



Dubai National Insurance & Reinsurance P.S.C. Board Corporate Governance Report For the Year 2020

First: Corporate Governance Practices:

Dubai National Insurance & Reinsurance (DNIR) is a pioneer in the implementation of corporate governance controls of joint stock companies, in light of its vision on the importance of these rules towards achieving the desired objectives of protecting the Company's financial system against crises, providing protection to shareholders, enhancing transparency, and meeting the necessary standards for responsibility, integrity, and transparency.

In 2020, the Company effectively implemented the governance principles issued by the Securities and Commodities Authority (SCA). The Board and its committees completed their duties and entrusted terms of reference in accordance with the governance rules.

Second: Board of Directors' members transactions with the company:

The Directors, their spouses, and children are bound by the general rules of disclosure and transparency approved by the Board with regard to dealing and trading in Company's shares in light of the provisions and laws of the SCA and the company memorandum of association.

A statement of the securities transactions of Directors, their spouses, and children during 2020, is delineated in the following table:

S.N.	Name	Title/Relationship	Shares owned as at 31/12/2020	Total Sale Transactions during 2020	Total Purchase Transactions During 2020
1	Mr. Khalaf Ahmad Mohammed Al Habtoor	Chairman	30,061,508	NA	NA
2	Mr. Sultan Ahmad Al Habtoor	Vice Chairman	3,527,381	NA	NA
3	Mr. Ahmad Khalaf Ahmad Al Habtoor	Chairman Son	19,404	NA	NA
4	Al Habtoor Investment (LLC)	A company owned by Mr./ Khalaf Ahmad Mohammed Al Habtoor and others	32,649,636	NA	14,021,773
5	Sultan Ahmad Al Habtoor Investment Group LLC	A company owned by Mr./ Sultan Ahmad Al Habtoor and others	8,180,314	NA	NA

Beyond that, none of the Company's shares are owned by any of the spouses of the Chairman and Directors or their other children.



Moreover, the General Manager of the Company and its employees, who have access to the Company's confidential data, did not deal or trade in the Company's securities during 2020.

Third: Board of Directors Composition:

a) On 07/03/2018, the Directors were re-elected for three-year from FY 2018 to the end of FY 2020. The Board is currently composed of five academically qualified Directors with high skills and vast experience both at the administrative and economic levels. The Directors are as follows:

S.N.	Name	Title	Category	Expertise and Qualifications	Membership Period - from	Membership and titles at any other joint stock company	Membership and title at any significant regulatory, governmental or commercial entities
1	Mr. Khalaf Ahmad Al Habtoor	Chairman	Non-Independent Non-executive Director	<ul style="list-style-type: none"> - One of the most prominent businessmen in UAE who is highly reputable in the business community. - He holds several honorary doctorates from the world's finest universities. - The Chairman of Al Habtoor Group with more than 40 years of experience in the field of business administration and economic entities. 	1991	NA	Chairman of Al Habtoor Group
2	Mr. Sultan Ahmad Al Habtoor	Vice Chairman	Non-Independent Non-executive Director	<ul style="list-style-type: none"> - One of the most prominent businessmen in UAE. - He holds a BS from UAE University. - The Chairman of Al Habtoor Motors with more than 35 years of practical experience. 	1991	NA	Chairman of Al Habtoor Motors
3	Mr. Mohammed Khalaf Al Habtoor	Managing Director	Non-Independent Executive Director	<ul style="list-style-type: none"> - A businessman. - A holder of a Bachelor's degree in business administration from the finest British universities. - He hold many positions in the Al Habtoor Group until he served as the Vice Chairman of Al Habtoor Group with more than 20 years of practical experience. 	2003	NA	Vice Chairman of Al Habtoor Group
4	Mr. Mohammed Bin Abdulla Al Falasi	Director	Independent Non-executive Director	<ul style="list-style-type: none"> - A businessman. - He formerly worked at the Ministry of Foreign Affairs (Department of Economy and International Trade) in the rank of Minister Plenipotentiary. - He represented UAE in many countries 	2009	NA	NA
5	Mr. Abdullah Fadhel Al Mazrooei	Director	Independent Non-executive Director	<ul style="list-style-type: none"> - A businessman. - He is the founder and Chairman of many private companies. 	2016	NA	NA



b) Statement of the percentage of female Directors on the Board of Directors for 2020:

No female representation.

