



AL DHAFRA INSURANCE COMPANY P.S.C.

National Company with a Paid - Up Capital of AED. 100,000,000 (AED. One Hundred Million) Established by Law No. 8 of 1979 and subject to Federal Commercial Companies Law No. 8 of 1984 and The U.A.E. Insurance Law (Federal Law No. 6 of 2007)
TAX REG. No: 100014650400003

Al Dhafra Insurance Company P.S.C

Annual Corporate Governance Report 2019

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Company's Corporate Governance:

Al Dhafra Insurance Co. commenced in 2010 a pro-active review of its corporate governance framework and has adopted extensive corporate governance guidelines in the Corporate Governance Manual in line with the principles set out in the Ministerial Resolution "Based on the decision of the President of the Board of Directors Authority No. (7 / R.m) for the year 2016 on the institutional discipline and governance of public shareholding companies standards.

Company is committed to the highest level of corporate governance, and has derived its values from a system which integrates ethics, corporate integrity and leading compliant practices. Transparency, fairness, disclosure and accountability have been central to the working of the company, its management and Board of Directors (hereafter referred to as 'the Board'). Indeed, the company's commitment to good Corporate Governance practices predates the laws and mandates of the Securities and Commodities Authority (SCA).

This report reflects Company's Corporate Governance system followed during year 2019. The Company's Annual Corporate Governance Report 2019 shall be made available to the shareholders along with the Company's Annual Report. Report will also be published in Company's Website and will be filed with Security Commission Authority (SCA) and Abu Dhabi Exchange (ADX).

Company Conflict of Interest and Disclosure Policy:

- Company has adopted following Conflict of interest and disclosure policy, in compliance with Decision no (3/R) of 2000 concerning the regulations as to Disclosure and Transparency and the amendments thereto dated 31st July 2012.
- In practicing their duties, the Board and the employees should be fully aware of, and clearly understand all applicable laws, rules, and regulations in order that they can comply with them at all circumstances. Any advantages that may be presented to the employees', opportunities for monetary and non-monetary benefits in addition to the normal compensation arrangement paid by the Company should be in line with the conflict of interest policy. Therefore, the employees should accomplish their tasks with the principles of integrity, fairness, and in conformity to the professional standards.
- Benefits or Gifts: Employees are not allowed to receive from third parties, benefits or gifts in addition to those conferred by the Company. This is to prevent any influences on the employees' independence and objectivity.
- Directors are to immediately notify the Company Secretary if a material personal interest relating to the affairs of the Company arises. In this context, a material personal interest would refer to a financial transaction with a related party of the Company exceeding AED 5 Million or 5% of the company's capital whichever is less.



- Directors are to absent themselves from attendance at a meeting of directors where a matter in which they have a material personal interest is being discussed, unless the other directors vote otherwise.
- Concerned parties as defined in ministerial resolution 518 of 2009 are required to disclose to the board within 3 days of transaction that has caused, any conflict of interest or benefit, direct or indirect with Company (including its affiliate or allied companies).
- If one of the major shareholders or Board members has a conflict of interest in an issue which can affect the price or volume of trading of the Company's securities, the Board should conduct a meeting and issue a decision in attendance of all its members; excluding the concerned shareholders/ director. In extraordinary cases, such issues can be resolved through a special committee formed for that purpose.
- Each director shall upon commencement of his term disclose to the Company the nature of the positions the same occupies in the companies and the public establishments and other important commitments and specify the time allocated thereto, and any changes on the above mention upon occurrence.
- Additionally, each director shall disclose on an annual basis, the nature of positions the same occupies in the company's securities, the parent company, and subsidiary or affiliate companies. Based on these disclosures.
- Directors are to monitor compliance with the disclosure policy and to take remedial action where necessary.
- Board members of the company, its manager and staff are not allowed to sell and buy company's shares within a period of 15 days prior to the end of the quarterly, half-yearly and annual financial period and until the disclosure of the financial reports to Financial Market, whereas their trading will be allowed to resume thereafter, provided such transactions followed approval process as required by the prevailing law.
- The company is committed to provide Financial Market with interim (quarterly) reports within one month from the end of each fiscal quarter. The reports must be approved as per the International Financial Reporting Standards (IFRS) and reviewed by the external auditor and approved by the company's executive management.



Compliance with the Conflict of Interest Policy during the Last Year:

The Board hereby declares that each member of the Board has complied with the disclosure requirements as per the laws and regulations issued by the Ministry of Economy and the Securities and Commodities Authority. There is no indication of non-compliance by any of the members of the Board of Directors.

Directors and Employees Dealing in Company's Shares:

The board is responsible for reviewing share dealings by the Board Members, their spouses and children annually, and to decide whether any proposed dealings in the Company's shares at any time by director or their family member or employee requires the prior consent of the Chairman or Security Market.

During the year 2019, no share transactions were conducted in either their personal capacity or representing a company by the Board of Directors including their first class relative.

S/N	Names	Position/Relationship	Shares held at 31/12/2019	Total Sale	Total Purchase
1.	H E Sheikh Mohamed Bin Sultan Al Dhahiry	Chairman Board of Directors	4,587,098	-	-
2.	H.E. Yousef Bin Mohamad Ali Al Nowais	Deputy Chairman	189,799	-	-
3.	H.E. Sh. Ahmed Moh'd Sultan Al Dhahiri	Board of Director	3,219,869	-	-
4.	H.E Sh. Sultan Saeed Sultan Al Dhahiri	Board of Director	1,451,939	-	-
5.	H.E. Saif Bin Mubarak Al Riyami	Board of Director	2,988,505	-	-
6.	H.E. Saif Saeed Bin Ahmed Ghobash	Board of Director	26,666	-	-
7.	Mr. Muhammad Saeed Omran Al Mazrouei	Board of Director	10,000	-	-
8.	Mr. Rashid Saeed Ahmad Ghobash	Board of Director	-	-	-
9.	Mr. Mohamed Hussain Jasim Al Nowais.	Board of Director	2,681,759	-	-



Board of Directors:

Board Composition:

Company's Board of Directors comprises of 9 Non-Executive members from which 9 are independent directors and there is change in the formation of Board of directors for 2019. Following table is listing down the board members along with their representation on different Board Committees.

