

الاتحاد للتأمين  
UNIONINSURANCE



**Union Insurance  
Company PJSC**

**Governance Report 2019**



UNION INSURANCE COMPANY  
P. J. S. C

**Governance Report**  
**For the Fiscal Year ending on 31/12/2019**



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## **About the Company**

Union Insurance (UIC) is a national company licensed by the UAE Insurance Authority and listed on the Abu Dhabi Securities Exchange, and was established in 1998 with paid capital of more than AED 330 Million. The Company provides a comprehensive collection of insurance products to individual and corporate customers in the UAE and the Middle East, UIC also provides, under the leadership of a number of well-known experts highly experienced in the insurance sector, an innovative insurance coverage and a remarkable value to its customers.

This includes both standard and adjusted insurance policies that assist individuals, small and medium-sized enterprises, as well as large government entities to obtain reliable and cost-effective insurance coverage. In addition, the Company provides insurance services such as risk assessment and gap analysis in insurance coverage under the supervision of specialists with decades of experience.

Provision of insurance coverage, including, but not limited to, life insurance, health insurance, vehicle insurance, property insurance, engineering insurance, liability insurance and marine insurance. UIC enables its customers to focus on their core operations and reassuring them that they have successful and effective insurance policies that enable them to manage their various risks.

With a strong understanding of the ever-changing risk environment and insurance market, the Company employs a team of professionals who hold a fellowship certificate of the Chartered Insurance Institute, London (ACII). This team provides experience, knowledge and strong capabilities in structuring insurance covers to develop new and enhanced insurance products. Since this team is of the Company's employees, UIC can always offer its customers accurate price quotes.

Moreover, UIC has strong support from major global and local reinsurance companies, including Swiss Reinsurance Company, SCOR Reinsurance, Hannover Reinsurance, Lloyds, Generali and QBA Europe.

Distinguished by its focus on individuals, UIC sponsors an institutional culture that emphasizes teamwork and a cooperative environment that appreciates the contribution of each individual of the Company's Staff, which are more than 250 competent employees. This environment provides the best service with a personal flavor and puts the customer in mind. This is a high priority for the company, because generally when a customer makes a claim, he/she has suffered from material loss or from another unfortunate event. Therefore, providing a service with a personal flavor is truly most welcomed. In addition to this focus on customer sponsorship, UIC has developed its claims and paperwork processing to be as fast and simple as possible.



**1) A statement of the actions taken to complete the Corporate Governance System during 2019, and how to execute the same:**

Federal Law No. 2 of 2015 regarding Commercial Companies and the Resolution of Chairman of the Board of Directors of the Securities & Commodities Authority No. (7/RM) of 2016 regarding the Standards of Institutional Discipline and Corporate Governance of Public Joint-stock Companies defined the concept of Governance as “the set of rules and regulations that achieve institutional discipline in the management of the company in accordance with global standards and methods, by defining the responsibilities and duties of the Board of Directors and the Executive Management of the company, as well as taking into account the protection of rights of shareholders and stakeholders”.

Based on the aforementioned concept, UIC is keen to adopt and execute the best standards of Governance through the Corporate Governance Guide adopted by the Board of Directors, which defines the responsibilities and duties of the Board of Directors and its Committees, and defines the duties and responsibilities of the Senior Executive Management; in addition, UIC keen to update these standards in accordance with the instructions issued by the Securities & Commodities Authority.

In order to consolidate the principles of Governance, the Company has taken or updated many steps, including the following examples:

- In accordance with the provisions of Article 52 of Resolution No. (7/RM) of 2016 regarding the standards of institutional discipline and Corporate Governance of Public Joint-stock Companies, which obligates companies to submit an Annual Governance Report and publish it on the website of the Securities & Commodities Authority, UIC has been keen to submit the Annual Governance Report and make it available to shareholders, including all key financial and non-financial data and actions taken each year.
- Commitment to the nomination rules for membership of the Board of Directors as set forth in Resolution No. (7/RM) of 2016 regarding the standards of institutional discipline and Corporate Governance and the regulations thereof in the Company's Articles of Association, since it was announced that nomination for membership of the Board of Directors shall be for a period of ten days, along with a call for the General Meeting. During the meeting held on 22/04/2019, the Company elected the Board Members by acclamation, because the number of candidates was equal to the number of members, as well as notifying the Securities & Commodities Authority and the Abu Dhabi Securities Exchange with the meeting results.
- The Securities & Commodities Authority and the Abu Dhabi Securities Exchange was notified with the candidates' names and personal data on the day following the nomination closing day, two working days prior to the General Meeting, as well as publishing the same on the Company's website and billboard.
- Appointment of female member in the Company's Board of Directors in compliance with Corporate Governance.



- The Board of Directors shall meet four times during the Fiscal Year in accordance with Article 5 of the provisions of Resolution No. (7/RM) of 2016, during such year the Board of Directors held six meetings and another by acclamation.
- The Board of Directors administers the company effectively through the development of strategic objectives of the Company and the supervision of their execution in cooperation with the Senior Executive Management, as well as the supervision of the work of the committees emanating therefrom in accordance with the controls of governance.
- Formation of Permanent Committee in accordance with regulations organizing the formation of committees, such regulations include defining the duties, duration and powers of the committee, as well as following up on the works of the committees periodically, and the Board shall be responsible for the work of the same.
- Appointment of external auditor and setting its fees by a resolution of the General Meeting in accordance with the laws and regulations.
- To update and approve the Corporate Governance Guide by the Board of Directors in line with Resolution No. (7/RM) of 2016 regarding the Standards of Institutional Discipline and Corporate Governance of Public Joint-stock Companies, as well as the rules of professional and ethical conduct.
- To comply with transparency and disclosure instructions in line with the laws and instructions issued by the Securities & Commodities Authority that include the necessary disclosure of all reports including the interim and annual financial reports, the dates of the Board Meetings and the resolutions issued thereof, and all the data and statistics required by the Authority or the market.
- Periodic review by the Board of Directors, in coordination with the Audit Committee, of the Internal Control and Risk Management systems in the Company to ensure its effectiveness and to verify the Company's and its employees' compliance with the applicable provisions and resolutions issued by the competent authorities.
- To update and approve written rules regarding the transactions of insiders by the Board of Directors, to prepare a record of required information about insiders and to form a committee to monitor, manage and supervise the transactions of insiders, and to submit periodic reports on such transactions to the Securities & Commodities Authority and the Abu Dhabi Securities Exchange.