c) Statement of the reasons for not nominating/electing female directors on the Board of Directors:

There are no female directors in the Board as no female candidate has been nominated in accordance with the nomination procedures for the Board according to the rules and procedures stipulated by the governance procedures and rules. The Board shall certainly extend its utmost support to any female candidate in the coming Board elections.

d) Statement of the Remunerations of Directors:

The remunerations of the Directors shall be determined in accordance with Article No. (21) of Decision No. (7/R.T) of 2016 issued by the SCA and attached to the Federal Law No. (2) of 2015 concerning commercial companies. The remunerations of the Chairman and Directors is made up of a percentage of the net profit not exceeding 10% of the fiscal year profits after deducting the amortizations and reserves. The Company may also pay additional expenses, fees, or a monthly salary as decided by the Board to any director if this director works in any committee, exerts special efforts, or performs additional work to serve the Company in addition to his regular duties as a director. Attendance allowance shall not be paid to the Chairman or a director for attending the board meetings. The fines imposed on the Company due to contraventions by the board to the Commercial Companies Law or the Company Statute during the ending fiscal year shall be deducted from such bonus. The General Assembly may not deduct such fines or a part thereof if it finds that such fines are not due to default or error by the board.

According to the Company's memorandum of association, and pursuant to the above decision, the bonus of directors shall be determined through a proposal or recommendation submitted by the board to the General Assembly. Accordingly, the following actions were taken:

1- Remunerations of directors paid in 2019:

The total remunerations of the directors paid in 2019 was AED 5,808,515/- knowing that the directors did not receive any allowances for attending board meetings or its committees during 2018 being content with the designated bonus.

2- Total proposed Remunerations of the directors for 2020 to be presented at the Annual General Assembly Meeting for approval:

As for 2020, and in accordance with the above, the bonus of directors to be submitted to the General Assembly for approval is AED 5,401,565/- representing 10% of the 2020 profits.



3- Detailed statement of the attendance allowances for the meetings of the board committees held in FY 2020:

The directors did not receive any allowances for attending the meetings of the board committees during 2020.

e) Board Meetings:

The board held six meetings in 2020. The following are the dates of these meetings, attended by directors as shown in the below table:

Meeting	Date	Attendance
First	06/02/2020	All directors attended
Second	31/03/2020	All directors attended
Third	19/05/2020	All directors attended
Fourth	11/08/2020	All directors attended
Fifth	28/09/2020	All directors attended
Sixth	09/11/2020	All directors attended Except Mr. Mohammed Bin Abdulla Al Falasi

f) Number of the Board resolutions passed during the 2020 fiscal year, along with its meeting convention dates.

There are no decisions passed by the Board of Directors during the fiscal year 2020.

g) Duties and terms of reference delegated by the board to the executive management:

The following duties and terms of reference were delegated to the executive management, represented by:

1. Mr./ Mohammed Khalaf Al Habtoor

- **Capacity:** Managing Director - Head of Investment Committee
- **Duties and Powers :** Shall be as follows:-

Powers	Duration
<ul style="list-style-type: none"> - Joint signatory on all accounts and financial transactions of the Company with banks operating in UAE, without specifying any amount, in accordance with the signature regulations approved by the board. - Signing all the Company's transactions and correspondences related to its activities inside or outside UAE. 	<ul style="list-style-type: none"> - The validity of these powers shall be 3 years starting from the election date of the current board and shall expire at the end of its term by the end of FY 2020.



<ul style="list-style-type: none"> - Signing the regulations concerning the administrative, financial, in addition to personnel affairs and financial benefits as determined by the board, as well as any regulation set by the board for the organization of its work and meetings, and the allocation of the terms of reference and responsibilities in accordance with the board decisions. - Representing the Company before all government departments and all official and non-official bodies. - Appointing and authorizing lawyers to represent the Company and act on its behalf in all lawsuits filed by or against it in all courts inside or outside UAE. - Authorizing and appointing others in some of his powers. - Dismissing appointed or delegated persons. 	
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• **Mr./ Ramez Abu Zaid**

- **Capacity:** Company's General Manager –Member of the Investment Committee.
- **Duties and Powers** shall be as follows: -

