



شركة الوثبة الوطنية للتأمين ش.م.ع.  
AL WATHBA NATIONAL INSURANCE CO. P.J.S.C.

## Corporate Governance Report for the year (2022)



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رأس المال المدفوع و المصرح به (٢٠٧) مليون درهم شركة خاضعة لأحكام القانون الإتحادي رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين و تنظيم أعماله و مقيدة بسجل شركات التأمين الرقم (١٠)

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## Introduction

Al Wathba National Insurance Company PJSC (the "Company") was established by Emiri Decree No. 3/78 on 10/2/1978 and is a national company, registered with the Central Bank (previously Insurance Authority) with registration number 10. The Company's principal activity is transaction of general insurance and re-insurance business of all classes. The Company is listed on Abu Dhabi securities exchange and has its head office in Abu Dhabi with the current capital at AED 207 million.

### 1. Procedures to complete Corporate Governance system.

**Procedures taken to complete the Corporate Governance system during 2022, and how they are applied:**

The company was keen to abide by and work in accordance with Federal Law No. (32) of 2021 regarding commercial companies and the Chairman of the Board of Directors' Decision No. (03/R.M) of 2020 and its amendments regarding the standards of institutional discipline and governance of public shareholding companies.

The company has set its sights on the relentless pursuit of applying policies derived from the rules and standards of institutional discipline in force in the country, believing that this will contribute to the company achieving its goals and in line with the interest of shareholders and increasing sustainable value for them, as well as the interest of customers and employees in it to enhance the elements of the control environment and ensure compliance with transparency standards Accountability, responsibility and disclosure, in order to preserve the integrity of the work, as this is what the Board of Directors and the Executive Management both do and are keen to implement.

The Board of Directors, through its committees, also pays great attention to the issue of corporate governance and discipline by supervising the management of the company and its implementation of the responsibilities and duties entrusted to it through the powers granted to it and supervising the implementation and development of the company's policies and procedures to ensure the efficiency and effectiveness of the company's internal controls.

The company is also committed to applying the rules of governance for insurance companies issued by the Central Bank of the United Arab Emirates, which began to be applied as of 12/15/2022.

**The Company has taken several steps to enhance the corporate governance through:**

#### 1.1 Audit Committee:

- The Audit Committee meets with the Internal Controls Department to review the operational effectiveness and controls to ensure the continuity of the effectiveness of the company's internal auditing system.
- The Audit Committee have met and recommended to the Board of Directors to appoint KPMG as the External Auditor for the year 2022 which was approved by the General Assembly on 25/04/2022.
- The Audit Committee meets with the Company's External Auditor on an annual basis.
- The Audit Committee has sent the minutes of the meetings to the Board of Directors for review and discussion at the Board meetings.





- The Audit Committee performed the following duties through the Internal Audit function, which regularly reports to the Committee:
  - A. Monitoring and reviewing the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly).
  - B. Reviewing the internal control and risk management systems of the company.
  - C. Ensuring that the Company complies with the code of conduct.

### **1.2 Risk Management:**

The internal audit identifies the risks and their significance, as they audit the internal divisions and internal departments of the company based on the annual plan projected. The internal audit function makes recommendations through the internal audit reports to discuss with the Audit and Senior Management Committee for managing these risks.

Moreover, the company's data is analyzed, and detailed reports are issued. In these reports, specific risks are recognized throughout, as well as what should be avoided and ways to address these issues identified.

The strategy aims at covering all types of risks that will be insured in terms of risk type and value, as well as type of insured sector and geographic boundaries.

### **1.3 Report of any potential violations:**

The company has whistle blower policy in place which ensures compliance with the system that enables employees to report potential violations in financial reports, internal controls or other matters in such a way as to enable them to report while ensuring that their rights are not infringed, and to establish steps to ensure independent investigations of such violations through the formation of an independent committee to consider such violations (If any).

### **1.4 Compliance with laws and regulations:**

The company is committed to complying with the laws and regulations issued by the Securities and Commodities Authority, Abu Dhabi Securities Exchange, Central Bank, previously the Insurance Authority, Health Authority, Labor Law, and other laws and regulations in the UAE due to the company's status as a public joint stock company listed in Abu Dhabi Security's Market and carries out its insurance business practice.

