance within the Company. Consistent with its aim of being a leader in corporate governance in the UAE and the region, the Company has adopted extensive corporate governance guidelines in the Corporate Governance Manual in line with the principles set out in the UAE Securities and Commodities Authority on Corporate Governance and international best practice.

The Company recognizes the benefit of good corporate governance for all shareholders and the Corporate Governance Manual is designed to ensure efficient, dynamic and entrepreneurial management throughout the Company.

This is the Company's Eleventh Corporate Governance Report and is published in compliance with Board of Directors' Resolution No. 7 R.M of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

The report reflects the Company's corporate governance systems as at 31 December 2019, and this report will be filed with SCA, published on the Company's Website, included in the AGM and made it available to all shareholders well in advance of the AGM.

AM Best and S&P Global Credit Ratings

S&P Global and AM Best, has renewed EIC A- credit and insurer financial strength rating with a stable outlook during 2019. In its ratings, the rating agencies observes EIC's long track record of above average performance and as well as our extremely strong capital adequacy. They also recognises the tight management of our business development strategy and their expectation of continuing robust results and financial strength in the future. In all its business relationships, EIC strives to demonstrate technical excellence, high value customer service as well as full transparency and probity.

Emirates Insurance Company enjoys financial ratings on a par with many of the world's leading insurers and reinsurers.

2. Overview of the Corporate Governance Manual

The Corporate Governance Manual sets out the requirements in relation to the appointment and composition of the Board and the role of the Chairman of the Board (the "**Chairman**") and the Chief Executive Officer ("**CEO**"). Furthermore, the Corporate Governance Manual contains a list of matters reserved for the Board and requirements in relation to Board meetings and voting procedures and the maintenance and monitoring of internal control systems.

The following policies and procedures are contained in the Corporate Governance Manual:

- Dealings of Members of the Board of Directors in Securities (Insider Trading Policy)
- Appointment of Directors
- Role and function of the Directors
- Composition of the Board
- Board of Directors remuneration
- Terms of reference Audit Committee
- Terms of Reference Nominations and Remunerations Committee
- The Code of Conduct for employees
- Appointment of External Auditors
- Corporate Social Responsibility
- Internal Control
- Confidential Reporting Policy
- Shareholder Communication Policy
- Role and function of Senior Executives in the Company

3. Dealings of the Directors in Securities

Share Dealing Policy

The Share Dealing Policy sets out the procedures that EIC's directors and employees must follow when dealing in EIC's shares. The objectives of this Policy are to clarify the Company's position in respect to the Company's directors and employees dealing in the Company's shares as well as to implement controls, reduce any potential risks that could contravene the regulators requirements and avoid any conflicts of interest.

Non-compliance with the policy is regarded as a serious misconduct.

Prohibitions under the Share Dealing Policy

The Share Dealing Policy applies to the Company's directors and employees at all levels and contains prohibitions on insider trading and tipping.

It also sets out certain "closed periods", within which directors, key executive officers and all employees are not allowed to deal in the Company's shares at all.

The closed periods are the 15-day periods prior to the Company's general assembly, and announcement of the Company's yearly, half-yearly and quarterly financial results, and announcements of any significant event, which might affect the Company's share price.

Disclosure requirement

- The number of shares owned by Board Members must be disclosed within 15 (fifteen) days as from their assumption of membership and also at the end of each financial year.
- The trades affected by Restricted Persons during the current year must be disclosed at the end of each financial year.
- The names of Shareholders (including Board Members and employees) who own, or who's holding together with their minor children reaches, 5% or more of the Company's shares. This information should be submitted to the ADX every time the holding increases by 1% of the Company's shares over and above the 5%.

The Audit Committee is responsible for reviewing the Share Dealing Policy as and when required.

Statement of the transaction of the Board Directors and related family During 2019:

S/N	Name	Position / Relationship	Shares held as of 31/12/2019	Total Sale Transactions	Total Purchase Transaction
1	Mr. Abdullah Al Mazrui	Chairman	0	0	0
2	Mr. Fadel Saeed Al Darmaki	Vice Chairman until 18/04/2019	250,000	0	0
3	Mr. Ahmed Saeed Al Badi	Vice Chairman from 18/04/2019	375,000	0	0
4	Mr. Mohammed Rashid Al Nasser	Board Member	0	0	0
5	Mr. Abdulla Ali Al Saadi	Board Member	111,111	0	0
6	Mr. Saoud Essa Al Mulla	Board Member	0	0	0
7	Skh. Abdul Aziz Al Moalla	Board Member	100,000	0	100,000
8	Mr. Mohammed Saeed Al-Ghafli	Board Member	0	0	0
9	Mr. Mubarak Abdulla Al Mazrouei	Board Member	0	0	0
10	M/s Allia Abdull Al Mazrui	Chairman's Daughter	20,000	0	0

Board Members until to 26/03/2019

S/N	Name	Position / Relationship	Shares held	Total Sale Transactions	Total Purchase Transaction
01	Mr. Mohammed Abdul Jalil Al Fahim	Board Member	1,342,339	0	0
02	Mr. Hussain Ali Al Sayegh	Board Member	997,027	0	0
03	Mr. Mohamed Obeid Khalifa Al Jaber	Board Member	250,000	0	0
04	Mr. Yousif Abdulla Saif Al Mazrouei	Board Member	0	0	0

4. Formation of the Board of Directors

The Articles of Association of the Company provide for nine directors. Abu Dhabi Investment Council Company (PJSC), is entitled to an automatic seat on the Board while the other directors are be elected at the General Assembly of the Shareholders by secret ballot.