<u>Powers</u>	<u>Duration</u>
<ul style="list-style-type: none"> - Joint signatory on all accounts and financial transactions of the Company with banks operating in UAE, without specifying any amount, in accordance with the signature regulations approved by the board. - Depositing and withdrawing the Company's deposits from banks according to the signature regulations approved by the board. - Signing insurance contracts. - Documenting and recording relevant acts, and may represent the Company before competent official authorities and departments in accordance with the regulations and instructions of the board. - Signing all administrative transactions and correspondences on behalf of the Company. - Appointing and dismissing employees according to the policy of the board and its committees. - Managing the Company and chairing internal committees. - Representing the Company and handling its proceedings before all courts, of different levels and jurisdictions, through all handling procedures and acts required by litigation procedures, compensation settlement and claims resulting from lawsuits filed by and for the Company. 	<ul style="list-style-type: none"> - The validity of these powers shall be 3 years starting from the election date of the current board and shall expire at the end of its term by the end of FY 2020.



<ul style="list-style-type: none"> - Representing the Company before the compromise and reconciliation committees and dispute settlement centers. - Having the right to notify and be notified of the alleged right. - Representing the Company before the Roads and Transport Authority and Traffic Department, as well as police stations, the Public Prosecution, the Investigation and Enforcement Departments, the Notary Public, Renting Committees, and Municipalities. Moreover, in such capacity, he may notify, be notified of, receive, deliver, and sign all related documents, transactions and requests in the said departments. He may also file reports, send notices, and submit evocations and written regulations. - Signing contracts of the sale, purchase and ownership transfer of cars related to the Company's activities. - Authorizing and appointing others in some of his powers. - Dismissing appointed or delegated persons. 	
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h) A statement of the details of transactions made with the related parties (stakeholders):

During 2020, the Company, as a part of its regular work duties, has collected premiums and paid compensation to other parties under the description of shareholders in accordance with International Accounting Standards. In their totality, the premiums and compensations were related to transactions involving Al Habtoor Group LLC., a company owned by the Chairman of Dubai National Insurance & Reinsurance P.S.C. and its associates providing insurance services. The details of the transactions made between shareholders are as follows:

	2020
	AED 000
Written Premiums	70,514
Paid Claims	120,310
Paid Commissions	2,114
Agency and Non-agency Repairs	16,614



i) Organizational Structure of the Company:



J) Executives of the company, their titles, date of appointment, and total salaries:

S.N.	Title	Date of Appointment	Total salaries and allowances paid in 2020 (AED)	Total bonuses paid in 2020 (Bonuses) (AED)	Any other cash / in-kind bonuses, in 2020 or due in the future
1	Managing Director	25/03/2009	N/A	N/A	N/A
2	General Manager	02/11/1996	1,458,713	Not yet determined	N/A
3	Chief Finance Officer	06/06/2004	601,924	Not yet determined	N/A
4	Chief Technical Officer	03/01/2016	461,620	Not yet determined	N/A

Fourth: External Auditor:

A. About the Auditor:

Crowe Mak in UAE is a leading member firm of Crowe global which is ranked as the top 8 global accounting network with more than 764 offices with 35,000 partners and staff. Crowe is ranked as the 6th largest in United Arab Emirates and globally as the 8th largest accounting network. Crowe UAE was established in the year 1981, The firm has 5 offices and over 250 professionals in UAE to serve over 3,000 clients.



B. Statement of the fees and costs for the External Audit are as follows:

Audit Firm Name	Crowe Mak
Numbers of years served as the Company's External Auditor	2 years
Partner Auditor Name	Khalid Maniar
Fees for auditing financial statements of 2020 (AED)	
Audit and Balance Sheet Preparation for 2020	70,000
Audit for the Q1 of 2020	16,000
Audit for the Q2 of 2020	16,000
Audit for the Q3 of 2020	16,000
Total Audit Fees	118,000
Auditor statement in accordance with the Insurance Authority form (Form No. 1) regarding the financial statements of 2020	10,000
Audit statement regarding the financial instructions issued by the Insurance Authority for the Q1 of 2020	8,666
Audit statement regarding the financial instructions issued by the Insurance Authority for Q2 of 2020	8,667
Audit statement regarding the financial instructions issued by the Insurance Authority for Q3 of 2020	8,667
Audit statement regarding the financial instructions issued by the Insurance Authority for Q4 of 2020	17,000
Audit statement for the Department of Health - Abu Dhabi (HAAD) for 2020	6,000
Audit statement regarding the Control and Supervision Department at the Insurance Authority for 2020	6,000
Anti-money laundering report submitted to the Insurance Authority during for the year 2020	7,000
Total	190,000