### **1.5 Board of Directors:**

- The Board of Directors discusses the reports of the Internal Controls Department.
- The Board of Directors follow up on the Audit Committee and Nomination & Remuneration Committees in accordance with the governance regulations.
- Ensure shareholders' rights by maximizing the profitability of the company.

### **1.6 Governance Report:**

The Company is committed to make the Corporate Governance Report available to all shareholders and publish it through the usual means of publication prior to the announcement of the General Assembly's invitation by enough time, for the shareholders to review it.



## 2. Transactions in the Company's securities

The ownership and dealings of the members of the Board of Directors and their first-degree relatives in the company's securities during the year 2022:

According to the disclosure system and pursuant to the provisions of Article (36) of the disclosure and transparency system issued by the Securities and Commodities Authority and in accordance with what is established in the Abu Dhabi Securities Market, the ownership and trading operations of the company's shares of the members of the Board of Directors or their first-degree relatives for the year 2022 are as follows:

Name	Position/Relationship	Shares Held as at 31/12/2022	The Total of sale	The Total of purchase
<b>Sheikh/ Saif Bin Mohamed Bin Butti Al Hamed</b>	Chairman/Himself	-	-	-
<b>H.E. Rashed Darwish Ahmed Al Ketbi</b>	Vice Chairman & Managing Director/Himself	7,526,358	11,454,869	-
<b>Mr. Mohammed Rashed Darwish Ahmed Al Ketbi</b>	Son	8,133,905	-	-
<b>Mr. Shukri Salem Musabah Al Mheiri</b>	Board Member/Himself	-	-	-
<b>Mr. Mohamed Saeed Abdulla Al Qubaisi</b>	Board Member/Himself	862,500	-	-
<b>Mr. Ahmed Ali Khalfan Al Dhaheri</b>	Board Member/Himself	-	-	-
<b>Mr. Rasheed Ali Rasheed Al Omaira</b>	Board Member/Himself	34,500	-	-
<b>Mr. Khalifa Saif Darwish Al Ketbi</b>	Board Member/Himself	-	-	-
<b>Mr. Khalid Khalifa Mohamed Al Mheiri</b>	Board Member/Himself	-	-	-
<b>Ms. Sanaa Rashed Darwish Al Ketbi</b>	Board Member/Himself	-	-	-



### 3. Board of Directors

#### 3A. Composition of the Board of Directors

The Board of Directors is responsible for ensuring fair returns to shareholders in exchange for their investments in the company and protecting their rights, as well as approval of strategic plans, budget, investments, supervision and management of the company's financial situation and decision-making and other matters.

The current Board of Directors of the company consists of the following nine members (elected during the General Assembly in 2021):-

Name	Date of Election/ appointment	Category	Board of Directors	Audit Committee	Investment Committee	Nomination & Remuneration Committee
Sheikh / Saif Bin Mohammed Bin Butti Al Hamed	29/04/2000	Non-Executive / Non-Independent	Δ			
H.E. Rashed Darwish Al Ketbi	29/04/2000	Executive / Non-Independent	O		Δ	
Mr. Shukri Salem Al Mheiri	15/10/1997	Non-Executive / Non-Independent	□		□	Δ
Mr. Mohamed Saeed Al Qubaisi	29/04/2000	Non-Executive / Non-Independent	□	Δ	□	
Mr. Ahmed Ali Al Dhaheiri	25/03/2003	Non-Executive / Non-Independent	□	□		
Mr. Rasheed Ali Al Omaira	25/03/2003	Non-Executive / Non-Independent	□			□
Mr. Khalifa Saif Al Ketbi	10/03/2013	Non-Executive /Independent	□			□
Mr. Khalid Khalifa Al Mheiri	24/04/2018	Non-Executive / Independent	□	□		
Ms. Sanaa Rashed Darwish Al Ketbi	08/09/2021	Non-Executive/ Non-Independent	□			