At the Annual General Meeting held in 26 March 2019, the following Directors were elected for the next three years:

No	Name	Elected / Appointed
1	Mr. Abdullah Al Mazrui	Elected
2	Mr. Fadel Saeed Al Darmaki	Elected
3	Mr. Ahmed Saeed Al Badi	Elected
4	Mr. Mohammed Rashid Al Nasseri	Elected
5	Mr. Abdulla Ali Al Saad	Elected
6	Mr. Saoud Essa Al Mulla	Appointed by ADIC
7	Skh. Abdul Aziz Al Moalla	Elected
8	Mr. Mohammed Saeed Al-Ghafli	Elected
9	Mr. Mubarak Abdulla Al Mazrouei	Elected

Seven of the Nine Board Members are **Independent Members**. All Board members are **Non-Executive Board Members**, the Board of Directors during 2019 are:

Board Members as at 31/12/2019

No	Director Name	Category	Qualifications / Experience	Director Since	Serving in other PSC Company	Positions at any Important regulatory, governmental or commercial entities
1	Mr. Abdullah Al Mazrui. (Chairman)	Non-Independent (Al Mazrui Investment representative)	BA (Honors) Chapman University, California – USA	1995	<ul style="list-style-type: none"> Arab International Logistics Company (ARAMEX) (PSC) National Investor 	<ul style="list-style-type: none"> Investcorp Depa United Group
2	Mr. Ahmed Saeed Al Badi (Vice Chairman)	Independent	Bachelor's in international Relations at Lewis & Clark College,	1986	<ul style="list-style-type: none"> Gulf Capital (PJSC), UAE Arab International 	<p>Serving on the Board of the following Companies and Institutions:</p> <ul style="list-style-type: none"> Lewis & Clark College, Portland, US World Care International Ltd.

			Portland, Oregon, USA		Logistics Company (ARAMEX) (PSC)	
3	Mr. Fadel Saeed Al Darmaki	Independent	Higher National Diploma in Business Studies (UK)	1995		<p>Previous Assignments:</p> <ul style="list-style-type: none"> Chairman of the Board and Executive Committee member of Abu Dhabi Commercial Bank. Director of the Emirates Industry Bank. Member of the Federal National Council. Vice Chairman of Union of Arab Bank. Chairman of Emirates Institute of Banking and Financial Studies.
4	Mr. Mohammed Rashid Al Nasserri	Independent	Bachelor of Law, UAE	2006	.	<ul style="list-style-type: none"> Member of the National Consulting Council. Assistant-Undersecretary in the Financial Department of Abu Dhabi General Director of Pvt. & Official office of H.H Sheikh Mohammed Bin Khalifa Bin Zayed Al Nahyan Board's Member of Alwifaq Finance Company Board's Member of TTA Company – Bangkok – Thailand General Manager of Al Ain Equestrian, Shooting & Golf club Chairman of Gulf Islamic Investments Company
5	Mr. Abdulla Ali Al Saadi	Independent	Bachelor majoring in Business Administration, USA	2006	• Board Member of Finance House.	
6	Mr. Saoud Essa Al Mulla	Non-Independent (ADIC Representative)	Bachelor of Commerce in Finance (Canada), CFA Certified	2019		<ul style="list-style-type: none"> Chairman of Massar Solutions. Board Member at Abu Dhabi Investment Company (Invest AD). Board Member at Invest AD Brookfield Managers Head of Europe, Real Estate for the Abu Dhabi Investment Council.
7	Skh. Abdul Aziz Al Moalla	Independent	Master's in Human resource management	2019		<ul style="list-style-type: none"> Manger – Senior Examiner at Central Bank.
8	Mr. Mohammed Saeed Al-Ghafli	Independent	Master of Business Administration	2019		
9	Mr. Mubarak Abdulla Al Mazrouei	Independent	Bachelor's degree	2019		

Board Members until to 26/03/2019

No	Director Name	Category	Qualifications / Experience	Director Since	Serving in other PSC Company	Positions at any Important regulatory, governmental or commercial sites
1	Mr. Mohammed Abdul Jalil Al Fahim	Independent		1986		<p>Previous Assignments:</p> <ul style="list-style-type: none"> • First Vice President Abu Dhabi Chamber of Commerce. • Industry Board of the Telephone Company. • Council for Public Works.
2	Mr. Hussain Ali Al Sayegh	Independent	Bachelor of Science in Business Admin, Portland USA	1989		<p>Currently an advisor to the Office of the General Manager - Abu Dhabi Investment Authority</p> <p>Previous Assignments:</p> <ul style="list-style-type: none"> • Executive Director, Operations Department - Abu Dhabi Investment Authority • Arab International Bank, Cairo; • World Trade Centre, Cairo; • Banque International Arab De Tunisie, Tunis; • Banque de Tunisie et des Emirates d' Investment. Sousse International Company, Tunis;
3	Mr. Yousif Abdulla Saif Al Mazrouei	Non-Independent (ADIC Representative)	Bachelor of Science in Management, U.S.A	2016		<p>Previous Assignments:</p> <ul style="list-style-type: none"> • Director of the Management Accounts Division at the Abu Dhabi Investment Council Company (. • Deputy Manager, Payment and Accounts at the Abu Dhabi Investment Authority (ADIA).
4	Mr. Mohamed Obeid Khalifa Al Jaber	Independent	Bachelor of Business Administration, Higher College of Technology	1995		<p>Serving on the Board of the following Companies and Institutions:</p> <ul style="list-style-type: none"> • Vice Chairman and Group CEO of Al Jaber Group • Board Member of Abu Dhabi National Industry Projects.

Emirates Insurance Company encourages and welcomes females to participate as a Board of Directors. No Female is currently a Director at Emirates Insurance, although we had one female nominee at the last AGM.

a. Board of Directors Remuneration:

The Nomination and Remuneration Committee proposed the remuneration of directors for approval by the shareholders. The Board of Directors paid AED 2,378,000/- for 2018 remuneration.

The proposed total remuneration of the directors for 2019 (subject to the shareholders' approval in the coming AGM) is AED 2,750,000/- which is less than 10% of the profits of the company.

No other allowances or fees were paid to the Board of Directors during 2019.