- The Company's commitment to appoint an officer responsible for all the duties in relation to Investor Relations Management, where Ms. RIHAM OSAMA was appointed as an Investor Relations Officer, in addition to creating an electronic link on the Company's website that contains all necessary data, including financial reports and disclosures made to control and supervisory bodies.

## 2) The Board Members' ownership and transactions, their spouses and sons, in the Company's securities during the year 2019:

The Company shall comply with Resolution No. 2 of 2001 of the Authority Board regarding the system of trading, clearing, settlement, transfer of ownership and custody of securities, where Article 14 thereof stipulates the following:

"The Chairman and the Board Members, of a company listed its securities on the market, its General Manager or any of the insiders who have access to material information are all banned to trade, by himself, for his account by third parties or in any other capacity for the account of others, in the securities of the same company, the parent company, subsidiary, affiliate or associate thereof, if any of these companies listed their securities in the market, during the following periods:

- Ten (10) business days prior the announcement of any material information that shall affect the price of the stock up or down, unless such information is a result of emergency or sudden events.
- Fifteen (15) days prior to the end of the quarterly, semi-annual or annual financial period, until disclosure of the financial statements".

The Company shall also commit to the Authority Board of Directors Resolution No. (3) of 2000 regarding the disclosure and transparency system, as well as the resolutions and instructions issued by the Abu Dhabi Securities Exchange. The transactions of the Board of Directors and their first-class relatives are as follows:

No.	Name	Position/Kinship	Owned Shares as on 31/12/2019	Total Sale Transaction	Total Purchase Transaction
1	Investment Group Pvt. Ltd.	Board Member legal entity	44,679,314	7,764,519	–
2	Al Salem Co. Ltd.	Board Member legal entity	5,757,368	–	–

## 3) Board of Directors:

The Board of Directors is composed of seven members whose term of office reaches three years. The members whose term of office has ended may be re-elected for more than once; the General Meeting shall elect the members by secret cumulative voting in accordance with the Articles of Association of Union Insurance Company. The Board shall exercise all the powers required to achieve the purposes and objectives of the Company, except as provided by the law or the Articles of Association of the General





Meeting. The Board is keen to carry out all the tasks assigned to it in order to ensure proper direction, guidance and management of the Company, which shall reflect positively on the overall performance of the Company and shareholders' rights.

(a) Statement of Composition of current Board of Directors:

The Company is managed by a Board of Directors composed of seven members elected by acclamation at the shareholders' General Meeting held on 22/04/2019, because the number of candidates was equal to the number of members. The following is the composition of the current Board of Directors and the term they served as Board Members from the date of the first election:

Name	Category	Membership Term as of First Election Date	Qualifications	Being a Member in another PJSC	Supervisory, Governmental & Commercial Positions
Mr. MOHAMMED HAREB AL MAZROUEI – Chairman	Non-executive, Independent	2010	- Businessman, 17 years of experience in real estate investment where he was the Chairman of the Real estate Appraisal Department at Dubai Land, Dubai.	N/A	N/A
AWTAD Co. represented by Mr. AHMED MAGED LOOTAH, Deputy Chairman	Non-executive, Independent	2015	- Executive Master in Business Administration with Distinction Level - University of Sharjah. - Bachelor of Business Administration in Finance - University of Miami. - More than 20 years of experience in the financial and banking fields, both traditional and Islamic, and is currently CEO of Al Hilal Capital.	Board Member of Commercial International Bank	N/A
Al SALEM Co. Ltd, represented by Mr. MOHAMMED SALEM AL HOSANY, Board Member	Non-executive, Non-independent	2010	Bachelor of Applied Science, E-Commerce - Higher Colleges of Technology, UAE. - Master of Science and Financial Administration, London. - Board Member of other companies and CEO of AL SAHEL SHARES CENTER since 2005.	- Board Member of Gulf Medical Projects Co. - Board Member of Umm Al Qaiwain General Investments	N/A
INVESTMENT GROUP Pvt. Ltd., represented by Dr. BOUSHRA ABDULLAH AL MULLAH	Non-executive, Non-independent	2019	- Master of Health care management – Royal College of Surgeons in Ireland - Bachelor of Medicine & General Surgery – Dubai Medical College for Girls - Government Executive Leaders Programme – Prime Minister Office	N/A	- Manager of Education & Community Development at the Sector of Strategy &



					<p>Innovation – Prime Minister Office</p> <ul style="list-style-type: none"> <li>- Founder &amp; CEO of Osraty Center for Physiotherapy in Dubai</li> <li>- Executive Manager of Community Development Sector – Department of Community Development at Abu Dhabi Government</li> <li>- Abu Dhabi Rehab Center</li> </ul>
AL BARAKA INVESTMENTS Co., represented by Mr. TARIK KHALID AL HAMD	Non-executive, Independent	2019	30 years of experience in the establishment of strategic companies and leading business development operations throughout GCC. Representing Kuwait at various diplomatic positions in several countries, as well as participating actively in providing investment and mentoring support to many companies in the UAE. Founding member of Kuwait Business Foundation. Graduated in Psychology in 1987 from Kuwait University.	N/A	N/A
AL ALSOOR INVESTMENT Co., Mr. BASHAR AL ZOUBI	Non-executive, Non-independent	2018	<ul style="list-style-type: none"> <li>- Master of Financial Management from the University of Reading, UK.</li> <li>- More than 18 years of experience in the field of banking and investments</li> </ul>	N/A	N/A
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	Executive, Non-independent	2012	<ul style="list-style-type: none"> <li>- Bachelor of Commerce - Ain Shams University, ARE.</li> <li>- More than 40 years of experience in the field of insurance as a reference figure in the insurance sector, he has been distinguished by the provision of new insurance products and the development of standard services that have left a tangible impact on the reputation of the sector in general.</li> <li>- He was the CEO of Oman Insurance Company, which witnessed through his</li> </ul>	N/A	N/A



			management remarkable development and became the first company in the country and one of the top three companies in the region.		
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(b) Percentage of female representation of the year 2019:

The ratio of female representation at the Board of Directors reached (14%) for the year 2019.