Sr. No.	Name	Particulars (Independent / Executive)	Board Committee Memberships	Duration
1.	H.E Sheikh Mohamed Bin Sultan Al Dhahiry	Independent & Non-executive	Chairman Board of Directors	Since 1993
2.	H.E. Yousef Bin Mohamad Ali Al Nowais	Independent & Non-executive	Deputy Chairman.	Since 2007
3.	H.E. Sh. Ahmed Moh'd Sultan Al Dhahiri	Independent & Non-executive	Chairman – Nomination and Remuneration	Since 2016
4.	Mr. Rashid Saeed Ahmad Ghobash	Independent & Non-executive	Member – Audit Committee	Since 2019
5.	H.E Sh. Sultan Saeed Sultan Al Dhahiri	Independent & Non-executive	Member – Audit Committee and Investment Committee.	Since 2016
6.	H.E. Saif Bin Mubarak Al Riyami	Independent & Non-executive	Member – Nomination and Remuneration Committee & Audit Committee	Since 1984
7.	H.E. Saif Saeed Bin Ahmed Ghobash	Independent & Non-executive	Member – Nomination & Remuneration Committee.	Since 2010
8.	Mr. Muhammad Saeed Omran Al Mazrouei	Independent & Non-executive	Chairman Audit Committee and member - Investment Committee.	Since 2013
9.	Mr. Mohamed Hussain Jasim Al Nowais.	Independent & Non-executive	Chairman – Investment Committee	Since 2019

Short Curriculum Vitae of the Board Members:

- H.E Sheikh Mohamed Bin Sultan Al-Dhaheri: Businessman. Leading the Board of Directors since 1993, holds a Bachelor Degree in politics, economy & law from University of Buckingham - UK and Master's degree in Business Administration from Brunel University - UK, currently heads Al Dhahiry group. Held several important positions in the country, including Chairman of Al Dhahiry Group, Bin Suroor Holding, Abu Dhabi Refreshment Company and Chairman of Al Dhafra Insurance Company.
- HE Yousif Bin Mohammed Ali Al Nowais: Businessman, Board Member since 2007. Holds a university degree from the University of Arizona in 1979. He is the Chairman of the Board of Directors and General Manager of Arab Development Company, and also the Co-Chairman of Al-Nowais Investment Company LLC. He is also Chairman, Vice Chairman or member of several private institutions including, Archirodon, Carbon Holdings, Rotana Hotel Management, International Mechanical and Electrical Company, Technical Metal LLC, Al Ain sports club and ADIC. He has previously held several positions, in the ADNOC group including Finance Director and Managing Director of ADNOC's subsidiary FERTIL.



- H.E.Sh. Ahmed Moh'd Sultan Al Dhaheri: Businessman. He is currently Chairman of Ben Suroor Engineering Development, Vice Chairman Of Abu Dhabi National Hotels, and Abu Dhabi Aviation. He is currently board member of National Consultative council Abu Dhabi, First Abu Dhabi Bank, Etisalat, Al Dhaheri Group, and Abu Dhabi Refreshment Co.LTD. He hold a bachelor's degree in civil engineering from Al Ain University.
- Mr. Rashid Saeed Ahmad Ghobash: He holds a Bachelor's Degree of Financial Studies from American University of Sharjah. Currently, he is acting a Director of Bayan Investment Company for the past three years, and Senior Analyst in Public Debt Office and responsible for the Investor Relations Department of Finance, Abu Dhabi. Previously, he was working as Financial Analyst, Department of Finance, Abu Dhabi.
- H.E.Sh. Sultan Saeed Sultan Al Dhahiri: Businessman. He is currently Board member of Al Dhaheri Group, Bin Suroor Holding and Abu Dhabi Refreshment LTD. He holds as General Business Administration and Management.
- H.E. Saif Bin Mubarak Al Riami: Businessman. Brigade retired, a board member since 1984, he served as a board member of Abu Dhabi Commercial Bank, national Association, the Municipal Council, Chairman of the Board of Directors in Ain Cooperative Society, Al Khor Contracting Company, baraem Al Ain school, Al Ain technical Metal Industries, Al Dhaheer Colas group (Oman) . He holds a master's degree in military science-the National Defence College (India).
- H.E. Saif Saeed bin Ahmed Ghobash: He was appointed as Undersecretary of the Department of Culture and Tourism – Abu Dhabi in March, 2016. Member of the Board of Directors since 2010. He is currently Chairman of Abu Dhabi National Exhibition Centre (ADNEC) and a Board member of Abu Dhabi Media, where he was the acting Chief Executive Officer and Chief Operating Officer previously. In addition, he is Deputy Chairman of the Board of Al Ain Zoo and Board Member of Emirates Palace, Special Olympic Games, Abu Dhabi Health Services Company (SEHA), Paris Sorbonne University Abu Dhabi (PSUAD), Executive Advisory Board at Wharton School and Excel London. He holds a BA in Economics from Wharton School (University of Pennsylvania) and an MBA from Aston University United Arab Emirates)
- Mr. Mohamed Saeed Omran Al Mazrouei: A young finance professional. Member since 2014, holds a Bachelor's Degree of Business Administration in Finance and Management from American University of Sharjah and a Master's degree in Finance and Banking from Paris-Sorbonne University Abu Dhabi. Have experience in handling investment portfolio, coupled with experience of managing Al Omran Real Estate and Electro Technical Line (Maintenance Company).
- Mr. Mohammad Hussain Jasim Al Nowais: He holds a Bachelor's Degree in Economics and Business Finance from the Brunel University in London, UK. Currently he is the Chairman and Managing Director of Tama Investments & Development LLC. He is also the Executive Director of Al Nowais Investments. Previously, he worked with J.P. Morgan in USA and completed multiple internships with international financial institutions including HSBC in Abu Dhabi and Citi Bank in London, UK.