Δ = Chairman/  
Committee  
Chairman

O = Managing Director /  
Vice Chairman

□ = Board of Directors Member / Committee  
Member



### The experiences and qualifications of the members of the Board of Directors:

Name	Experiences	Qualifications
Sheikh Saif Bin Mohammed bin Butti Al Hamed	<ul style="list-style-type: none"> <li>CEO and Deputy Owner of United Al Saqer Group from 02/04/2008 to date.</li> <li>CEO and Deputy Owner of Al Atheer Group from 02/04/2008 to date.</li> <li>Owner and CEO of Saif Group from 01/11/1999 to date.</li> <li>Deputy Chairman of Sharjah bank (since 1999) to date.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Political Science / Economics</li> </ul>
H.E. Rashed Darwish Al Ketbi	<ul style="list-style-type: none"> <li>Chairman and Owner of Rashid Darwish Al Ketbi Commercial Investment from 2007 to date.</li> <li>Financial and Administrative director of Darwish Bin Ahmed and Sons from 1995 to 2006.</li> <li>Assistant Undersecretary for Financial and Administrative Affairs at the Ministry of Health - UAE from 1991 to 1995.</li> <li>Financial and Administrative Director of Saif Bin Darwish from 1985 to 1991.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Business Administration</li> <li>Master of Business Administration</li> </ul>
Mr. Shukri Salem Al Mheiri	<ul style="list-style-type: none"> <li>Businessman.</li> <li>General Manager of Dubai Investment Industries Company from 2006 to 2014.</li> <li>Business Development Manager for Dubai Investments Company from 2001 to 2006.</li> <li>Executive Director of Abu Dhabi Investments Company and Oman Emirates Holding Company (Emirates Branch) from 1995 to 2006.</li> <li>Director of Finance at Tawam Hospital - Ministry of Health from 1992 to 1995.</li> <li>Marketing Manager at Abu Dhabi National Oil Company (ADNOC) from 1985 to 1990.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Economics</li> <li>Master of Public Administration development</li> </ul>
Mr. Mohamed Saeed Al Qubaisi	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors of Mohammed Al Qubaisi Company from 1986 to date.</li> </ul>	<ul style="list-style-type: none"> <li>Secondary degree</li> </ul>





Mr. Ahmed Ali Al Dhaheri	<ul style="list-style-type: none"> <li>He is currently the Chairman of Ali &amp; Sons Holding Company.</li> <li>Chairman of Hily Holding (since April 2009).</li> <li>Member of the Board of Directors of Waha Capital (since April 2012) Currently Vice President since April 2018.</li> <li>Member of the Board of Directors of Abu Dhabi Aviation (since April 1999)</li> <li>Member of the Board of Directors of Al Ramz of Investment &amp; Development (PJSC) since April 2018.</li> <li>Vice Chairman and CEO of Ali &amp; Sons Group of Companies since 1998 until July 2014.</li> <li>The founder and Chairman of the Board of Directors of "AAK Investments".</li> </ul>	<ul style="list-style-type: none"> <li>Higher Diploma in Business Administration - Accounting Major with distinction from the Higher Colleges of Technology- Abu Dhabi</li> <li>Bachelor of Accounting from the School of Management and Economics of Seattle University - America</li> <li>Certified Public Accountant (CPA)</li> </ul>
Mr. Rasheed Ali Al Omaira	<ul style="list-style-type: none"> <li>CEO of Bildco during the period 2018-2021.</li> <li>Businessman from 2010 – 2017.</li> <li>CEO and Board Member of Vision Capital from 2006 to 2010.</li> <li>Employee at Abu Dhabi Securities Market from 2000 to 2006.</li> <li>Businessman from 1996 to 2000.</li> <li>Employee at RAK Bank for the period 1991-1996.</li> <li>Employee at United Arab Bank for the period 1988-1991.</li> </ul>	
Mr. Khalifa Saif Al Ketbi	<ul style="list-style-type: none"> <li>Executive Director with 20 years' experience in marketing and sales.</li> <li>Experience in business management.</li> <li>Experience in services and investment in a company specialized in the field of heavy equipment and spare parts.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Business Administration</li> </ul>
Mr. Khalid Khalifa Al Mheiri	<ul style="list-style-type: none"> <li>A financial analyst for Al-Dhabi Investment Company from 2013 to date.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Business Administration</li> </ul>
Ms. Sanaa Rashed Darwish Al Ketbi	<ul style="list-style-type: none"> <li>CEO of "RDK" Group, since March 2017 until now.</li> <li>Associate Director, Hedge Funds - National Bank of Abu Dhabi from March 2015 until February 2017.</li> <li>Investment Associate - Emirates Investment Authority - Asset Management - Abu Dhabi from August 2011 until February 2015.</li> </ul>	<ul style="list-style-type: none"> <li>Certified Financial Analyst (CFA)</li> <li>Bachelor of Business Sciences: Finance major -</li> <li>An advanced course in Macroeconomics in Banking, Monetary and Financial Policy and the Financial Crisis of 2008 - University of Oxford, United Kingdom</li> </ul>