- b. The following table illustrate the Audit Committee, Nomination and Remuneration Committee, and investment Committee Fees for 2019, no other allowances or fees were paid to the committees:

Committee Members as at 31/12/2019

No.	Attendance fees of the Committees Meetings			
	Committee Member Name	Committee Name	Allowance Amount (AED) Each Meeting	Number of Meetings attended
1	Mr. Saoud Essa Al Mulla	Audit Committee	10,000/-	3
2	Sheikh Abdul Aziz Al Moalla	Audit Committee	10,000/-	3
3	Mr. Mohammed Saeed Al Ghafli	Audit Committee	10,000/-	3
4	Sheikh Abdul Aziz Al Moalla	Nomination and Remuneration	10,000/-	1
5	Mr. Mohammed Saeed Al Ghafli	Nomination and Remuneration	10,000/-	1
6	Mr. Mubarak Abdulla Al Mazrouei	Nomination and Remuneration	10,000/-	1
7	Mr. Abdullah Al Mazrui	Investment	10,000/-	1
8	Mr. Saoud Essa Al Mulla	Investment	10,000/-	1
9	Mr. Mohammed Saeed Al-Ghafli	Investment	10,000/-	1
10	Mr. Jason Light (CEO)	Investment	0	1
11	Mr. Aart Lehmkuhl (CFO)	Investment	0	1

Committee Members until to 26/03/2019

No.	Attendance fees of the Committees Meetings			
	Committee Member Name	Committee Name	Allowance Amount (AED) Each Meeting	Number of Meetings held
1	Mr. Fadel Saeed Al Darmaki	Audit Committee	10,000/-	1
2	Mr. Mohammed Abdul Jalil Al Fahim	Audit Committee	10,000/-	1
3	Mr. Hussain Ali Al Sayegh	Audit Committee	10,000/-	1
4	Mr. Mohamed Obeid Khalifa Al Jaber	Nomination and Remuneration	10,000/-	1
5	Mr. Mohammed Rashid Al Nasserri	Nomination and Remuneration	10,000/-	1
6	Mr. Yousif Abdulla Saif Al Mazrouei	Nomination and Remuneration	10,000/-	1

- c. The Board is required to meet at least 4 times per year and the quorum for a meeting of the Board is a majority of its members. During the financial year ended 31 December 2019, the following meetings were held:

	26-Feb	18-Apr	12-May by Circulation	08-Aug by Circulation	13-Nov
Mr. Abdullah Al Mazrui	✓	✓	✓	✓	✓
Mr. Ahmed Saeed Al Badi	✓	✓	✓	✓	A
Mr. Fadel Saeed Al Darmaki	✓	✓	✓	✓	✓
Mr. Mohammed Rashid Al Nasserri	✓	✓	✓	✓	✓

Mr. Abdulla Ali Al Saadi	A	✓	✓	✓	✓
Mr. Saoud Essa Al Mulla	N/A	✓	✓	✓	✓
Skh. Abdul Aziz Al Moalla	N/A	✓	✓	✓	✓
Mr. Mohammed Saeed Al-Ghafli	N/A	✓	✓	✓	✓
Mr. Mubarak Abdulla Al Mazrouei	N/A	✓	✓	✓	✓
Mr. Mohammed Abdul Jalil Al Fahim	✓	N/A	N/A	N/A	N/A
Mr. Hussain Ali Al Sayegh	✓	N/A	N/A	N/A	N/A
Mr. Yousif Abdulla Saif Al Mazrouei	✓	N/A	N/A	N/A	N/A
Mr. Mohamed Obeid Khalifa Al Jaber	✓	N/A	N/A	N/A	N/A

✓ Attended

N/A Not Member

A Absent

-Board resolution issued by circulation on 12/05/2019 to approve the financial results for quarter one of 2019.

-Board resolution issued by circulation on 08/08/2019 to approve the financial results for quarter two of 2019.

- d. The Board has the powers necessary to achieve the Company's objectives subject to the Company's Articles of Association, a resolution of its shareholders and any applicable laws,

The Senior management, comprising Chief Executive Officer and other Chief Officers as well as Senior Managers are responsible to implement the company strategy and manages the day-to-day affairs of the company according to the business plans and activities approved by the Board, protecting the shareholder interests and adopting best and successful practices.

The following matters have not been delegated to management and are deemed to be reserved Matters:

- Strategy and management;
- Board membership and other appointments;
- Remuneration;
- Structure and capital;
- Financial reporting and controls;
- Internal controls;
- Contracts and expenditure;
- Communication;
- Delegation of authority;
- Corporate governance matters; and
- Policies (not including matters of procedure).

All other powers and authorities of the Board are pursuant to the Corporate Governance Manual, deemed delegated to Executive Management. The Board has delegated certain Reserved Matters to committees established under the Corporate Governance Manual.

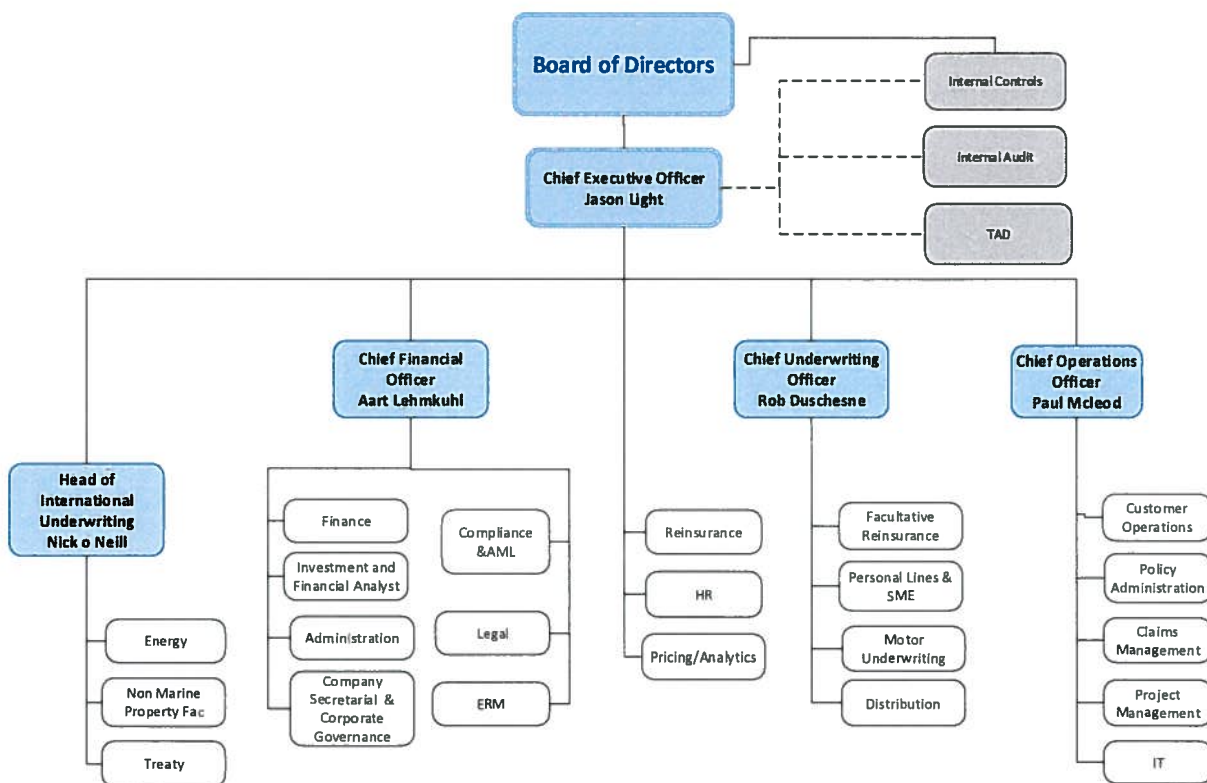
The Board may also delegate Reserved Matters to Executive Management, by specific or general delegation.