Women Members in the Board of Directors:

The nomination process for the Board of Directors is open and available to all qualified shareholders. The shareholders choose a member of the Board of Directors of the women according to the nomination process. It should be noted that to date, no woman has been a member of the Board of Directors. During the opening of the nomination period at the 2019 General Assembly meeting as there is no female component in the Board of Directors currently.

Directors Remuneration

Remuneration to the board members is determined in pursuant to the Article (118) of the Law of Commercial Companies No. (8) Of 1984. I.e. Up to 10% of the profit for the year, after deducting depreciation and reserve, and distributing a minimum of 5% as revenues from the shareholders capital. Remuneration AED 3,000,000 was paid to the Board for year 2018.

Proposed remuneration for Board of Directors for 2019, which will be submitted to the Annual General Assembly meeting is AED 4,500,000.

No allowances was paid for Board of Directors for attending the sessions of the Board subcommittees for the Financial Year 2019.

Audit Committee:

Name	Number of meetings	Total
Mr. Mohammed Saeed Omran Al Mazrouei	3	-
H.E. Saif Bin Mubarak Al Riyami		-
Mr. Rashid Saeed Ahmad Ghobash		-

Nomination and remuneration committee:

Name	Number of meetings	Total
H.E. Sheikh Ahmed Mohammed Sultan Al Dhaheeri	1	-
H.E. Saif Saeed Bin Ahmed Ghobash		-
H.E. Saif Bin Mubarak Al Riyami		-

Investment Committee:

Name	Number of meetings	Total
Mr. Mohamed Hussain Jasim Al Nowais	5	-
H.E. Sheikh Sultan Saeed Sultan Suroor Al Dhaheeri		-
Mr. Mohamed Said Omran Al Mazrouei		-



Board Meetings:

There were 7 Board meetings held during the year 2019. The following table clarifies the dates of the meetings and the attendance of the members:

Name of Directors	Dates of Meetings						
	(07/2019) 10/11/2009	(06/2018) 23/09/2019 (Circular)	(05/2019) 06/08/2019	(04/2019) 21/07/2019 (Circular)	(03/2019) 13/05/2019	(02/2019) 23/03/2019	(01/2019) 12/02/2019
H.E. Sheikh Mohamed Bin Sultan Al Dhahiry	✓	✓	✓	✓	✓	✓	✓
H.E. Yousef Bin Mohamed Al Nowais	✓	✓	✓	✓	✓	✓	✓ Proxy
H.E.Sh. Ahmad Moh'd Sultan Al Dhahiri	✓	✓	✓	✓	✓	✓	✓
Mr. Ahmed Saeed Ahmed Saeed Ghobash.	E	E	E	E	E	E	✓
H.E.Sh. Sultan Saeed Sultan Al Dhahiri.	✓	✓	✓	✓	✓	✓	✓
H.E. Saif Bin Mubarak Al Riomy	✓	✓	✓	✓	✓	✓	✓
H.E. Saif Saeed Bin Ahmed Ghobash	✓ Proxy	✓	✓	✓	✓	✓	✓ Proxy
Mr. Salem Rashed Abdullah Al Noalmi	E	E	E	E	E	E	✓
Mr. Mohamed Saeed Omam Al Mazrouei	✓	✓	✓	✓	✓	✓	✓
Mr. Rashid Saeed Ahmed Saeed Ghobash	✓	✓	✓	✓	✓	✓	N/A
Mr. Mohamed Hussain Jasim Naser Al Nowais.	✓ Proxy	✓	✓	✓	✓	✓	N/A

“✓” = Attended

“✓ Proxy” = Proxy

“✗” = Apologized

“N/A” = Were not member as of date

“E” = Term Expired



Board Tasks and Responsibilities:

The Boards' role is to represent the shareholders and is accountable to them for creating and delivering value through the effective governance of the business.

The Board will annually publish an Annual Governance Report, which is a statement of the practices and processes the Board has adopted to discharge its responsibilities.

Once appointed, every director shall disclose to the Company the nature of relations he has with other listed companies, including positions, investments and other significant obligations through signing a Declaration of Independence Form.