(c) The reasons why there are no nominated females at the Board of Directors:

Not Applicable.

(d) Remunerations and Attendance Allowances:

Remunerations of Board Members are defined by the Articles of Association pursuant to the provisions of Article No. (169) of Federal Law No. 2 of 2015 regarding Commercial Companies, Article No. (21) of Resolution No. (7/RM) regarding the Standards of Institutional Discipline and Corporate Governance of Public Joint-stock Companies. Whereas, the remunerations of the Board Members consist of a percentage of the net profit, which shall not exceed 10% of the net profit after the deduction of depreciation and reserve. In addition, the Company may pay fees, additional remunerations or monthly salary to the extent set by the Board of Directors for any of its members, if such member works on any committee, exerts great efforts or performs additional work, beyond his normal duties as a Board Member, to serve the Company. Moreover, Article 21 of the aforementioned resolution stipulates that it is not permissible to pay an attendance allowance to the Chairman or a Board Member for the Board Meetings.

i. Total paid remunerations of the Board of Directors for the year 2018:

No remunerations have been paid to the Board of Directors for the year 2018.

ii. Total proposed remunerations of the Board of Directors for the year 2019, which will be presented to the Annual General Meeting for approval:

The Board decided to submit a proposal regarding the remuneration of the Board Members, which includes the items of the Agenda of the General Meeting that has the authority to approve and determine percentage of the same, which will be disclosed later immediately upon approval.

iii. Attendance Allowances for the meetings of committees emanating from the Board for the Fiscal Year 2019:

No attendance allowances were paid to members of committee emanating from the Board during 2019.

iv. Details of allowances, salaries or additional fees received by a Board Member other than the attendance allowances of committees and the reasons thereof.



No allowances, salaries or additional fees were paid to Board Members until the date of preparing the report.

(e) Meetings of Board of Directors during the Fiscal Year of 2019:

The Board of Directors held (6) meetings during 2019, one of which was by acclamation as shown below:

Member	Meeting 28/01/2019	Meeting 18/03/2019	Meeting 29/04/2019	Meeting 14/05/2019	Meeting 04/08/2019	Meeting 11/11/2019	Meeting 18/12/2019	No. of Attendances	No. of Attendees by Proxy
Mr. MOHAMMED HAREB AL MAZROUEI	✓	✓	✓	✓	By acclamation	✓	✓	6	
Mr. AHMED LOOTAH	✓	X	✓	✓	By acclamation	✓	✓	5	
Mr. MOHAMMAD SALEM AL HOSANY	✓	✓	✓	✓	By acclamation	✓	✓	6	
Dr. BOUSHRA ABDULLAH AL MULLAH	*	*	✓	✓	By acclamation	X	✓	3	
Mr. TARIK KHALID AL HAMD	*	*	✓	✓	By acclamation	✓	✓	4	
Mr. BASHAR AL ZOUBI	✓	✓	✓	✓	By acclamation	✓	✓	6	
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	✓	✓	✓	✓	By acclamation	✓	✓	6	
No. of Attendees	5	4	7	7		6	7		

✓                      Attended                      X                      Apologized                      \*                      Was not a member at that date

3. (g) Resolutions by acclamation of the Board of Directors:

Board of Directors issued a resolution by acclamation on 04/08/2019 to approve the interim financial data for the period ended as on 30/06/2019.





3. (h) Duties and Responsibilities of the Board of Directors authorized to the Executive Management:

No.	Name of Authorized Person	Authorization	Term of Authorization
1	Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	Special Power of Attorney	Undefined

Subject to the provisions of the Companies Law No. 2 of 2015 and Article (9) of Resolution No. (7/RM) regarding the Standards of Institutional Discipline and Governance of Public Joint-stock Companies, the CEO, upon authorization of the Board, shall exercise the powers required to conduct the Company's business, including:

- All authorities required to manage the Company, conduct all business and actions, and all powers required to achieve the Company's purposes, as well as developing regulations in relation to administrative, financial and personnel affairs and the financial entitlements thereof.
- Represent the Company before all legal and natural persons, ministries and governmental authorities.
- Represent the Company in all works, all required and necessary matters, or in any other manner in relation to or in connection with the business and affairs of the Company in the UAE and other countries.
- Sign all contracts, transactions, communications and documents in relation to the Company's business, and to submit and follow up any and all requests necessary or required by any competent authority.
- Appointment and dismissal of attorneys and/or legal consultants.
- Daily management of the Company.
- Arrangements for the annual budget.
- To make the necessary insurance for the Company.
- Appointment and dismissal of employees, any other consultants or contractors; shall define their duties and remuneration inside and outside the country.