There have been no amendments to the authority delegated to the management during 2019. In October 2019 the Board of Directors agreed to extend the Power of Attorney of the Chairman, the CEO, and the CFO for another three years and will expire on 15/09/2022.

e. Following are the related party transactions recorded during 2019:

Board Member	Insurance Premium Cover / AED	Insurance Claim Settled / AED
Mr. Abdullah Al Mazrui (Al Mazrui Investment)	29,415,460	3,093,824
Mr. Fadel Saeed Al Darmaki	28,503	789,676
Mr. Mohammed Saeed Al Ghafli	2,543,389	143,412
Mr. Ahmed Saeed Al Badi	72,408	2,500
Mr. Abdulla Ali Al Saadi	82,448	0

5. The organizational structure of the company



6. Particulars of Senior Executives

Jason Light – Chief Executive Officer: Joined EIC in May 2007

MBA Graduate from Manchester Business School

Jason has more than 30 years’ experience within the insurance industry. After spending the early years of his career as a reinsurance broker, he joined the Renewal and Reconstruction team at Lloyd’s in 1995 and was later appointed the founding Managing Director of Lloyd’s Japan, Lloyd’s retail insurance business in Japan. Immediately prior to joining Emirates Insurance Company in May 2007, he was CEO of Hemayah Insurance, Toyota’s ALJ’s captive insurance business in Saudi Arabia. During 2019, Mr. Jason was selected as one of the Best CEOs in the region by one of leading US business magazine Forbes.

Aart Lehmkuhl – Chief Financial Officer: Joined EIC in January 2007

Holds B.Com Acc & B.Com (Hons) CA (South Africa)

Aart qualified as a Chartered Accountant in South Africa and holds an Honours Degree in Accounting. He has also completed an Executive Development Program and a Diploma in Islamic Finance. His career in the financial services industry has spanned over a 30 year period and has focused on financial, technical and operational management. He served as director on several Boards of insurance Companies in South Africa and was Chief Executive Officer of a private hospital in Oman for nearly 3 years.

As Chief Financial Officer, he is responsible for the financial soundness and activities of the company and manages the strategy and operations of the investment of the company. He is also responsible for Company Secretarial and Administration. He is the Chairman of the Risk Committee.

Paul McLeod – Chief Operating Officer: Joined EIC in October 2016

Holds Bachelor Degree in Management Science

Paul has more than 25 years' experience in the international business environment in a wide range of industries, from mining, distribution and processing and manufacturing, through to retail and financial services. Initially working as a management consultant, in 1999 Paul joined American International Group to develop their Malaysian joint venture AIG-Software International. During his career at AIG, Paul held various roles in Operations and Systems in Hong Kong, Bangkok, Melbourne and Dubai, in both regional and in-country roles. Immediately prior to joining Emirates Insurance in 2016, Paul ran the local integration for the Middle East & North Africa zone for AIG's Global Business Transformation program.

Robert Duchesne - Chief Underwriting Officer (National): Joined EIC January 2019

The company appointed Mr. Robert Duchesne in the role of Chief Underwriting Officer. Rob has more than 35 years' experience within the insurance industry. After spending the early years of his career in various underwriting positions in the London Market. He joined RSA Dubai in 2005 as Regional Property Director. In 2015, he was promoted to Head of Property, Construction and Engineering Global Specialty Lines at RSA London. Immediately prior to joining Emirates Insurance Company, he was Head of Commercial Underwriting at Towergate Underwriting Group London

Remuneration Details:

Remuneration paid to senior management for 2019 were as follows:

Designation	Date of Joining	Salary and Allowances	Bonuses
Chief Executive Officer	20-May-2007	1,912,374	TBC
Chief Financial Officer	08-Jan-2007	1,351,730	TBC
Chief Operating Officer	19-Oct-2016	1,080,550	TBC
Chief Underwriting Officer	13-Jan-2019	996,097	TBC
Head of International U/W	11-Feb-2018	687,540	TBC
*Senior Manager of Reinsurance	16-Jul-1985	221,700	TBC

- No other Cash/Bonuses were distributed to the executive management during 2019.
- The report will be updated as soon as the approval of the executive management allowances.
- * The Senior Manager of Reinsure retired on May 2019.

7. External Audit

The Board of Directors is responsible to propose an independent auditor, on the recommendation of the Audit Committee and confirmation of the shareholders at the Annual General Meeting.

The Audit Committee evaluates the auditors by taking into account a number of key criteria, including trends in audit methodology, international resources, personnel and cost. The auditor of the company must have a strong reputation and be well known in the field of audit, classified in the category of "Big Four".

The external auditor shall make sure of the standard of the financial statements and will monitor the company's accounts. They have the right to review all company's books, records, documents and any other requested data considered necessary by the auditors.

Based on the above criteria, KPMG was appointed as external auditor at the AGM on 26 March 2019.