Additionally, the Board shall have the following Roles and Responsibilities:

- Set and review the strategic direction and approves the Annual Operating Budget and Business Plan;
- Make decisions concerning the Company's capital structure and dividend policy;
- Review, approve and monitor major investments and strategic commitments;
- Review and approve the annual and interim Financial Statements;
- Ensure compliance with applicable laws, regulations and all appropriate accounting standards;
- Ensure that an adequate risk management framework is in place to identify, assess and mitigate risks;
- Ensure appropriate policies and delegations are in place to effectively govern the Company;
- Adopt a Governance Structure that is aligned with the Company's values and strategies, and ensures the following:
 - Enhancing the Company's reputation;
 - Maintaining high standards of behavior;
 - Promoting ethical and responsible decision making;
 - Communicate clear expectations and Delegation of Authority; and
 - Complying with the applicable Governance Regulation (i.e. Securities Commodities Authority (SCA) regulations).
- Appointment of the Senior Management and evaluation of his on-going performance and remuneration through the Nomination and Remuneration Committee.
- Ensure that an appropriate succession plan for Senior Management is in place;
- Recognize the legitimate interests of all stakeholders, being the shareholders, customers, staff and the communities in which the Company operates;



- Set written rules for the dealings of the staff in the securities issued by the Company and its associated companies (where applicable);
- Ensure the integrity of external reporting including:
 - Review and monitor controls, processes and procedures in place to maintain the integrity of the Company's financial and accounting records and statements, with the guidance of the Audit Committee upon its formation;
 - Ensure accurate, objective and comprehensive information is conveyed to the shareholders to ensure that they are fully informed of material developments; and
 - Review the reports of the Audit Committee in relation to risk, internal controls and internal and external audit reports.
- Exceptionally issue some of its decisions by passing on a draft thereof for signature in emergency situations, provided the following are taken into considerations:
 - That the cases of issuing decisions by passing on the draft decision for signature may not exceed four (4) cases a year;
 - The agreement of the majority of the members of the Board that the concerned case is a case of emergency;
 - Handing the decision to the members of the Board in writing for the purpose of their consent, provided that the documents and evidences necessary to study the same are accompanied therewith; and
 - The written consent of the majority shall be attained on any decisions of the Board that is issued through passing on written draft for signature, and provided that the same is presented to the subsequent meeting of the Board so as to include the same in the minutes of the meeting.
- Tasks of the Non-Executive Directors shall include without limitation:
 - To participate in meetings of the Board and to provide independent opinion on strategic matters, policy, performance, accountability, resources, appointments and activity criteria;
 - To ensure that priority shall be given to the Company's and Shareholders' interests in case of conflict of interests;
 - To participate in the Company's Audit Committees;
 - To control the Company's performance in realizing its agreed objectives and goals and to monitor its performance reports;
 - To develop procedural rules for the Company's Governance and supervise and monitor their implementation in compliance therewith; and
 - To avail the Board and its different Committees of their skills, experience, diversified specialties and qualifications through regular presence and efficient participation in the General Meetings.



Responsibilities Delegated to Executive Management:

The Executive management, comprising General Manager, as well as Department Heads who 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. Executive management delegates functions to senior management team subject to board policies and legal requirements.

The power to authorize the signature of the Executive Management for a period of three years from 25/6/2019.

SR	Authorized Person	Authorization power	Authorization period
I	Kamal Sartawi	Management of all the company's affairs	3 Years

Transactions with Related Parties:

Major stakeholders identified are directors including major shareholders of the company and those entities in which they have ability to control or exercise significant influence in financial and operational decisions, and key management personnel. These transactions are made with in the normal course of business. These transactions are based on the insurance services provided to Director's associated companies for the year 2019. If the transaction amount with related party exceed 5% of share capital of ADIC, Board approval is required for such transactions. Details of the transactions and relationship are as follows for 2019:

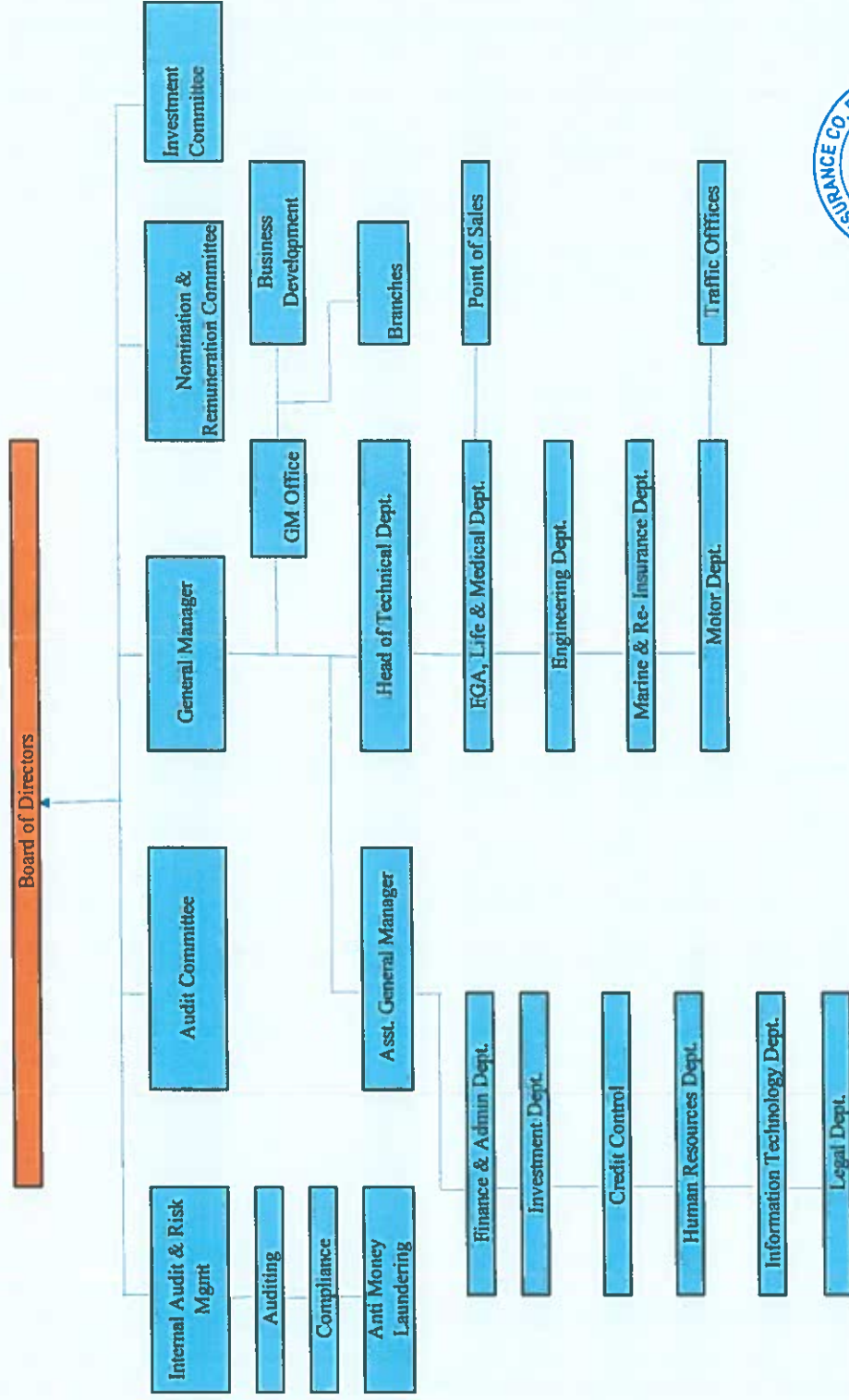
Related party Name & Nature of Relationship	Sum of Premiums	Sum of Claims
Chairman's Group	340,567	993,172
Chairman's Group	41,573	16,089
Chairman's Group	575,585	399,745
Chairman's Group	214,929	19,745
Chairman's Group	-	-
Chairman's Group	106,489	13,693
Director	96,731	4,110
Director	52,772	-
Director	8,726	-
Director	-	-
Director	53,400	15,255
Total	1,490,772	1,461,809