3. (i) Details of Transactions with Relevant Parties:

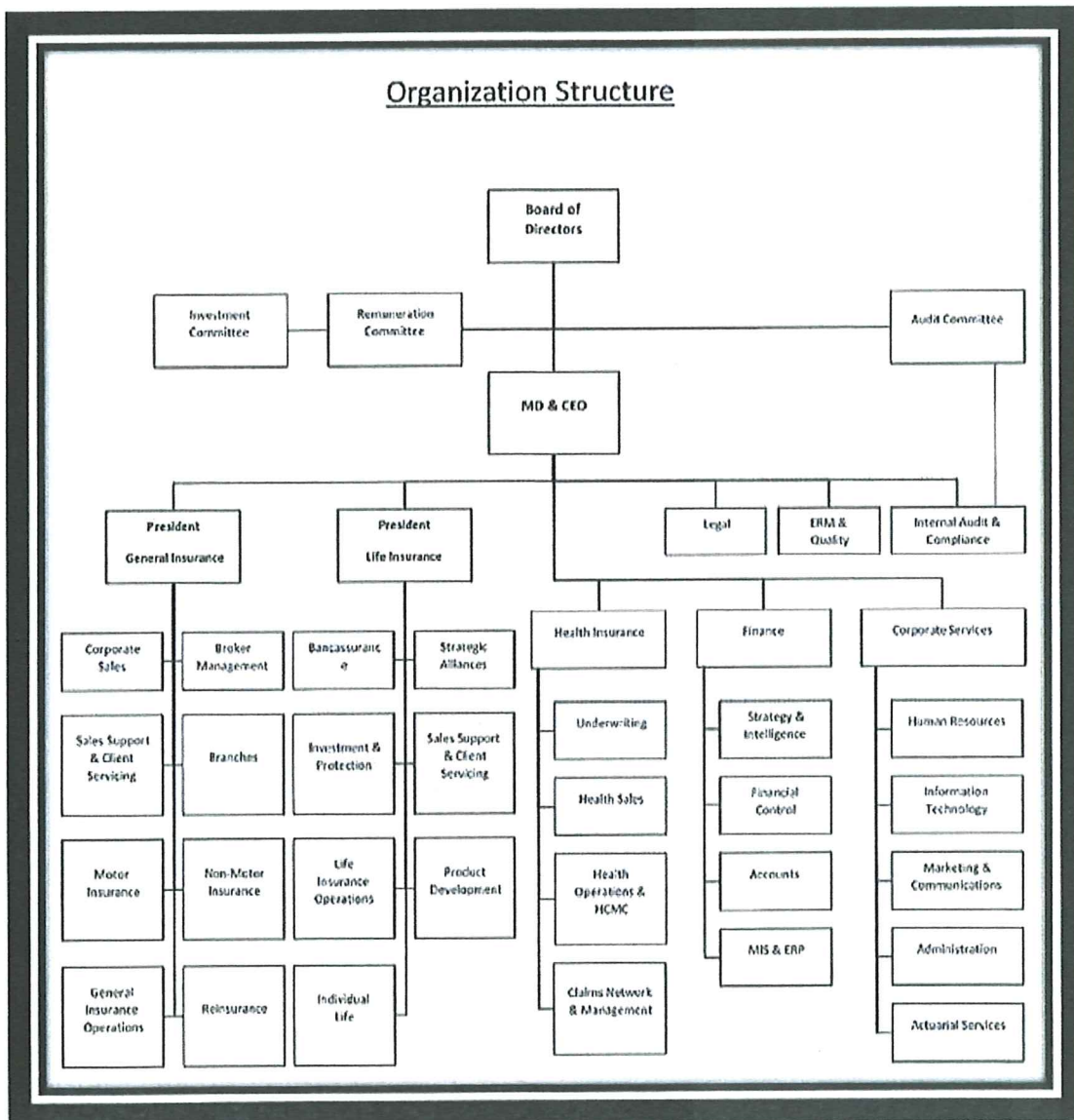
The details of transactions with relevant parties include joint-stock companies in Union Insurance Company and within the scope of insurance operations, including public insurances, vehicles and other insurances, as follows:

Transactions of Relevant Parties	AED
Owed insurance premiums	25,996,228
Held shares	0
Total claims under settlement	652,016
Investment properties	75,195,000
Development work under completion	82,045,000
Transactions	



Subscribed premiums	2,213,077
Paid claims	1,928,374

3. (j) Organization Structure:





Position	Joining Date	Total Paid Salaries & Allowances for 2019 (Dhs.)	Total Paid Remunerations for 2019 (Dhs.)	Any other in cash/in kind Remunerations for 2019 or due in the future
CEO	01/09/2012	2,400,000	Not decided yet	N/A
President – Public Insurances	16/10/2011	1,020,000	Not decided yet	N/A
President – Life Insurance	16/09/2013	1,020,000	Not decided yet	N/A
CFO	01/08/2019	300,000	Not decided yet	N/A
Head of Health Insurance	01/08/2012	689,880	Not decided yet	N/A
Head of IT	08/09/2019	168,000	Not decided yet	N/A
Head of Personnel & HR	01/05/2019	360,000	Not decided yet	N/A
Manager of Legal Dept.	01/05/2013	720,000	Not decided yet	N/A
Manager of Risk Mgt., Compliance & Internal Audit	10/11/2013	353,880	Not decided yet	N/A

— Governance Report of 2019 will be updated after defining the remunerations of Executive Management.

#### 4) External Auditor:

##### (a) About the External Auditor:

Ernst & Young was appointed as an External Auditor of Union Insurance Company upon a resolution issued by the General Meeting. Ernst & Young has worked in the UAE since 1966 and has been one of the largest professional service companies; it has an office in the Emirate of Dubai of 565 experienced and qualified employees, and 12 partners. Moreover, the expansion around the world with a number of 700 offices, has about 250,000 employees, and provides services in many sectors of government and private sector, insurance, banking, industrial and commercial sectors. It is worth noting that the first appointment of Ernst & Young to audit the works of UIC was in 2018.

##### (b) Statement of Costs & Fees of External Auditor:

The Annual General Meeting held on 22/04/2019 decided to appoint M/s Ernst & Young as the External Auditor of the Company for the year 2019. Their fees were set at Dhs. 310,000; their services included all professional services in relation to the review of interim and annual financial reports.