C) The Company's Auditor has no reservations.**Fifth: Audit Committee:**

A- **Mohammed Abdulla Al Falasi**, as a Head of Audit Committee, acknowledges my responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

B- Audit Committee members, specialization and functions:

	Name	Title
1	Mr./ Mohammed Abdulla Al Falasi	Director (Independent) and Head of the Committee
2	Mr. / Abdullah Fadhel Al Mazrooei	Director (Independent)
3	Mr. / Subhro Chakraborti	Financial and accounting expert (A non-employee)

Duration of the Committee:

The work term of the Committee, with the above stated composition, shall be three years and shall expire with the election of a new board in early 2021.

Committee work system:

The Audit Committee shall hold its meeting at least once every three months or whenever necessary. Moreover, the Rapporteur shall keep the minutes of its meetings and final copies thereof shall be sent to the members after being approved for keeping purpose.

Duties and obligations of the Committee:

- A- Develop and implement the contracting policy with the External Auditor, submit a report to the board specifying the significant findings that need an action to be taken, and recommend the steps necessary to be implemented.
- B- Follow-up and control the independency and objectivity of the External Auditor, in addition to discussing the nature and scope of the Audit and its effectiveness in accordance with the approved auditing standards.
- C- Control the integrity of the annual, semi-annual and quarterly financial statements and reports of the company and review them as a part of their regular work duties during the year and after closing the accounts in any given quarter. The Committee should focus, in particular, on the following:
 - 1) Making any changes to the accounting policies and practices.
 - 2) Highlighting the areas subject to the management's discretion.
 - 3) Making substantial modifications resulting from the Audit.
 - 4) Assuming the continuity of the Company's business.
 - 5) Complying with accounting standards determined by the Authority.
 - 6) Complying with the principles of inclusion, disclosure and other legal requirements related to the preparation of financial reports.
- D- Coordinate with the board, Executive Management, and Chief Finance Officer, or the Acting Chief Finance Officer or Manager, to perform its duties. The Committee should hold meetings with the external auditors of the Company at least once a year.
- E- Consider any key and unusual aspects included or should be included in such reports and accounts and shall give due attention to any findings raised by the Chief Finance Officer of the Company, Acting Manager, Compliance Officer, or External Auditors.
- F- Review the financial control, internal control, and risk management systems of the Company.
- G- Discuss the internal control system with the administration and ensure that it fulfills its duty by establishing an effective internal control system.
- H- Consider the results of major investigations on internal control issues assigned to it by the board or through the initiative of the Committee itself and the approval of the Management.
- I- Ensure that there is coordination between the Company's internal and external auditors, and the availability of necessary resources for the internal audit system, in addition to reviewing and controlling the effectiveness of the system.
- J- Review the financial and accounting policies and procedures of the Company.
- K- Review the statement of the external auditor's statement, its work plan and address any substantial inquiries submitted by the auditor to the Executive Management regarding accounting records, financial accounts or control systems to be rejected or approved.



- L- Ensure that the board responds, in a timely manner, to the requests of clarifications and material findings raised in the statement of the external Auditor.
- M- Develop the controls that enable the Company's employees to report any potential irregularities in financial reports, internal controls or other matters in a confidential manner, and articulate the steps to conduct independent and fair investigations of such violations.
- N- Review the Company's compliance with the Code of Professional Conduct.
- O- Ensure the application of the work regulations regarding the duties and the powers assigned to the Committee by the board.
- P- Submit a report to the board on the issues mentioned in this clause.
- Q- Consider any other issues determined by the board.

C- Number and details of meetings held by the Audit Committee during the year:

The Audit Committee held four meetings in 2020 attended by the members as shown in the below table:

Meeting	Date	Attendance
First	02/02/2020	All members attended
Second	14/05/2020	All members attended
Third	09/08/2020	All members attended
Fourth	05/11/2020	All members attended

Sixth: Nomination and Remuneration Committee:

A- **Mohammed Abdulla Al Falasi**, as a Head of Nomination & Remuneration Committee, acknowledges my responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

B- Nomination and Remuneration Committee members, specialization and functions:

	Name	Title
1	Mr./ Sultan Ahmad Al Habtoor	Vice Chairman (Non-Executive)
2	Mr./ Mohammed Abdulla Al bin Falasi	Director (Independent) and Head of the Committee
3	Mr./ Abdullah Fadhel Al Mazrooei	Director (Independent)

Duration of the Committee:

The work term of the Committee, whose composition is as described above, shall be three years and shall expire with the election of new board in early 2021.