There was no board member whose transactions exceeded 5% of the paid up capital.



Company's Organizational Structure:

The following is the company's organizational chart





Company's Executive management includes:

Total remuneration given in 2019 to General Manager, Assistant General Manager and Head of Technical as per table below:

Ser.	Position	Date of appointment	Total salaries and allowances paid for 2019 (AED)	Total proposed bonuses for 2019	Any other cash/ real bonuses of 2019 (or to become payable thereafter)
1	General Manager	Since 1984	1,593,736	1,094,580	xx
2	Asst. General Manager	Since 1994	682,667	165,000	xx
3	Head of Technical	Since 2013	575,619	133,650	xx

Supervision Committee of Insiders' Transactions

Mr. Ajith Kumar, Chairman of the Supervision Committee acknowledges his responsibility for the follow-up and supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness.

1. A committee was set up to monitor and supervise insider transactions on 9/3/2017 from the following:

Name	Member of Supervision Committee
Mr. Ajith Kumar	Chairman of the Committee
Mr. Mohammed Al-Najoumi	Member
Ms. Salma Hammami	Member

2. The committee is responsible for managing the policy of dealing with the shares of the company and monitoring the circulation of members of the Board of Directors and employees in the shares of the company regularly.
3. The Committee held its meeting on 05/01/2020 and reviewed the updated list of insiders' record. It also reviewed the total trading on the company's shares as at 31/12/2019 and did not notice any irregularities related to insider transactions during that period.



External Auditors:

The External Auditor of Al Dhafra Insurance Company is Ernst & Young, Registration No. (1385) and their address is P.O. Box: 136 -Abu Dhabi- UAE. The said Auditor is an External Auditing Company and independent from the Company's Board of Directors and its Executive Management.

The Board of Directors recommends to the General Assembly the appointment of the External Auditor upon the recommendation of the Audit Committee which takes into account the efficiency, reputation and experience. The determination of the External Auditor fees is decided by the General Assembly of the Company. The External Auditor Attends the Company's General Assembly Meeting and presents its report to the shareholders, such report shall be neutral and independent. Also, the External Auditor replies to the enquiries related to its report.

There are no reservations of the company's auditor on the interim and annual financial statements for the year 2019.

The Audit Committee reviews the quality and efficiency of the audit operations performed by the External Auditor, and presents the necessary recommendations to the Board of Directors as to the re-appointment or replacement of the External Auditor. The External Auditor has been auditing the Company's accounts since 2019.

The company has not utilized any form of services from any other external auditor/party while preparing its annual Financial Statements.

Name of Auditing Firm	Ernst & Young
Audit Engagement Partner	Raed Ahmad
Number of years the auditor spent as an external auditor of the Company	Since 2019 (1 year)
Total auditing fees in relation to the financial statements of 2019 (AED)	AED 215,000
The cost of other services rendered by the external auditor for filing of XBRL to Security and Commodities Authority (SCA) , E-Form certification and AML report for Insurance Authority	AED 235,000
A statement of other services provided by another external auditor (other than the Company's auditor) during 2019 (if any). If there was no another external auditor, this should be mentioned expressly	<ul style="list-style-type: none"> • KPMG for Internal Audit Services



Board Committee's:

Audit Committee:

Mr. Mohamed Saeed Omran Al Mazrouei, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness

Roles and Responsibilities (Term of Reference):

- Oversight of the preparation of the Financial Statements.
- Review of the annual and quarterly Financial Statements.
- Review any insider, affiliated or related party transactions and ensure that rules for the conduct and approval of these are complied with.
- Reviewing the Company's Internal Control Systems for effectiveness. This may be undertaken by seeking assistance from external consulting firms.
- Ensure Risk Management policies are developed and undertake regular examination of cases of non-compliance with the same.