## The Board of directors' positions in PJSC companies:

Name	Name of the Public joint stock or any important Position (Regulatory, government)	Designation
Sheikh Saif Bin Mohammed Bin Butti Al Hamed	▪ Bank of Sharjah	▪ Vice Chairman
H.E. Rashed Darwish Al Ketbi	▪ Hily Holding ▪ Waha Capital	▪ Vice Chairman ▪ Member of the BOD
Mr. Shukri Salem Al Mheiri	▪ ---	▪ ---
Mr. Mohamed Saeed Al Qubaisi	▪ Hily Holding	▪ Member of the BOD
Mr. Saeed Omeir Al Mheiri	▪ ---	▪ ---
Mr. Ahmed Ali Al Dhaheri	▪ Abu Dhabi Aviation Company PJSC ▪ Hily Holding PJSC ▪ Waha Capital ▪ Al Ramz Corporation for Investment and Development (PJSC)	▪ Member of the BOD ▪ Chairman of the BOD ▪ Vice Chairman ▪ Member of the BOD
Mr. Rasheed Ali Al Omaira	▪ Abu Dhabi National Company for Building Materials – BILDCO ▪ Waha Capital	▪ Vice Chairman ▪ Member of the BOD
Mr. Khalifa Saif Al Ketbi	▪ ---	▪ ---
Mr. Khalid Khalifa Al Mheiri	_____	
Ms. Sanaa Rashed Darwish Al Ketbi	_____	



### 3B. Women's Representation

Statement of women's representation in the Board of Directors in 2022:

The Board is committed to supporting gender diversity. As a result, as of December 31, 2022, women represented 11% of the Company's Board membership.

### 3C. Board of Directors' remuneration

**Total remunerations paid to the members of the Board of Directors for the year 2021 & total remunerations proposed to be paid for the year 2022, which shall be presented in the annual General Assembly for approval:**

The Board of Directors met on 27/03/2023 to discuss and approve the annual financial statements as of 31/12/2022. Also, the discussion consisted of the proposed distribution of shareholders' profits and the remuneration of the board of directors which will be approved by the shareholders at the general assembly meeting taking place on the 27/04/2023. As per the Federal Law No. (32) / 2021.

#### **Statement of the Board of Directors' remuneration**

Statement	<i>Paid Remuneration</i>	<i>Proposed Remuneration</i>
Year	2021	2022
Amount (AED)	4,500,000	Not decided Yet

### 3D. Board of Directors' allowances

**Allowances for attending meetings of the Board of Directors and its committees for the fiscal year 2022:**

#### **Board meetings allowances**

- There are no attendance allowances for members of the Board of Directors.

### 1. **Board Committee meetings allowances**

#### **1. Audit Committee**

<i>Name</i>	<i>Allowance (AED)</i>
Mr. Mohamed Saeed Al Qubaisi	46,000
Mr. Ahmed Ali Al Dhaheri	46,000
Mr. Khalid Khalifa Al Mheiri	46,000

#### **2. Nominations & Remunerations Committee**

<i>Name</i>	<i>Allowance (AED)</i>
Mr. Shukri Salem Al Mheiri	6,000
Mr. Rasheed Ali Al Omaira	6,000
Mr. Khalifa Saif Al Ketbi	6,000



### 3E. Board of Directors' meetings

The number and dates of Board of Directors' meetings held during the FY 2022 as well as the attendance frequency by all the members, in person and by proxy:

The Board of Directors meeting was held six times during the year 2022.