Committee work system:

The Nomination and Remuneration Committee shall hold its meeting at least once a year, or whenever necessary. Moreover, the Rapporteur shall keep the minutes of its meetings. In addition, all committee members shall review



the draft minutes of the committee's meetings before approval and final copies thereof shall be sent to the members after being approved for keeping purpose.

Duties and Obligations of the Committee:

- 1) Ensuring the independency of its independent members on continuous basis.
- 2) Preparing the Company's policy for bonuses, benefits, incentives and salaries, in addition to reviewing it annually.
- 3) Identifying the key competencies needed by the Company at the level of senior executive management and staff, as well as setting the key selection criteria.
- 4) Preparing the Company's human resources and training policy, monitoring its application, and reviewing it annually.

C- A statement of the number and details of meetings held by the Committee during the current fiscal year:

The Nomination and Remuneration Committee held three meetings in 2020 attended by the members as shown in the below table:

Meeting	Date	Attendance
First	21/01/2020	All members attended
Second	26/03/2020	All members attended
Third	14/06/2020	All members attended

Seventh: Supervision and Follow-up Committee of Insiders' Transaction:

A - Abdullah Fadel Al Mazrouei, as a Head of Supervision and Follow-up Committee of Insiders' Transaction, acknowledges my responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

B - Supervision and Follow-up Committee of Insiders' Transaction members, specialization and functions:

	Name	Title
1	Mr. Abdullah Fadel Al Mazrouei	Director (Independent) and Head of the Committee
2	Mr. Mohammed Abdulla Al Falasi	Director (Independent)
3	Mr. Subhro Chakraborti	Financial and accounting expert (non-employed at the company)

Duration of the Committee:



Duration of the Committee as described above is three years ending with the election of a new board of directors at the beginning of 2021.

Committee work system:

In 2017, Control and Supervision Committee for insiders' Transactions take the responsibility of executing the tasks and duties set forth below, and all that issued by a decision from the Chairman of Securities and Commodities Authority decision No. (7/R.T) of 2016. The Committee holds its meeting at least once a year or when necessary and its minutes of meeting is kept by the rapporteur. The minutes of meeting drafts are reviewed by all the Board members before approval, and final copies are sent to them after approval for their record.

Duties and Obligations of the Committee:

- 1) Follow up the implementation of transaction rules of the Board members and company employees in securities issued by the company.
- 2) Preparation of a special integrated record of all insiders including persons who may be temporarily insiders and who are entitled to have access to internal information.
- 3) Maintaining confidentiality of company essential data and information of fundamental impact to avoid exploitation.
- 4) Ensure that the third party entitled to access internal data and information of the company and to customers information, maintain the confidentiality of such data and information and not misuse or transfer or cause to transfer it directly or indirectly to other parties.
- 5) To obtain an authorization from the Board, signed by insiders of their knowledge that they have internal data and information of the company and its customers. They are committed to informing the company of any transactions they carry out in the company securities.

B - Summary of the Committee work report during 2020:

The Committee held one meeting in 2020 on 17/12/2020, attended by all the Committee members, where they:

- A- Reviewed reports of the company insiders' transactions and ensured that the trading procedures were fully applicable to the company's shares by the Board members and the staff.
- B- Ensured that all data and information about insiders, including those who are considered insiders and those who have essential internal information are updated in accordance with the applicable procedures and controls.

Eighth: Investment Committee:

A- Mohammed Khalaf Al Habtoor, as a Head of Investment Committee, acknowledges my responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

B- Investment Committee members, specialization and functions:

	Name	Title
1	Mr. Mohammed Khalaf Al Habtoor	Managing Director - Head of the Committee
2	Mr. Abdullah Fadel Al Mazrouei	Director (Independent) - Vice Chairman of the Committee



3	Mr. Ramez Abu Zaid	General Manager of the company
4	Mr.Sunil Kumar Nair	Head of the Financial Department

Duration of Committee:

The duration of the committee as described above is three years ending with the election of the new Board at the beginning of 2021.