Composition of the Audit Committee:

S No	Name	Designation
1	Mr. Mohamed Saeed Omran Al Mazrouei	Chairman
2	H.E. Saif Bin Mubarak Al Riyami	Member
3	Mr. Rashid Saeed Ahmed Ghobash	Member

- Mr. Omran Al Mazrouei has the expertise in finance and accounting. All three members are Non-Executive.

The following table clarifies the dates of the meetings and the attendance of the members:

Name	Meeting Dates		
	(03/2019) 05/11/2019	(02/2019) 13/05/2019	(01/2019) 10/02/2019
Mr. Ahmed Saeed Bin Ahmed Ghobash.	E	E	✓
Mr. Mohamed Saeed Omran Al Mazrouei	✓	✓	✓
H.E. Saif Bin Mubarak Al Riyami	✓	✓	x
Mr. Rashid Saeed Ahmed Ghobash	✓	✓	N/A

"✓" - Attended

"✓Proxy" - Proxy

"x" - Apologized

"N/A" - Were not member as of date

"E" - Term Expired



Nomination and Remuneration Committee

Sh. Ahmed Moh'd Sultan Al Dhahiri, Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness

Roles and Responsibilities (Term of Reference):

Verification of on-going independence of independent board members. If the committee discovers that any of the members do not meet the independence criteria, it shall present this matter to the company's board and the board shall notify the member by a letter to be sent by registered mail to the members' registered address recorded in the company's files and shall address the reasons for the lack of independence; such member shall provide clarification to the board within fifteen days from the date of the notification.

The board in its earliest meeting after the member's response or after the expiry of the period preferred to above, shall issue a decision confirming whether the member is considered independent or not.

Even when such board member is no longer meeting the independence criteria and such situation does not result a breach to the minimum requirement for the number of independent board members, the same must be taken into account when establishing board committees.

Notwithstanding provisions of Article (102) of the Commercial Companies Law, if the board decision holding that the member is no longer independent is to impact the minimum requirements for the independent board members, the board shall appoint a new member as a replacement and such appointment shall be reviewed at the earliest general assembly of the company in order to give effect to the decision of the board.

Formulation and annual review of the policy on granting remunerations, benefits, incentives and salaries to the Board members and senior executives of the Company and the committee will verify that remunerations and benefits granted to the senior executive management of the Company are reasonable and in line with the Company's performance.

Composition of the Nomination & Remuneration Committee:

The Board has delegated authority to the committee as per the approved term of reference. The role of the Committee is to assist in discharging the board's responsibilities relating to compensation of company's staff and nomination to the membership of the board in line with applicable laws and regulations. The Board decides the need and frequency of the committee to discuss and advise related matter accordingly, the members nominated by the board for committee are as follows:

S No	Name	Designation	Attendance
1	Sh. Ahmed Moh'd Sultan Al Dhahiri	Chairman	✓
2	H.E Said Bin Mubarak Al Riyami	Member	✓
3	H.E. Saif Saeed Bin Ahmed Ghobash	Member	✓



The following table clarifies the dates of the meetings and the attendance of the members:

Name	Meeting Dates
	(01/2019) 12/02/2019
H.E. Sh. Ahmed Moh'd Sultan Al Dhahiri.	✓
H.E. Saif Bin Mubarak Al Riyami	✓
H.E. Saif Saeed Bin Ahmed Ghobash.	✗

"✓" - Attended

"✓ Proxy" - Proxy

"✗" - Apologized

"N/A" - Were not member as of date

"E" - Term Expired

Investment Committee:

Mr. Mohamed Hussain Jasim Al Nowais., Chairman of the Investment Committee acknowledges his responsibility for the committee system in the company and for his review of its work mechanism and ensuring its effectiveness.

Roles and Responsibilities (Term of Reference):

- Setting the investment guidelines
- Reviewing / monitoring the investments
- Review the compliance of investment portfolio with the applicable laws
- Review and monitor the performance of the investment made through outsourcing
- In conjunction with the Audit Committee, determining the scope of the rigorous audit procedures that include full coverage of the investment activities to ensure timely identification of internal control weaknesses and operating system deficiencies
- Assisting the Board of Directors in its evaluation of the adequacy and efficiency of the investment policies, procedures, practices and controls applied in the day-to-day management of its business through an audit report that is to be submitted to the Audit Committee
- Review and approve the valuation methods used to value the investments
- Review and approve a stress testing framework and policy for all its investments
- Review the result of stress testing performed at least annually

Composition of the Investment Committee:

1	Mr. Mohamed Hussain Jasim Al Nowais	Chairman
2	H.E. Sheikh Sultan Saeed Sultan Suroor Al Dhaheri	Member
3	Mr. Mohamed Saeed Omran Al Mazrouei	Member



The following table clarifies the dates of the meetings and the attendance of the members:

Name	Meeting Dates				
	(01/2019) 08/01/2019	(02/2019) 12/02/2019	(03/2019) 02/05/2019	(04/2019) 14/07/2019	(05/2019) 20/10/2019
H.E. Salim Rashid Abdullah Al-Naimi	✓	✓	E	E	E
Mr. Mohamed Hussain Jasim Al Nowais.	N/A	N/A	✓	✓	✓
H.E. Sheikh Sultan Saeed Sultan Suroor Al Dhaheri	✓	✓	✓	x	✓
Mr. Mohamed Saeed Omran Al Mazrouei	x	✓	✓	✓	✓

"✓" = Attended

"✓ Proxy" = Proxy

"x" = Apologized

"N/A" = Were not member as of date

"E" = Term Expired

Internal Controls:

The Board accepts its responsibility of application, review and efficiency of the Company's Internal Control Systems. The board conducts an annual review of the following:

- Review of the mechanism of operation of the Company's internal control department;
- Review procedure that the Company has adopted to determine, assess and manage considerable risks;
- Evaluate procedure that the Company has adopted to handle material internal control aspects of any serious problems that have been disclosed in the annual accounts and reports.