#### 1. The number and dates of Board of Directors' meetings.

<i>Meeting</i>	<i>Date of the Meeting</i>	<i>Number of attendees</i>
First Meeting	10/02/2022	8
Second Meeting	25/03/2022	9
Third Meeting	25/04/2022	9
Fourth Meeting	12/05/2022	9
Fifth Meeting	08/08/2022	8
Sixth Meeting	11/11/2022	8

#### 2. The number of personal attendances of Board members

<i>Name</i>	<i>Attendance Frequency</i>
Sheikh/ Saif Bin Mohamed Bin Butti Al Hamed	3
H.E. Rashed Darwish Al Ketbi	6
Mr. Shukri Salem Al Mheiri	6
Mr. Mohamed Saeed Al Qubaisi	6
Mr. Ahmed Ali Al Dhaheri	6
Mr. Rasheed Ali Al Omaira	6
Mr. Khalifa Saif Al Ketbi	6
Mr. Khalid Khalifa Al Mheiri	6
Ms. Sanaa Rashed Darwish Al Ketbi	6

**3F. Executive Management delegation by Board of Directors**

BOD's tasks and functions which were performed by the Executive Management pursuant to an authorization by the BOD to the Management, stating the period and validity of the delegation:

Name	Delegation	Period of Delegation
H.E. Rashed Darwish Al Ketbi -Vice Chairman & Managing Director	<ul style="list-style-type: none"> <li>To manage the company's investments, funds and contracts under its name and representing the company in its relations with others.</li> <li>He has the right to the Establishment of companies and signs contracts on behalf of the company either with himself or with the third party.</li> <li>The right to trade in shares and bonds by selling, purchasing, pledging, and canceling the pledge.</li> <li>The right to manage the properties and lands owned by the company.</li> <li>Opening, managing, closing the current accounts, depositing, and withdrawing the deposits of the company with the banks.</li> <li>Sign on behalf of the Company any papers or documents related to the above works, and such works as are approved by the board of directors whether within the United Arab Emirates or abroad.</li> <li>The right to appoint others from the managers or employees of the company in all or some of the aforementioned text.</li> </ul>	<p>Renewed on 15/02/2023. till 27/06/2024</p> <p>(Authorization renewal is considered before the expiry of the term)</p>
Mr. Bassam Adib Chilmeran - Chief Executive Officer	<ul style="list-style-type: none"> <li>Sign on behalf of the company all transactions, records, and documents in the ministries, courts, municipalities, civil associations, chamber of commerce and industry, immigration department, traffic department, labor department, and immigration affairs at airports. Also, he has the authority to sell the vehicles owned by the company and register and renew them and remove them at traffic and licensing departments, as well as purchase in company's name.</li> <li>He has the right to dismiss, appoint and authorize lawyers, arbitrators, and experts to defend the company's cases in all courts of the United Arab Emirates of all types and degrees including first instance, appeal, and supreme in all the roles of the trial, in the federal courts on all degrees, the Supreme Federal Court, and the Shari'a courts of different degrees including cessation court.</li> <li>Furthermore, he has the right to authorize in all or some of aforementioned text.</li> </ul>	<p>Renewed on 29/09/2022 until 27/06/2024</p> <p>(Authorization renewal is considered before the expiry of the term)</p>
Mr. Hassan Ali Hadid - Legal & Compliance Manager	<ul style="list-style-type: none"> <li>Signing on behalf of the company all documents and dealings before all ministries, courts, municipalities, authorities, government entities and semi government entities.</li> <li>The authority to sell the vehicles owned by the company and register and renew them and remove them at traffic and licensing departments, as well as purchase in company's name.</li> <li>The power to dismiss, appoint and authorize lawyers, arbitrators, and experts to defend the company's cases in all courts of the United Arab Emirates of all types and degrees including first instance, appeal, and supreme in all the roles of the trial, in the federal courts on all degrees, the Supreme Federal Court, and the Shari'a courts of different degrees including cessation court.</li> </ul>	<p>Renewed on 11/10/2022 until 27/06/2024</p> <p>(Authorization renewal is considered before the expiry of the term)</p>