<b>Name of Audit Office</b>	Ernst & Young
<b>Partner Auditor</b>	Mr. Ashraf Abu Sharkh
<b>Number of service years as an External Auditor of the Company</b>	2
<b>Total Audit Fees of Financial Statements of 2019</b>	Dhs. 240,000
<b>Fees &amp; Charges for Special Services other than Audit of Financial Statements of 2019</b>	Dhs. 100,000
<b>Details &amp; Nature of other Services provided</b>	Filling the quarter and annual electronic forms of the Insurance Authority, approving the Authority's supervision fees and approving the Abu Dhabi Health Authority forms
<b>Other Services performed by another External Auditor during 2019</b>	N/A

(c) Remarks included by the External Auditor on interim and annual financial lists for the year 2019:

No remarks by the External Auditor.

#### 5) Audit Committee:

(a) Acknowledgment by Chairman of Committee:

The Chairman of Committee Mr. AHMED MAGED LOOTAH shall acknowledge his responsibility for the committee's system at the Company, the review of its working mechanism and the assurance of its effectiveness.

(b) Members of Audit Committee and a Statement of their Responsibilities & Duties:

It was decided at the Board of Directors meeting held on 29/04/2019 to reconstitute the Audit Committee; it consists of three members as follows:

<b>Name</b>	<b>Designation</b>
Mr. AHMED MAGED LOOTAH	Chairman of the Committee
Dr. BOUSHRA ABDULLAH AL MULLAH	Member
Mr. TARIK KHALID AL HAMD	Member





Responsibilities & Duties of Audit Committee:

1. To recommend an External Auditor to the Board of Directors, to examine and study the related aspects, including the fees and terms of use.
2. To monitor and follow-up the independence and objectivity of the External Auditor, and to discuss the nature, scope of audit process and its effectiveness in accordance with the approved auditing standards; including reviewing the quarterly and annual financial statements before issuance and to be reviewed as part of their normal work, during the year and before closing the accounts in any quarter. It shall particularly focus on the following:
  - a. Any changes in accounting policies and practices.
  - b. To highlight the areas of management discretion.
  - c. Material adjustments resulting from auditing.
  - d. To assume the continuity of the Company's business.
  - e. To comply with the accounting standards set by the Securities and Commodities Authority.
  - f. To comply with the rules of incorporation, disclosure and other legal requirements related to the preparation of financial reports.
3. To coordinate with the Board of Directors of the Company, the Executive Management and the CFO, or the Acting Manager, in order to perform its duties. The Committee shall meet with the auditors of the Company at least once a year.
4. To study the strategic plan and objectives of the Company proposed by the Executive Management, and to ensure the compliance of the Company's Executive Management with the strategic plan, policies and procedures approved or required by the applicable laws, regulations and instructions.
5. To consider any important and unusual clauses that are or should be set out in such reports and accounts, and shall give due attention to any matters raised by the Company's CFO, the Acting Manager, the Compliance Officer or the Auditors.
6. To review the Company's risk management policies, examine the reasons for defaults of the Company's obligations, if any, to review the notes contained in the Insurance Authority's reports and the reports of the External Auditor and to follow up on the actions taken therein.



7. To ensure the existence of coordination between the Company's Control Department and the External Auditor, to ensure that the necessary resources are available to the Internal Control Department and to review and monitor the effectiveness of such department.
8. To consider the results of the main investigations in the internal control matters assigned to the Committee by the Board of Directors, or to be initiated by the Committee and approved by the Board of Directors.
9. To review the financial and accounting policies and procedures of the company.
10. To review the External Auditor's letters, its business plan and any material inquiries that the Auditor may submit to the Executive Management with regard to accounting records, financial accounts or control systems, and their response thereto.
11. To ensure that the Board of Directors shall respond in a timely manner to the clarifications and material issues raised in the report of the External Auditor.
12. To ensure the application of the work rules on its duties and the powers delegated to it by the Board of Directors.
13. To monitor the extent to which the Company complies with the rules of professional conduct and report to the Board of Directors on the issues mentioned herein.
14. To consider any other subjects set by the Board of Directors.

(c) Number of Meetings of Audit Committee during the year, the dates and the attendances of the members in person:

The Audit Committee held (4) meetings during the year 2019; the Committee members held its first meeting on 18/03/2019.

Statement of meetings and number of in person attendances is as the follows:

<b>Meetings of Audit Committee</b>
18 March 2019
14 May 2019
31 July 2019
7 November 2019



Attendances of Audit Committee Members in person:

Member	Meeting 18/03/2019	Meeting 14/05/2019	Meeting 31/07/2019	Meeting 07/11/2019	No. of Attendances
Mr. AHMED LOOTAH	X	✓	✓	✓	3
Dr. BOUSHRA ABDULLAH AL MULLAH	*	✓	X	✓	2
Mr. TARIK KHALID AL HAMD	*	✓	✓	X	2
Mr. MOHAMMAD SALEM AL HOSANY	✓				
Mr. BASHAR AL ZOUBI	✓				

✓ Attended    X Apologized    \* Was not a member at that date    ❖ Former member of committee

**6) Nomination & Remunerations Committee:**

(a) Acknowledgment by Chairman of Committee:

The Chairman of Nomination & Remunerations Committee Mr. AHMED MAGED LOOTAH shall acknowledge his responsibility for the committee's system at the Company, the review of its working mechanism and the assurance of its effectiveness.

(b) Members of Nomination & Remunerations Committee and a Statement of their Responsibilities & Duties:

Name	Designation
Mr. AHMED MAGED LOOTAH	Chairman of the Committee
Mr. MOHAMMAD SALEM AL HOSANY	Member
Mr. TARIK KHALID AL HAMD	Member

Responsibilities & Duties of Nomination & Remunerations Committee:

1. To organize and follow up the procedures of nomination to the Board of Directors in accordance with the applicable laws and regulations, and the provisions of Resolution No. (7/RM) of 2016.
2. To ensure the independence of independent members on a continuous basis, if the Committee finds that one of the members has lost the conditions of independence, it shall submit the matter to the Board of Directors of the Company, therefore, the Board shall serve a notice to the member, by a registered letter at his known address, of the reasons for the absence of his independence capacity and the member shall respond to the Board within fifteen days from the date of notice. The Board shall issue a decision to consider the member as independent or non-independent at the first meeting following the member's reply or the expiry of the period referred to in the previous paragraph without reply.