Committee work system:

The Investment Committee shall hold its meeting twice a year or whenever the need arises and its minutes of meeting is kept by the rapporteur. Final copies of the minutes that be sent to the members after approval for their record.

Duties and Obligations of the Committee:

The Investment Committee shall be responsible for the development of an investment and risk management policy in line with the level of risk acceptance set by the Board to ensure proper investment of the company's funds.

The Committee shall be responsible for:

- A. Development of the committee investment policy and guidelines that define and clarify the investment process or investment of the company's capital or funds inside and outside the country for profit-making purposes, especially guidelines for the classification of assets, distribution of assets, banned investments and evaluation.
- B. Develop a separate investment strategy for insurance operations on individuals, capital formation, properties and liabilities.
- C. The committee shall monitor the various results of investments undertaken by the company and develop its guidelines, monitor the results regularly and identify investments that require special attention and review the degree of compliance with the company investment objectives approved by the Board.
- D. Develop a policy and a system for risk management to identify the risks associated with the investment, expected for each asset, which may entail potential losses. If they are not handled appropriately, and identify the hazard, its degree and strategy or alternative tools that can be relied upon to address, deal with or transfer in the event of its occurrence.
- E. Regular auditing and monitoring of company investments and investment results as well as investment criteria approved by the company to monitor its investment performance.
- F. To assist the Board of Directors in assessing the efficiency and effectiveness of policies, procedures, practices and Investment Control Systems that applied in daily administrative works through an audit report (from an independent or internal body) provided in accordance with the GAAP approved standards and submitted to the Audit Committee of the company.
- G. Carry out any other tasks related to company investment activities or other things that are assigned to the committee from time to time by the Board or according to the "Board policy".

B - Number of meetings held by the Investment Committee during the year and their details:

The Committee held two meetings in 2020 and all members of the Committee attended, as follows:



Meeting	Date	Attendants
First	12/05/2020	All members attended
Second	04/11/2020	All members attended

Ninth: Internal Control System:

Internal Control Management enjoys full independence to perform its duties. It is directly subordinate to the Board of Directors and submits its report to the Audit Committee and the Board. The report shall be annual and is submitted during the last week of December.

Internal Control Management objectives, functions, and powers:

- 1) Ensure the company and staff compliance to the provisions of laws, regulations and decisions in force to regulate the work of the company.
- 2) Supervise the application of corporate governance principles.
- 3) Submitting an assessment of means and procedures of the company risk management.
- 4) Submit suggestions and recommendations to company management with regard to risk management.
- 5) Management Control - includes the organization plan and relevant means and procedures to control and ensure accuracy, improve and raise the level of performance.
- 6) Accounting control - all procedures designed to ensure the accuracy of data, making sure of sound treatment of accounting treatment before presenting these data on the senior management of the company.

A - Responsibility for the Internal Control System:

The Board acknowledges its responsibility for the company Internal Control System as well as review and effectiveness through the Audit Committee of the Board, and in line with the decision of the Chairman of Securities and Commodities Authority decision no. (7/R.T) of 2016 on standards of institutional discipline and governance of public shareholding companies.

B & C - Director of Internal Control System and Compliance Management name and qualifications:

Mr. Charbel Yazbek is the Internal Control System and Compliance Management Director, joined the company since 2007; moreover, he holds a Business Administration degree in Accounting. He also holds the internal audit certificate.

D - The Internal Control Department deals with any significant problems in the company or those disclosed in annual reports and accounts

The Internal Control Management shall inform the Audit Committee of problems that occur, if any, and informing the joint senior management of the company of problems, address them and follow up the activation of the proposed procedures by the Internal Control Management. Knowing that there are no situations or problems faced the Internal Control Management.

E - Number of reports issued by the Internal Control Department to the Company's Board of Directors.

Internal Control Department submitted three periodic reports to the company's board of directors during the year 2020.



Tenth: Details of violations committed during the fiscal year, showing their causes and how to address them: -

None, whereas the company has never been subject to any restrictions by the Securities and Commodities Authority or any other legal authority on any matter related to capital markets as well as there are no substantial offenses committed during the fiscal year 2020.