KPMG was established in the Lower Gulf in 1973 and has grown to over 1,300 professionals, led by more than 90 partners and directors, across six regional offices. Over the last 40 years, KPMG has worked with leading industry players across the region, helping identify and manage risks and capitalize on opportunities - making them a preferred professional services provider.

Number of years as EIC Auditor	Since 2019
Partner last changed	N/A
Partner	Emilio Pera
Audit fees earned for 2019	AED 430,000/-
Details of services provided	Financials, and Regulatory Reports
Other professional fees earned for 2019	AED 60,000/-
Details of other professional services provided	AML and unpaid Shareholders Dividend Reports

Other External audit services	Ernst & Young
Details of other professional services provided	IFRS 17, Two Years project
Fees	AED 1,400,000/-

The external auditor shall attend the General Assembly Meeting and ensure the validity of the procedures followed in the shareholders invitation to the meeting. The auditor will also be required to express an opinion regarding the financial health of the company.

KPMG presented their 2019 management report to the Audit Committee and Board of Directors. The management report indicated that no discovery of any financial irregularities during 2019.

Management will take corrective action and implement the recommendations, where practical, proposed by the auditors. - No qualified opinions were made by the external auditor.

8. Audit Committee

The principal roles of the Audit Committee are to monitor the Company's financial statements, to renew and recommend changes to the Company's financial and control systems, to oversee the Internal Audit Management function, to review the share dealing policy and to maintain an appropriate relationship with the Company's external auditors.

The Chairman of the Audit Committee acknowledges the responsibility of the Committee system in the Company, and he has reviewed its work mechanism and insure its effectiveness.

Duties of the Audit Committee

The principal duties of the Audit Committee are:

- To oversee the relationship with the external auditors and monitor their independence.
- To review and report to the Board on the Company's annual and quarterly financial statements.
- To review the Company's Share Dealing Policy.
- To review and report to the board on the Company's accounting policies and practices.
- To review, monitor and report to the Board on the remit and effectiveness of the internal audit function and review and approve the annual internal audit plan.
- To review the Company's Whistle Blowing Policy.
- To consider such other matters as may be requested by the Board.

Authority of the Audit Committee

The Audit Committee is authorized, by the Board, to examine any activity within its terms of reference, to have unrestricted access to the Company's external auditors and to obtain, at the Company's expense, professional advice on any matter within its terms of reference. The Audit Committee is authorized to seek any information it requires from any employee or director, and all employees and directors will be directed to co-operate with any request made by the Audit Committee.

Composition and attendance of the Audit Committee

The Audit Committee held four meetings during 2019.

New members were appointed after the annual General meeting held during March 2019. The table below shows the meetings attended:

	24-Feb	11-Jul	31-Oct	18-Dec
Mr. Saoud Essa Al Mulla (Chairman)	N/A	✓	✓	✓
Skh. Abdul Aziz Al Moalla	N/A	✓	✓	✓
Mr. Mohammed Saeed Al-Ghafli	N/A	✓	A	✓
Mr. Fadel Saeed Al Darmaki (Chairman)	✓	N/A	N/A	N/A
Mr. Mohammed Abdul Jalil Al Fahim	✓	N/A	N/A	N/A
Mr. Hussain Ali Al Sayegh	✓	N/A	N/A	N/A

✓ Attended
N/A not Member
A Absent

The CEO, CFO, Senior Manager Internal Control, Compliance Officer, and Internal Auditors are required to attend the meetings. None of these attendees are allowed to vote at the meetings.

9. Nomination and Remuneration Committee

The role of the Committee is to assist in fulfilling the Board's responsibilities relating to compensation of EIC staff. The Committee shall advise the Board on the remuneration philosophy of EIC in respect of all employees (including Senior Executives) and shall recommend the remuneration payable and conditions of employment to be offered by EIC.

The Chairman of the Nomination and Remuneration Committee acknowledges the responsibility of the Committee system in the Company and he has reviewed its work mechanism and insure its effectiveness.

The committee shall further assist the board in discharging its duties in relation to:

- verification of ongoing independence of independent board members.
- formulation and annual review of the policy on granting remunerations, benefits, incentives and salaries to board members and employees of the Company and the committee shall verify that remunerations and benefits granted to the senior executive management of the Company are reasonable and in line with the Company's performance;
- determination of the Company's needs for qualified staff at the level of the senior executive management and employees and the basis of their selection;
- formulation, supervision of application and annual review of the Company's human resources and training policy;
- organization and follow-up of procedures of nomination to the membership of the board of directors in line with applicable laws and regulations as well as this Resolution.

Composition and attendance of the Nomination and Remuneration Committees

The Nomination and Remuneration Committee conducted Two meetings during 2019.

New members were appointed after the annual General meeting held during March 2019; the table below shows the meetings attended:

Members	14-Mar	29-Aug
Skh. Abdul Aziz Al Moalla (Chairman)	N/A	✓
Mr. Mohammed Saeed Al-Ghafli	N/A	✓
Mr. Mubarak Abdulla Al Mazrouei	N/A	✓
Mr. Mohamed Obeid Khalifa Al Jaber (Chairman)	✓	N/A
Mr. Mohammed Rashid Al Nasser	✓	N/A
Mr. Yousif Abdulla Saif Al Mazrouei	✓	N/A

✓ Attended
N/A Not Member

10. Management Follow-up, and Supervision of Insiders Committee

As required by SCA, the Board of Directors approved the formation of the Following and Supervise of the Insider Transactions Committee include the CFO, Internal Control Senior Manager, and the Compliance Officer, as a committee member.

The Chairman of the Follow-up and Supervision of Insiders Committee acknowledges the responsibility of the Committee system in the Company and he has reviewed its work mechanism and insure its effectiveness.

The committee should insure the following:

- Prepare a special and comprehensive register for all insiders, including persons who could be considered as insiders on a temporary basis and who are entitled to or have access to inside information of the Company prior to publication.
- The record shall also include prior and subsequent disclosures of the insiders.
- Manage, monitor and supervise insider trading.
- Update the insiders register.
- Submit the register and periodic reports of the insiders to ADX, SCA upon requests.
- Respond to the insiders inquires, and inform them with the prohibited trading periods.
- Update the insider policy according to authority requirements, and inform the Board of these changes.
- Inform the CEO and CFO on any breaches.