If the member lost this capacity, this shall not result in a violation of the minimum number of independent members of the Board, and this shall be considered in the formation of committees.

Without prejudice to the provisions of Article (145) of the Commercial Companies Law No. 2 of 2015, if the resolution of the Board is the absence of reasons or justifications of independence of the member which shall affect the minimum percentage of independent members within the Board, the Board shall appoint an independent member to replace this member, and shall submit the decision of appointment to the General Meeting of the Company to consider the adoption of the decision.

3. The Committee shall be responsible for preparing the policy of remunerations, benefits, incentives and salaries of the Board Members of the Company and its employees, taking into account, upon preparing such policies, the use of performance-related criteria.
4. The Committee shall be responsible for preparing the human resources and training policy in the Company, shall supervise its application and identifying the Company's needs of competencies at the level of senior executive management and executive staff in small positions with high qualifications and the bases of their selection, and shall review periodically (including salaries and other benefits) in line with the remunerations/salaries granted by similar companies in the market to ensure that the remunerations/salaries are sufficient to attract qualified people to work in the Company at all sites and in high levels and competencies.
5. To ensure gender diversification within the formation of the Board of Directors in order to encourage women to run for membership in the Company's Board and to develop a policy for the same.

(c) Statement of the number of meetings held by the Committee during the Fiscal Year, the dates and the attendances of the members in person:

Nomination & Remunerations Committee held 2 meetings during 2019; the Committee members held its first meeting on 11/04/2019.

Statement of meetings and number of in person attendances is as the follows:

Meetings of Nomination & Remunerations Committee
11 April 2019
19 December 2019





Number of in person attendances of the Members of Nomination & Remunerations Committee:

Member	Meeting 11/04/2019	Meeting 19/12/2019	No. of Attendances
Mr. AHMED LOOTAH	*	✓	1
Mr. MOHAMMAD SALEM AL HOSANY	✓	✓	2
Mr. TARIK KHALID AL HAMD	*	✓	1
Mr. BASHAR AL ZOUBI ❖	✓		

✓ Attended    X Apologized    \* Was not a member at that date    ❖ Former member of committee

#### 7) Committee of Follow-up and Supervision on the Transactions of the Insiders:

(a) Acknowledgment by Chairman of Committee:

The Chairman of Committee of Follow-up and Supervision on the Transactions of the Insiders Dr. AYMAN ABDULRAZIQ shall acknowledge his responsibility for the committee's system at the Company, the review of its working mechanism and the assurance of its effectiveness.

(b) Name of Committee Members:

1. Dr. AYMAN ABDULRAZIQ – Director of Legal Department – Chairman of Committee
2. Mr. AMIT KATARIA – Director of Internal Control Department – Compliance Officer – Member
3. Mr. MOHAMMAD RADI – Assistant Deputy Chairman – Controller – Financial Department & Accounts – Member

Responsibilities & Duties of the Committee:

- The Committee shall be responsible for the managing, monitoring and supervising the transactions of Insiders and their property, maintaining their record and submitting the periodic reports and statements of the market.
- To maintain a record of all Insiders that include their statements and periodic declarations, and the declarations submitted by the Board of Members.
- To inform regulatory bodies of any changes that occur in the record.
- To inform anyone of their status as soon as they become an insider and to obtain their signature on the required forms.
- To inform Insiders of the periods of prohibition of trading specified by the market upon receipt, along with the other prohibitions periods approved by the instructions and circulars issued by the concerned authorities, as well as clarifying the permanent and temporary prohibition periods.
- To review and monitor the trading policies of Insiders, including periodic changes thereof, and to receive and review reports of trading made by Insiders.



- To inform the Board of any trading conducted by the Insider in case of violation of the laws, regulations and circulars issued in this regard and the actions taken and/or required in this regard.
- To maintain the confidentiality of information and data provided by the Board of Directors.

(c) Summary of the Committee's work during 2019:

The Committee held a meeting on 17/11/2019 in the presence of all its members, where it reviewed the rules concerning the transactions of Insiders and approved by the Board, their forms of declarations, and reviewed the record of Insiders.

**8) Investment Committee:**

(a) Acknowledgment by Chairman of Committee:

The Chairman of Investment Committee Mr. MOHAMMAD HAREB AL MAZROUEI shall acknowledge his responsibility for the committee's system at the Company, the review of its working mechanism and the assurance of its effectiveness.

(b) Members of Investment Committee and a Statement of their Responsibilities & Duties:

Name	Designation
Mr. MOHAMMAD HAREB AL MAZROUEI	Chairman of Committee
Mr. BASHAR AL ZOUBI	Member
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	Member

Responsibilities & Duties of Investment Committee:

1. To develop and monitor the investment strategy and policy.
2. To prepare and discuss investment plans, review the fundamentals in relation to the nature of investment activities, and to prepare a plan of action accordingly, in addition to making recommendations for the Board of Directors.
3. To review the investment financial results and make the necessary recommendations thereon.
4. To manage the Company's investments in accordance with the interests of the Company and the directives of the Board of Directors.



(c) Number of meetings held by the Investment Committee during the year, the dates and attendances of the members in person:

Member	Meeting 17/09/2019	No. of Attendances
Mr. MOHAMMAD HAREB AL MAZROUEI	✓	1
Mr. BASHAR AL ZOUBI	✓	1
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	✓	1

#### 9) Internal Control System:

The Company is keen on the application of an internal control system in accordance with the provisions of Article 50 of Resolution No. (7/RM) of 2016 regarding the Standards of Institutional Discipline and Governance of Public Joint-stock Companies, which replaces Article 8 of Resolution No. 518 of 2009. The Internal Control Department has sufficient independence to perform its duties properly and it follows the Board of Directors, which is responsible for the Internal Control System its application, and reviewing it to ensure its effectiveness. The role of the Internal Control Department is to do the following duties:

- To review the financial statements presented to Senior Management that are used in the preparation of financial lists.
- To evaluate the methods and actions of risk management.
- The proper application of the rules of governance and verifying the compliance with the provisions of the applicable laws, regulations and decisions, as well as ensuring the application of internal procedures in the Company.
- Internal audit of the Company's departments and branches, monitoring their performance and submitting periodic reports to the Audit Committee and the Board of Directors.
- To prepare the necessary reports on the effectiveness of Internal Control Systems and submit them to the Board of Directors, including the necessary recommendations to improve these systems.