Eleventh: Local Community Service:

As part of the company's role in local community service, the company takes actions in this regard, the most important of which are:

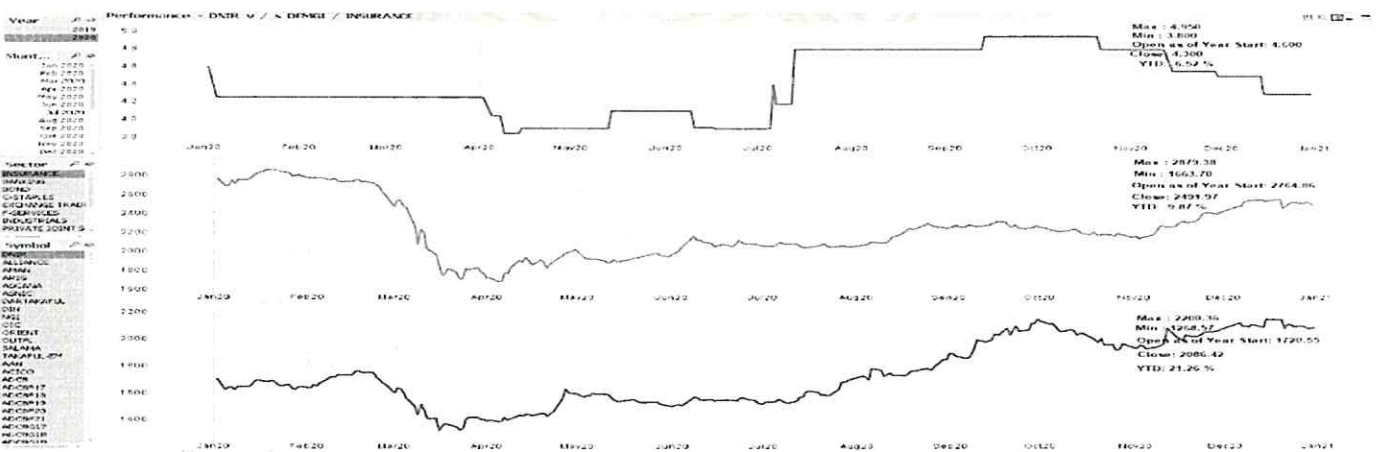
- Previously the company had donated a number of shares / Rashid Center for the Treatment and Care of Childhood and Disabled, as these shares have become "annual" profit for the center, as the annual profits distributed by the company for the year 2018 reached 75%.
- In cooperation with the Insurance Working Group (IBG) under the auspices of the Dubai Health Authority to carry out a blood donation campaign in the company and in companies leasing real estate owned by the company.
- Issuing decisions and circulars of rationalizing energy consumption.
- Contracting with one of the companies specializing in recycling.

Twelfth: General Information:

A. Company's share price in the market at the end of each month during Fiscal Year 2020

	January	February	March	April	May	June	July	August	September	October	November	December
highest price	4.250	4.250	No Trading	4.040	4.100	3.910	4.800	No Trading	4.950	4.800	4.560	4.300
lowest price	4.250	4.250	No Trading	3.840	3.800	3.900	4.180	No Trading	4.950	4.800	4.500	4.300
Closing price	4.250	4.250	4.250	3.900	4.100	3.900	4.800	4.800	4.950	4.800	4.500	4.300

B. Comparative performance of the company's shares in the public market index and the insurance sector index during 2020:



C. Shareholders' Equity as of 31/12/2020

Shareholder Classification	Percentage of Shares			
	Individuals	Companies	Government	Total
Local	58.3774%	40.6079%	0.00%	98.9853%
Arab	0.8295%	0.1119%	0.00%	0.9413%
foreign	0.0772%	0.00%	0.00%	0.0772%
Total	59.2842%	40.7197%	0.00%	100.00%

D. Shareholders who own 5% or more of the company's capital as of 31/12/2020 according to the following table: -

No.	Name	Percentage
1	Messrs. Al Habtoor Investment (LLC)	28.2681%
2	Mr. Khalaf Ahmad Mohammed Al Habtoor	26.0273%
3	Mr. Salem Abdullah Salem Al Hosani	8.1983%
4	Messrs. Sultan Ahmad Al Habtoor Investment Group LLC	7.0825%

E. Statement of shareholders distribution according to the "ownership Percentage" as of 31/12/2020 according to the following table:

S.N.	Share Ownership (Share)	No.of Shareholders	No.of Owned Shares	Owned Capital Stock Ratio
1	less than 50,000	430	8,586,972	7.4379%
2	From 50,000 to less than 500,000	62	9,215,483	7.9794%
3	From 500,000 to less than 5,000,000	10	17,337,031	15.0104%
4	more than 5,000,000	4	80,360,514	69.5762%