### 3G. Related Parties Transactions

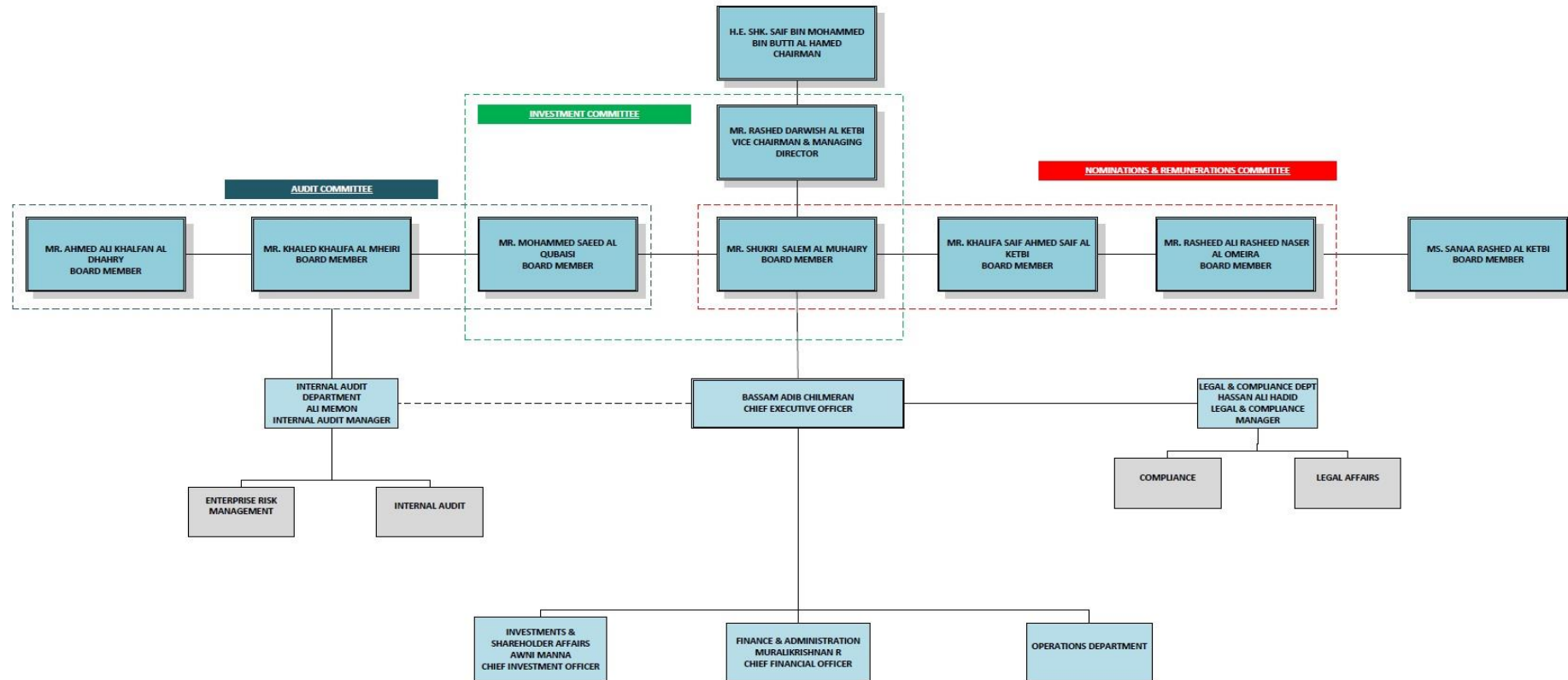
The details of transactions made with the related parties:

<i>Related Party Name</i>	<i>Position</i>	<i>Premiums</i>	<i>Claims</i>
Sheikh/ Saif Bin Mohamed Bin Butti Al Hamed and his companies	Chairman	7,392,968	2,829,821
H.E. Rashed Darwish Al Ketbi and his companies	Board Member	15,060,227	1,650,456
Mr. Shukri Salem Al Mheiri and his companies	Board Member	52,932	—
Mr. Mohamed Saeed Al Qubaisi and his companies	Board Member	178,385	62,851
Mr. Ahmed Ali Al Dhaheri and his companies.	Board Member	10,406,524	9,687,776
Hily Holding	Associate	161,169	17,932
Vision Insurance Co.(reinsurance)	Associate	448,388	—
UR International Insurance	Associate	82,485	—

During the year 2022, the company did not make any deal with related parties equal to 5% or more of the company's capital.