(a) Acknowledgement by the Board of their responsibility for the Internal Control System at the Company, the review of its working mechanism and the assurance of its effectiveness:

The Board shall acknowledge their responsibility for the Internal Control System at the Company, the review of its working mechanism and the assurance of its effectiveness in accordance with the relevant laws, regulations and resolutions of the Securities and Commodities Authority.

(b) The Managing Director & his Qualifications:

A competent department for internal control was established, managed by Mr. AMIT KATARIA who was appointed on 10/11/2013, who also takes the responsibility of Compliance Officer, holder of a Bachelor of Commerce degree from the University of Mumbai (Faculty of Commerce and Economics). He holds an ICAI certificate from the Indian Institute, an AICPA certificate from the American Institute of Certified Public Accountants in Colorado, in addition to 12 years of experience in



auditing, compliance and risk management due to working for several insurance companies such as TATA AIG and Universal Sampo Japan.

Ms. MASOUMEH KARIMI is also works as Anti-Money Laundering Officer since 03/05/2016 pursuant to the instructions of Insurance Authority.

(c) Name, qualifications and date of appointment of Compliance Officer:

Mr. AMIT KATARIA takes the responsibility of Compliance Officer.

(d) How the Internal Control Department handles any major problems in the Company:

The Internal Audit Department shall prepare an annual plan to identify the risks and the degree of severity, and to review and audit the various sections, departments and branches of the Company, where periodic reports shall be submitted on the tasks performed to the Audit Committee, which are presented to the Board of Directors, as well as a plan that aims at handling or limiting violations, if any. Noting that the Internal Control Department did not encounter any problems at the Company during 2019.

(e) The number of reports issued by the Internal Control Department:

The number of reports issued by the Internal Control Department during 2019 reached eleven reports.

**10) Details of violations committed during the Fiscal Year, the reasons and how to deal with them, and the way to avoid reoccurrence in the future:**

There are no violations on the Company during the year 2019.

**11) Statement of cash and in-kind contributions made by the Company in the development of community and preservation of the environment during the year 2019:**

The Company continued its initiatives to recycle paper and HP ink cartridges in its offices across the UAE, in order to reduce the Company's impact on the environment, as it recycled more than 5800 kilos of paper and 2103 ink cartridges until the end of 2019.

**12) General Information:**

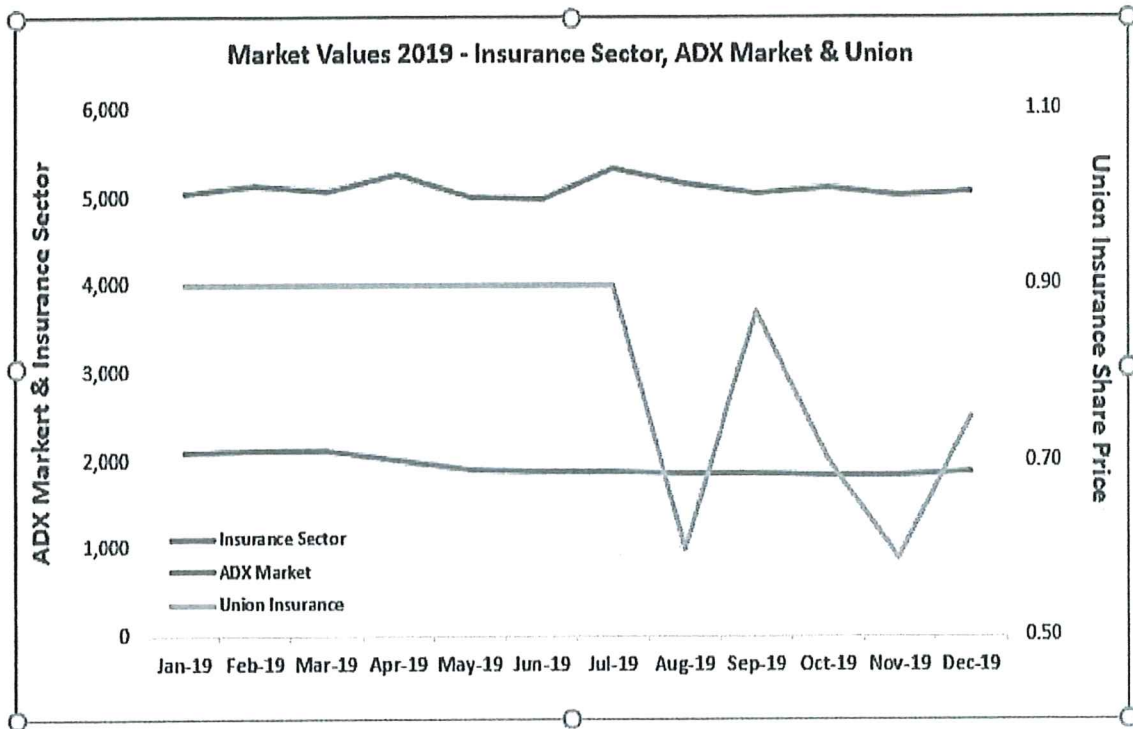
(a) Statement of the Company's share price at market (closing price, highest price, lowest price) at the end of each month during the Fiscal Year 2019:





Low	High	Last Close	Month
0.90	0.90	0.90	Jan-19
0.90	0.90	0.90	Feb-19
0.90	0.90	0.90	Mar-19
0.90	0.90	0.90	Apr-19
0.90	0.90	0.90	May-19
0.90	0.90	0.90	Jun-19
0.90	0.90	0.90	Jul-19
0.60	0.90	0.60	Aug-19
0.87	0.87	0.87	Sep-19
0.70	0.87	0.70	Oct-19
0.58	0.78	0.59	Nov-19
0.55	0.75	0.75	Dec-19

(b) Statement of the comparative performance of the Company's shares with the general market index and the sector index to which the Company belongs during 2019:





(c) Statement of Shareholders' Equity as on 31/12/2019 (Individuals, Companies, & Governments) classified as follows: Local, Gulf, Arab, & Foreign:

No.	Classification of Shareholder	Percentage of Owned Shares			
		Individual	Companies	Government	Total
1	Local	85,118,380	233,036,833	0	318,155,213
2	Gulf	160,165	0	0	160,165
3	Arab	64,700	109,102	0	173,802
4	Foreign	50,000	12,400,000	0	12,450,000
5	<b>Total</b>	<b>85,393,245</b>	<b>245,545,935</b>	<b>0</b>	<b>330,939,180</b>

(d) Statement of Shareholders holding 5% or more of the Company's Capital as on 31/12/2019:

Name	Number of Capital Shares	Percentage of Capital Shares
Invest AD UAE Focus Fund	72,102,444	21.79%
SALEM ABDULLAH SALEM AL HOSANY	46,614,519	14.09%
Investment Group Private Limited	44,679,314	13.50%
Suqur Al Khalij General Trading Co. LLC	44,400,000	13.42%
Gulf General Investments Company	29,089,334	8.79%

(e) Distribution of Shareholders in accordance with the size of ownership as on 31/12/2019:

No.	Equity (share)	Number of Shareholders	Number of Owned Shares	Percentage of Owned Shares
1	less than 50,000	2,043	13,276,845	4.0%
2	from 50,000 to less than 500,000	51	6,073,626	1.8%
3	from 500,000 to less than 5,000,000	14	26,108,030	7.9%
4	more than 5,000,000	10	285,480,679	86.3%
	<b>Total</b>	<b>2,118</b>	<b>330,939,180</b>	<b>100.00%</b>



(f) Actions taken with regard to the controls of Investor Relations:

Ms. RIHAM OSAMA was appointed as Investor Relations Officer, who holds a Bachelor of Commerce, Accountancy Degree, from Ain Shams University, has a Master in Marketing from Liverpool University. You can contact her easily through the information posted on the Company's website (**Riham Osama – [riham.o@unioninsurance.ae](mailto:riham.o@unioninsurance.ae) – Tel No. +971 4 378 7609**).

An electronic link was also created on the Company's website: ([https://www.unioninsurance.ae/en/about\\_us/#/InvestorRelations](https://www.unioninsurance.ae/en/about_us/#/InvestorRelations)), through which all financial reports, Company news, developments and related events can be viewed.

(g) Special Resolutions presented to the General Meeting during 2019 and the actions taken thereon:

The General Meeting discussed no special resolutions on 22/04/2019.

(h) Rapporteur of the Board of Directors and Date of Appointment:

Mr. EYAD HAMMAD is the Rapporteur of the Company's Board, who was appointed by the Board of Directors on 13/05/2014.

He holds A Bachelor of Law – Damascus University.

His responsibilities include the following:

- Document the Board meetings pursuant to the provisions of Article No. 8 of the aforementioned resolution.
- Maintain the reports submitted to the Board, and the reports prepared by the Board and attach the same to the minutes of the meeting.
- Provide the Board members with the information and minutes, including the agenda of the Board, reports and documents in relation thereto, and any further information may be requested by any member in relation to the topics of the meetings' agenda.
- Notify the Board Members of the dates of the meetings at least one week prior to the specified date, and to disclose the same to the relevant authorities in accordance with the disclosure rules followed in this regard, due to being a link among the Board Members.
- Ensure the commitment and compliance of Board Members with the actions approved by the Board.



- Provide drafts of minutes to the Board Members for their feedback before signing thereon.
  - Coordinate between Board Members, which contributes to raising the efficiency of the Board's performance and expediting the decision-making process.
  - Provide assistance and advice to Board Members, including informing the Board Members of any changes in legislations or law.
- i) The Company's significant events during the year 2019:
- Election of the Board during the Annual General Meeting held on 22 April 2019.
  - UIC cooperated with SHARAF EXCHANGE to provide "Emergency Travel Assistance Insurance", a Travel Insurance Policy the first of its kind to be released in the UAE, which is part of the Sharaf Exchange's Customer Loyalty Programme; my Usrati.
  - The Company held an Awareness Colloquium, the first in the UAE, with regard to cyber risks, in association with leading global companies in reinsurance and renowned insurance experts, in order to shed light on the threats of cybercrimes and to increase awareness of the different types thereof; moreover, to explain the extent of the spread and the size of the financial losses caused by the same.
- j) Statement of the percentage of Emiratization by the end of 2019:  
Emiratization percentage of 2017 reached (9.2%), 2018 (9.75%) and 2019 (5.29%), in addition, the Company is keen on and committed to support the national talents in order to comply with the governmental directives in this regard. The Company seeks to attract national talents in all insurance jobs; the Company also has not and shall spare no effort to increase the Emiratization percentage; moreover, it works to attract more talents by participation in different job exhibits. The Company participated in the open day of Emiratization, which includes four exhibits, held at Dubai Women's College and a number of Emiratization Centers.
- k) Projects and innovative initiatives carried out by the Company or under development in 2019:  
The Company did not carry out projects or innovative initiatives during 2019. However, it is worth noting that the Company supports innovative ideas by encouraging its employees through a competition that the Company holds every year since 2014 entitled "ALL IDEAS MATTER", at the end of which the Company announces the winning ideas.

Title	Signature	Date
Chairman of the Board		23-3-2020
Chairman of Audit Committee		16/3/2020
Chairman of Nomination & Remuneration Committee		16/3/2020
Director of the Internal Control Department		16/03/2020