The committee met on 22 October 2019, and discussed the following agenda:

- Review the term of reference of the Committee
- Review the Committee policy
- Review the name of company's insider Shareholders
- Review the insider transaction report
- Review the insider website developments

11. Investment Committee

According to the Corporate Governance Code, Investment Committees are not a Statutory requirement. The Board of Directors however established an Investment Committee due to the size and specialised nature of the Portfolio.

The purpose of the investment Committee is to effectively supervise, monitor, and evaluate the company's Investment Performance.

The Chairman of the Investment Committee acknowledges the responsibility of the Committee system in the Company, and he has reviewed its work mechanism and insure its effectiveness.

The Investment Committee will discharge its responsibilities in a prudent manner and in the best interest of the Company's stakeholders through an investment program guided by:

- An Investment Policy Statement that clearly identifies the risk appetite, objectives, and guidelines that will be followed for the investment program,
- A Strategic Asset Allocation model that will allow the firm to meet its investment objectives,
- A suitable due diligence process that is well documented,
- All applicable rules and regulations that may be defined by the Insurance Authority (or any other relevant regulating body) and the Company's Board of Directors from time to time.

The following directors and executive managers are members of the Investment Committee

Mr. Abdullah Al Mazrui (Chairman)
Mr. Saoud Essa Al Mulla (Member)
Mr. Mohammed Saeed Al-Ghafli (Member)
Mr. Jason Light (CEO) (Member)
Mr. Aart Lehmkuhl (CFO) (Member)

The committee met once during 2019, but in future will meet on a quarterly basis.

12. External Actuaries (as a required by the new regulation of the Insurance Authority)

As per the Insurance Authority Regulatory requirements, the Board reappointed Lux Actuaries & Consultants to provide Actuarial services to the company for 2019.

Lux Actuaries & Consultants is an independent actuarial consultancy who provides pragmatic solutions that take account of the local market and the needs of their clients, unconstrained by any overriding corporate policy. Founded in 2005, Lux has experienced impressive growth while maintaining uncompromising service standards and building a strong reputation in the regions of its operations. Lux works with some of the largest insurance companies in the Gulf and South Eastern Europe.

Number of years as EIC actuary	Since 2015
Partner	Shivash Bhagaloo
Annual fees earned for 2019	AED 215,250/-
Registration ID Number	38
Details of services provided	Actuary Services, quarterly, annually and on an Ad Hoc basis

13. Internal Control and Risk Management

a. Overview

The Board has overall responsibility for ensuring the application, review and efficiency of the Company's internal control systems. The Board has delegated certain of those responsibilities to the Audit Committee, as described in greater detail earlier in this report. The system of internal control is designed to manage risks associated with the conduct of the Company's business rather than eliminates the risk of failure to achieve the Company's

business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's internal control systems include the following:

- Consideration and approval by the Board of the Company's strategic objectives and the risks associated with seeking to achieve them;
- Review and approval by the Board of financial statements and forecasts, and regular operational and financial reviews of performance against budgets and forecasts;
- Monitoring by management and the risk management team of risks to achieving business objectives and actions taken to mitigate them;
- Review of the scope and results of internal audit work across the Company and of the implementation of the recommendations of the committee;
- Review of accounting policies and practices, the scope of the work of the external auditors and any significant issues arising from that work; and
- A Whistle Blowing Policy enabling employees to report possible wrongdoing in confidence.

b. Internal Control Areas

The risks of the company have been identified and control manuals have been drawn up to manage the risks through internal controls as shown in the table below:

INTERNAL CONTROL AREA	RESPONSIBLE PERSON	CONTROL DOCUMENT
Non motor underwriting	Chief Underwriting Officer	Internal Controls – Non Motor Underwriting IC02
Non motor claims	Chief Operating Officer	Claims Manual – Non Motor IC03
Motor underwriting	Chief Underwriting Officer	Internal Controls – Motor Underwriting IC04
Motor claims	Chief Operating Officer	Claims Manual – Motor IC04
Re-Insurance	Chief Executive Officer	Re – Insurance Manual IC05
Management of Facultative Insurance	Chief Underwriting Officer	Internal Controls – Facultative Insurance IC06
Management of Facultative Insurance Intermediaries	Chief Underwriting Officer	Internal Controls – Facultative Insurance Intermediaries IC07
Medical and Life Underwriting	Chief Underwriting Officer	Internal Controls – Medical and Life Underwriting IC08
Investments	Chief Financial Officer	Investment Policy Statement and Investment Committee Terms of Reference IC09
Credit Control	Chief Financial Officer	Credit Control Manual IC10
Credit Control - International	Chief Financial Officer	Credit Control Manual IC10_Int
Finance and administration	Chief Financial Officer	Administration Approvals Framework IC11
Human Resources	Chief Executive Officer	Human Resources Policy and Manual
EIC International: Energy and Marine	Chief Executive Officer	Underwriting Manual International FAC: Energy and Marine IC13
EIC International: Property and Engineering	Chief Executive Officer	Underwriting Manual International FAC: Property and Engineering IC14
EIC International: Non-Marine Treaty	Chief Executive Officer	Underwriting Manual International Non Marine Treaty IC15
EIC International: Claims reserving policy	Chief Operating Officer	Claims reserving manual: International IC17

c. Internal Control Management

The Board of Directors:

- The board of directors shall issue the internal control system following consultation with the management and it shall be implemented by an internal control competent department.
- The board of directors shall determine the objectives, duties and powers of the internal control department that shall enjoy adequate independence to perform its duties and shall directly report to the board of directors.
- The board of directors shall conduct an annual review to ensure efficiency of the internal control system in the Company and its subsidiaries and disclose the results to shareholders through the corporate governance annual report.

Executive Committee:

The role of the executive committee is to ensure that all pillar heads and managers adhere to the control manuals on a day to day basis. The approvals of any expenditure, the hiring of any new staff, the underwriting of all the risks, the payment of claims and the management of investments are all encapsulated in the control manuals, hence management is responsible to ensure the controls are followed. Management is also responsible for reviewing the manuals and updating the manuals on an ongoing basis.