Internal control system in the Company is evaluated by various procedures including:

- Financial functioning is adequately governed through internal control procedures adopted in the Company. Financial manual of the Company details the rules and procedures to be followed in each financial transaction including various levels of financial authorities are defined and exercised by the concerned authorized employees of the Company, either individually or jointly.
- The Company has an Internal Control Department headed by duly qualified and experienced internal audit professional, develops an internal audit program for the Company to ensure that the internal control and procedures of the Company are in place by undertaking periodical and concurrent review of the business transactions carried out at different departments and offices of the Company. And reporting findings to Audit Committee detailing its observations and suggestions (wherever necessary) to improve systems and procedures of the Company.



The Company's Internal Control Department structure has following roles

- Mr. Hassan Saleem is appointed as Head of Internal Audit and Compliance Department since 2016. *(Associate Chartered Certified Accountant-UK, Bachelor of Science (hons) in Applied Accounting from Oxford Brookes University-UK, Certified Accounting Technician-UK, Advanced Diploma in Business and Accounting-UK)*. A competent professional with more than 8 years of experience in Auditing operations, Risk Management and in Compliance.

On 3/11/2016, pursuant to Article (51) of the Chairman of Securities and Commodities Authority's Resolution No. (7/R.M) of 2016 concerning the Standards of Corporate Discipline and Governance of Public Shareholding Companies, the Company appointed the head of the internal control department, Mr. Hassan Saleem, as an independent compliance officer to verify the Company and its employees compliance with the laws and the regulations in force in the Country. He has the qualifications and experience mentioned in item above.

- In the event of an emergency, a major problem or such a major problem is mentioned within the reports and annual accounts, the Internal Control Department shall identify such a problem or an emergency or assess its impact on the Company and call the Audit Committee for an urgent meeting to discuss this problem and its causes, methods of treatment, how to mitigate its effects and the measures to prevent the aggravation and recurrence of the problem in the future and make recommendations to the Board of Directors for appropriate decision.
- In this regard "Three" Internal Audit reports are issued to Audit Committee and relevant presentation are given to board members. The Company has not experienced any major problem during 2019.
- Codes of Conduct are in place for staff members of the Company to ensure that level of service the company expects to deliver to its customers is achieved and to maintain highest standards of work culture. And all staff members of the Company are fully aware of all administrative rules within the Company.
- Detailed operating manuals and policies of all underwriting, claims and other functional departments of the Company are followed by every department.
- All activities of the Company are computerized with special focus to update and improve computer system in use as to satisfy Company needs and serve its clients efficiently.

Details of Non-Compliance by the Company/Violations:

A sum of multiple penalties amounted AED 26,000 imposed by Health Authority, other than that Al Dhafra Insurance has not violated nor breached any regulatory rules and regulations for the year 2019.



Corporate Social Responsibility and Environment Sustainability:

1) Ethical Conduct

We strive to conduct business with honesty, integrity and respect for all our clients.

2) Environment Protection

For 2019, the company continuously adheres to protecting the environment by promoting an awareness "greener" business like encouraging staff to restrict printing if it can be kept on screen "Think GREEN before printing this email ".

3) Employee Care

We seek to maintain a healthy work environment by ensuring the safety and wellbeing of our employees and providing a fulfilling & rewarding career for all.

We also strongly support nationalization through secession planning, training and career development.

In recent years, we have continued to refine our employee offering and implement initiatives that meet business needs in the most efficient and effective manner. These includes a new portfolio of globally accredited training courses and an impressive array of employee benefits.

4) Training for UAE Nationals

ADIC believes that 'On the Job Training' for Emiratis will make them more competent than outside class room training and in On Job Training Emirati employees will be directly inducted by Dept. heads having intense experience and knowledge in their respective area of work. Under direct supervisor of Dept. heads employee will get more confidence in their work as well as trainer can guide them towards results with proper feedback.

We are also encouraging our Emirati staff to attend training programs, workshops conducted by Insurance Authority and Emirates Institute for Banking and Financial Studies.

5) Emirates Red Crescent

ADIC shall overtake that it needs to be a responsible member in the community where it works and deal, from this point company is donating charity every year to Emirates Red Crescent, UAE to achieve their goals. During the year 2019 Al Dhafra contributed AED 71,178 to The United Arab Emirates Red Crescent (UAERC).



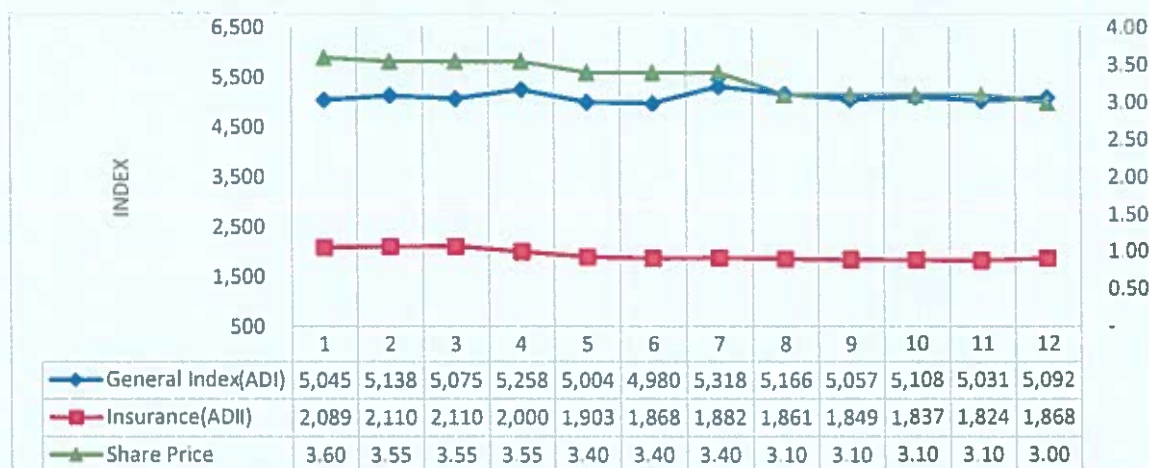
General Information:

- Share price at the market (high/low) at the end of each month of the year 2019:

Month	High	Low	Closing
January	AED 3.60	AED 3.55	AED 3.60
February	AED 3.55	AED 3.55	AED 3.55
March	AED 3.55	AED 3.55	AED 3.55
April	AED 3.55	AED 3.55	AED 3.55
May	AED 3.40	AED 3.40	AED 3.40
June	AED 3.40	AED 3.40	AED 3.40
July	AED 3.40	AED 3.40	AED 3.40
August	AED 3.10	AED 3.10	AED 3.10
September	AED 3.10	AED 3.10	AED 3.10
October	AED 3.10	AED 3.10	AED 3.10
November	AED 3.10	AED 3.10	AED 3.10
December	AED 3.02	AED 3.00	AED 3.00

SHARE PRICE

Comparison of the share volume performance with the market index and Insurance Industry Index



*(Source ADX Website)

4.31% of shares are being held by 11 corporate shareholders and 65.69% of shares held by individual shareholders as at 31st December 2019, all shareholders are either UAE Nationals or companies established in UAE. As shown in table (1):

Table No. (1):

Ser.	Shareholder Classification	Shareholding (%)			
		Individuals	Corporations	Governments	Total
1	Local	65.69	34.31	-	100
2	Arabic	-	-	-	
3	Foreign	-	-	-	
	Total	65.69	34.31	-	100



Al Dhafra shares are held by UAE nationals and companies. Shareholding Pattern (Individuals, Companies, Government) & Major Shareholders who hold more than 5% of Capital As shown in table No. (2).

Table No. (2):

Name of the Company /Individual	Shareholder type	% Holding
Ghobash Trading	Company	20.65%
H.H Aisha Saeed Muhammad Al Dhahiri	Individual	13.17%
Mr. Saeed Ahmed Omran Al Mazroui	Individual	6.01%
Masaa Company	Company	5.83%
Mr. Nawaf Ghobash Ahmed Saeed Ghobash Al Merri	Individual	5.20%

34.31% of the company's shares are owned by 11 shareholders and 65.69% are held by individual shareholders as at 31 December 2019. All shareholders are UAE nationals or companies established in the UAE. The chart structure to contribute to the company as in Table (3):

Table No. (3):

Share Holding	No. of Shareholder	No. Shares Held	Holding Percentage
Shares Less than 50,000	77	856,151	0.86%
Shares from 50,000 but less than 500,000	38	8,801,429	8.80%
Shares From 500,000 but Less than 5,000,000	24	39,460,761	39.46%
Shares from 5,000,000 and above	5	50,881,659	50.88%
GRAND TOTAL	144	100,000,000	100%

Investor Relation Officer:

Company designated an employee as Investor Relation officer and his name and contact details are update in company website. Company has opened a page in Arabic format on company website dealing with matters of interest to investors and updating the information regularly.

Name	Designation	Mobile No.	E-mail	Contact
Mohamed Ahmed El Noujomi	Investor Relation Officer	055 561 61 69	investorsrelation@aldhafrainsurance.ae	Ph: 02-6949 409 Fax: 02-6729-833

<http://www.aldhafrainsurance.ae/investors-relation/contact-us/>

Board Secretary:

She is responsible for relevant administrative tasks in addition to attending and recording Board Meetings.

Name	Designation	Date of Appointment	Qualification
Hammami Salma	Board Secretary & Committees	26 th November, 2011	Masters of Law



Main Responsibilities of the Board Secretary:

1. Prepare for Board Meetings
2. Prepare the Minutes of the Board Meetings.
3. Prepare for the Meeting of the Committees of the Board of Directors.
4. Prepare the minutes of the meetings of the committees of the Board of Directors
5. Follow – up for Signatures of the Minutes and provide Members with Signed Copies.
6. Follow – up the Implementation of Decisions Issued by the Board of Directors.

Major Events the company had during the year 2019:

There were no major events during the year.

Emiratization:

The Al Dhafra Insurance Company is highly committed to the Emiratization drive and has been recruiting UAE Nationals of the highest caliber and supporting them with a successful professional career path plan over the years.

The Al Dhafra Insurance Company has a diverse range of career options and training opportunities which identifies local talent, nurtures and rewards them through training, mentorship and professional development to ensure the active promotion of UAE nationals with attractive remuneration packages. The table below shows the number of local staff within our company at the end of 2019.

Emiratization Percentage in 2017	Emiratization Percentage in 2018	Emiratization Percentage in 2019
7%	7%	6%

Special resolutions before the general assembly held during 2019:

No special resolutions were presented to the General Assembly held on 19/03/2019.

Statement of innovative projects and initiatives:

The company did not undertake any innovative projects or initiatives during 2019.

Signature of the Chairman
of the Board of Directors

Date : 11/02/2020

Signature of the Chairman
of the Audit Committee

Date : 11/02/2020

Signature of the Chairman of the
Nomination and Remuneration
Committee

Date : 11/02/2020

Head of Internal Audit
Department

Date : 11/02/2020



Company Official Seal