F. Statement of actions that have been taken on Investor Relationships controls:

- A section for investor relationships was established on the company's website includes data and means of communication both in Arabic and English in addition to data about dividends receivables and all the information, offers and other required data.
- The company appointed Ms. Roula Najib Iskander as in charge of Investors' Relations Department.
- To communicate with Investor Relationships Department, a page for investors' inquiries was created in the section of investors' relationships on the company's website, and allocating contacts as follows:

Phone: +971 4 295 6700 + Ext: 211

Fax: +971 4 295 6711

E-mail: investor@dnirc.com



Note that any shareholder can access the following link for investor relationships page on the company's website to view all the information and data related to this section.

<https://www.dnirc.com/Investor-Relations/>

G. Statement of decisions that have been reviewed in the General Assembly held during 2020 and actions taken
There are no special decisions reviewed at the General Assembly held during 2020.

H. Name of the Board meeting rapporteur and date of appointment.

Name of the rapporteur of the Board meetings	Ramez Abu Zaid
Appointment Date	02/11/1996
Qualifications and experiences.	<ul style="list-style-type: none"> - Hold a BA in Law from Ain Shams University, Cairo, Egypt. - Member of the Legal Committee for the Study of New Laws, Dubai Chamber of Commerce and Industry. - Certified arbitrator at the International Commercial Arbitration Center in Sharjah. - Member of the Higher Technical Committee of the Emirates Insurance Association. - Member of the Board of Directors of "Insurance Business Group" - General Manager. - Legal advisor specialized in insurance business and Chairman of the Legal and Automobile Affairs Committee at the Emirates Insurance Association. - Graded in top management positions in Dubai National Insurance and Reinsurance Company PSC. - Has more than twenty-four years of work experience. "

I. Statement of significant events encountered by the company in 2020:

The most important events encountered by the company in 2020:

- 1- The gross written premiums of 2020 is AED 317 million.
- 2- The company achieved net profit estimated of AED 55 million of 2020.
- 3- The company achieved a financial strength rating B++ (good) by the international rating agency "A.M. Best".

J. Statement of the transactions that the company has made with related parties during the year 2020 that are equal to 5% or more of the company's capital :-

There are no deals concluded with the related parties during the year 2020.



K. Statement of Emiratisation percentage in the company at the end of 2018, 2019, 2020 :-

The Emiratisation percentage of the company at the end of the years 2018 – 2019 - 2020 as follows:

- Emiratisation percentage at the end of 2018 was 4.56% of the total number of employees in the company.
- Emiratisation percentage at the end of 2019 was 7.37% of the total number of employees in the company.
- Emiratisation percentage at the end of 2020 was 6.89% of the total number of employees in the company

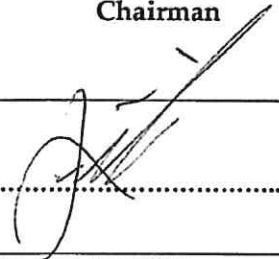
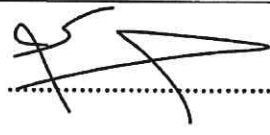

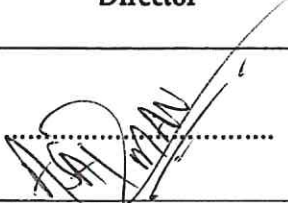
However, the company is still making efforts to attract more young nationals to raise the level of nationals' participation in the insurance sector, where our Human Resources team regularly participate in all job fairs and exhibitions through the year 2020.

L. Innovative projects and initiatives undertaken or developed by the company in 2020 :-

In line with the general framework regarding developing the insurance sector electronically in general, the company continued its approach by updating her electronic systems with the latest technologies and versions for marketing insurance products and making it easier for its customers to get their necessary services avoiding them to move to DNIR offices in light of the circumstances that the whole world went through during this Year due to the Covid 19 "Corona" pandemic.

In addition, the company has developed her electronic security systems with the latest versions which help the company to avoid any electronic hacks or piracy.

Best Regards,

Signature of the Board Chairman	Signature of Audit Committee Chairman	Signature of Nomination and Remuneration Committee Chairman	Signature of Internal Control Department Director
			
Date: .../02/ 2021	Date: .../02/ 2021	Date: .../02/ 2021	Date: .../02/ 2021