Risk Committee:

The risk committee, through the use of the Technical Audit Department, the external auditors, internal auditors and risk champions, will review on an at least an annual basis, the effectiveness of the controls. The committee will also discuss all breaches and will implement corrective action. The Risk Committee is governed by its own Terms of Reference.

Internal Control Incident Management:

Any serious incident or breaches of internal controls, identified by external auditors, or internal auditors, are reported to the Audit Committee who will review the incident and decide on appropriate action.

No significant incidents occurred during 2019

d. Internal Audit Insurance Operations - Technical Audit Department (TAD):

The TAD is responsible for the ongoing audit of the technical departments. They will ensure the internal control procedures are followed by the underwriting, claims, re-insurance and facultative departments. The TAD will report any breaches to the CEO, Risk management committee and the Audit Committee.

The TAD manager will attend the Audit Committee meetings and the Executive Committee are responsible to ensure their findings are implemented.

e. Internal Audit Corporate Services -Deloitte:

During 2019 the Audit Committee appointed Deloitte as the external internal auditors of the company. Their main duty is to perform the audits for the non-technical departments such as Finance, Human Resources, and Investments Risk Management etc. They also have a responsibility to ensure the TAD complies with their Terms of Reference and scope of work.

Deloitte attend the Audit Committee meetings and the Risk Committee will ensure their findings are implemented.

f. Internal Audit Activities during the year

The Technical Audit Department (TAD) conducted internal audits for technical audit work during the year the Audit Committee has appointed Deloitte as the company's internal.

During 2019, the following Audits were carried out:

Deloitte/KPMG	No. of Reports
Policy Admin and Customer Office	1
HR Department	1
VAT Tax	1
Investment Audit	1
Technical Audit Department/ Internal Control	No. of Reports
HO - Life & Medical	2
HO - FGA	2
HO - Engineering	2
HO - Oil & Gas	1
HO - Marine	2
HO - Non-Motor Claims	2
Casualty	2
Al Ain Branch - Non-Motor	2
Reinsurance	1

Dubai - Non-Motor	2
International Office Dubai	2
HO - Motor Underwriting	2
HO - Motor Claims	2
Al Ain Branch - Motor	2
Dubai/ Jebel Ali - Motor	2

g. Internal Control Management

Mr Raghavan, who has a Master's Degree in Science and is an Insurance Specialist, is the Senior Manager: Internal Control, appointed on 2014 by the Board. This is his only responsibility.

The Compliance Officer Mr. Mazen Mahmood was appointed in 2012, he has a Bachelor of Business and Administration degree from USA. His main responsibility is compliance matters in the company where he reports independently to the Audit Committee. He has an additional responsibility as Investor Relationship Officer of the Company where he reports to the CFO.

The company did not face any major issues during 2019.

h. Risk Management

The Company considers risk management as a core competency throughout the organization. It is committed to maintaining risk management systems and enhancing the organization's ability to manage uncertainty by protecting its assets and safeguarding shareholders' interests whilst ensuring compliance with the applicable laws and regulations.

The Risk Committee is chaired by the CFO. The other members of the committee are divisional and pillar heads as well as selected managers. The committee is an internal committee and is governed by the Terms of Reference of the Risk Committee.

The committee meets twice a year and the standard agenda deals with the following issues:

- Review of the Risk matrix and update of the Risk assessment for the top 20 risks.
- Report from Technical Audit Department on technical audits.
- Report from Internal Auditors on corporate audits.
- Risk declaration by department heads.
- Outstanding receivables review.

The Company's Risk Management framework was adopted in 2008. The ERM framework was designed to ensure consistency in the application of ERM in identifying, assessing, monitoring and reporting risks across the organization. In addition, a corporate risk assessment is undertaken annually with the CEO and Management Committee to determine and evaluate the material exposures facing the Company; ensuring risk management is closely aligned to the Company's strategic and business objectives. Identified risks are reported to the Audit Committee.

The Board of Directors is responsible for reviewing the effectiveness of the risk management process, confirming the Company's risk appetite and ensuring risk management is embedded and cascaded down to Senior Management and all staff.

The Board, through its Audit Committee, also assesses the effectiveness of the overall process for identifying and assessing risks and providing its view to the CEO and Management Committee.

i. Whistle Blowing Policy

The Corporate Governance Manual contains a Whistle Blowing Policy which was formulated to provide stakeholders an opportunity to access the Committee in good faith in case they observe any unethical or improper practices in the Company. Responsibility for overseeing and implementing the policy has been delegated to a designated whistle blowing officer. The Company's management also has specific responsibility for facilitating the operation of the policy.

The internal Control Department deal in the case of any major issue professionally by identifying the nature of the problem and report it to the Board of Directors with facts and solutions

Website address for Whistle Blowing: <http://www.eminsco.com/stakeholders/whistle-blower-report/>

No material incidents were reported during the year 2019

14. Details of violations committed during the year

During 2019 no violations were reported.

15. Corporate Social Responsibility (CSR)

- Emirates Insurance Company celebrated the 48 National Day with the employees of the company and shared the memory of the great founder of the UAE the late Shaikh Zayed Al Nahyan of his strategy of developing the country.
- Emirates Insurance Company has sponsored Shaikh Zayed Heritage Festival for the second year as part of the company on going to support Corporate Social Responsibility.
- Emirates Insurance Company also a proud to continue sponsor of the ABSHER program implemented by President His Highness Sheikh Khalifa Bin Zayed Al Nahyan to increase the UAE national workforce in the private sector. EIC is supporting the program by providing reduced insurance premium rates to UAE Nationals who are employed in the private sector. The quantum of this initiative is difficult to calculate.
- The company made donations during the year to The Downs Syndrome Association and make a Wish Foundation.

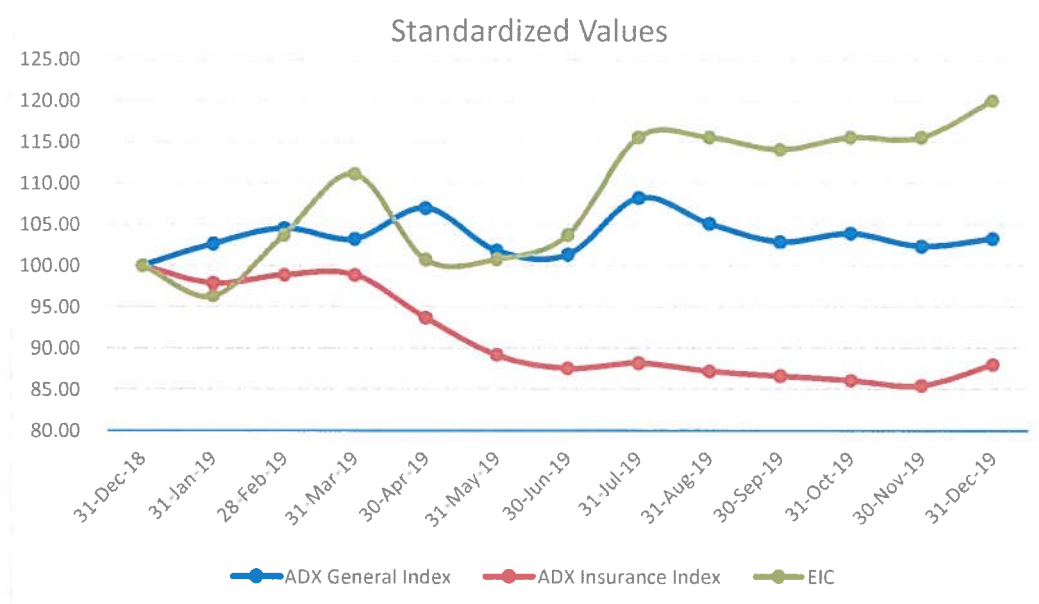
16. General Information

a. Share price movement

The below table shows the share price of EIC during year 2019:

Month End	High	Low	Closing	Shares Traded
Jan-19	6.50	6.50	6.50	5,337
Feb-19	7	7	7	125,000
Mar-19	7.5	7	7.5	13,468
Apr-19	7.5	6.8	6.8	1,941,120
May-19	6.8	6.8	6.8	110,266
Jun-19	7.75	7	7	428,273
Jul-19	7.8	7.75	7.8	62,000
Aug-19	0	0	7.8	-
Sep-19	7.7	7.7	7.7	32,600
Oct-19	7.8	7.7	7.8	2,000
Nov-19	7.8	7.02	7.8	38,914
Dec-19	8.1	8.1	8.1	295,008
Total shares traded during the year				3,053,986
Shares turnover percentage				2.04%

b. Share price performance comparisons



c. Major Shareholders

The following table contains the details of the 3 largest shareholders in the company

Major Shareholders	Shares	Percentage Holding
Al Mazrui Investments	22,676,427	15.12%
Al Dhabi Investments	18,500,000	12.33%
Abu Dhabi Investment Council Company PJSC	17,719,999	11.81%

d. The composition of the shareholders is as per the table below:

Shareholder Categories		No. of shares	% ownership
Individual	Local	74,795,171	49.86 %
	GCC	24,128	0.02 %
	Arab	0	0 %
Companies	Local	75,087,043	50.06 %
	GCC	93,658	0.06 %
	Arab	0	0 %
Government	Local	0	0 %
	GCC	0	0 %
	Arab	0	0 %
Total		150,000,000	100

e. **The following table illustrate the distribution of the shareholders according to the share volume:**

No.	Number of Shares	Number of Shareholders	Number of Share owns	Number Shares percentage owns from the Capitals share
1	Less than 50,000	120	1,429,652	1%
2	50,000 & less than 500,000	122	19,760,554	13%
3	500,000 & less than 5,000,000	37	46,826,378	31%
4	More than 5,000,000	7	81,983,416	55%

f. **Investor relationship officer information:**

- Email Address: mtarmoom@eminsco.com
- Website Address: <http://www.eminsco.com/investors/investor-relationship-officer/>
- Phone Number: 02-6981664
- Fax Number: 02-6445227

g. **Actions taken on Investor relationship information**

- The Company publish the information and data disclosed to the regulatory authorities, markets or investors on its website.
- A special investor relations page has been dedicated to the company's website and is updated continuously.

h. **Special Resolutions**

No special resolution was adopted by the shareholders during 2019.

i. **The Name of the Board Secretary**

- **Name of Secretary:** Mr. Aart Lehmkuhl
- **Date of Appointed:** January 2007, reappointed on Feb 2019
- **Education:** Chartered Accountant in South Africa and holds an Honours Degree in Accounting
- **Responsibility:**
 - Prepare agenda of the meetings.
 - Prepare minutes for boards meetings.
 - Pass any resolutions for Boards Approval.
 - Housekeeping requirements.
 - Supervises AGM, and Boards election.

j. **Significant Events**

The Insurance Authority awarded Emirates Insurance Company as the company who complied the best with the Insurance regulations in 2019.

k. **Emiratization Percentage**

Year	Percentage	Targeted Points	Achieved Points
2017	12%	N/A	N/A
2018	12%	87	131
2019	12%	101	107

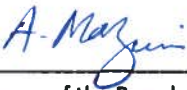
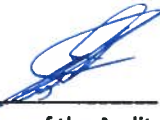
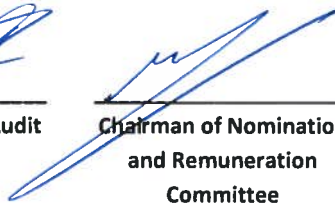

The insurance authority has moved to points system during 2018

I. Statement of innovative projects and initiatives

During 2019 Emirates Insurance Company has initiated flexible working hours to the staff to increase productivity and creativity of the employees.

The company also launched an App which simplifies and speeds up the claims processing for motor claims. The company is also in the final testing stages of rolling out a "Bot" to assist in various operational processes.

The company considers it is substantially compliant with the Board of Directors' Resolution No. 7 R.M of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

 _____ Chairman of the Board of Directors	 _____ Chairman of the Audit Committee	 _____ Chairman of Nomination and Remuneration Committee	 _____ Head of the Internal Control
Date: <u>25/02/2020</u>	Date: <u>25/02/2020</u>	Date: <u>25/02/2020</u>	Date: <u>25/02/2020</u>