## AL WATHBA NATIONAL INSURANCE COMPANY CORPORATE STRUCTURE





### 3I. Executive Management Details

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

Position	Date of Appointment	Total Salaries and Allowances paid in 2022 (AED)	Total Bonuses paid for 2022 (AED)	Any other Cash/in-kind benefits for 2022 or payable in the future
Managing Director	29/04/2000	900,000	Not decided Yet	_____
Chief Executive Officer	25/11/2000	2,730,944	Not decided Yet	_____
Chief Financial Officer	05/02/2018	526,400	Not decided Yet	_____
Chief Investment & Shareholders Affairs Officer	29/05/1985	619,010	Not decided Yet	_____
Chief Operating Officer	02/12/2013	674,720	Not decided Yet	_____



#### 4. External Auditor

##### 4A. About the External Auditor:

KPMG were appointed as the company's external auditor for the financial year 2022 based on the recommendation of Audit Committee and appointed at the General Assembly which was conducted on the 25 of April 2022. KPMG is one of the largest professional services firms in the world and is one of the "Big Four" accounting firms.

##### 4B. Fees for the audit and other services

Fees for the audit and other services provided by the company's external auditor during 2022, in addition to a statement of the number of years spent as an external auditor of the company is mentioned in the schedule below:

<i>Name of Auditing Firm/Name of the partner auditor</i>	<i>KPMG / Richard Ackland</i>
Number of years served as an auditing firm:	From 2019
Number of years served as an external auditor:	From 2021
Total fees for auditing the financial statements of 2022 (AED):	375,000
Other provided services details and nature:	None
A statement of the other services performed by an external auditor other than the Company's auditor in 2022:	None
The qualified opinions made by the company's external auditor in the interim and annual financial statements for 2022	None



### Board of Directors Committees

The Board of Directors shall supervise the work of the following committees: (The Audit Committee, the Nomination and Remuneration Committee, Investment committee). They shall ensure that the committees fulfill their duties by sending all the minutes of the meetings which includes recommendations, results, and suggestions to the Board of Directors which will be discussed, and a final decision will be made based on the minutes of the meetings, and this decision will be made at the earliest board meeting and all Board responsibilities cannot be delegated to the committees.

### 5. Audit Committee

**The committee originating from the Board of Directors and the Board evaluates them and ensures their commitment to the work entrusted from time to time.**

- Mr. Mohamed Saeed Al Qubaisi, Chairman of the Audit Committee, acknowledges his responsibility for the committee's system in the company, review of its work mechanism and ensuring its effectiveness.

#### 5A. Audit Committee Members & Functions

**The names of members of the Audit Committee, and a statement of its functions and the duties assigned thereto.**

#### ✓ Committee Composition:

Name	Designation
Mr. Mohamed Saeed Al Qubaisi	Committee Chairman
Mr. Ahmed Ali Al Dhaheri	Committee Member
Mr. Khalid Khalifa Al Mheiri	Committee Member

#### ✓ Audit Committee Functions:

- Ensure the availability of the required resources for the internal controls department and reviewing and monitoring the effectiveness of such department.
- Ensure the independence of the external auditor, review the auditor's letter, work plan, and objectivity.
- Submitting a recommendation to the Board of Directors on the appointment, dismissal, or resignation of the External Auditor.
- Monitoring the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly) and review there of as part of its normal work during the year, and the committee shall particularly focus on the following:
  - Any changes in accounting policies and practices.
  - Highlighting the aspects that are subject to the management's discretion.
  - Substantial amendments resulting from auditing.
  - Supposing continuity of the Company's business.
  - Commitment to the accounting standards approved by the Authority.
  - Commitment to the listing and disclosure rules and any other legal requirements related to preparation of financial reports.
- Coordinating with the Company's Board of Directors, Senior Executive Management, and the financial manager or the manager doing





such role in the Company, for the purpose of performing its duties.

- Considering important and unusual clauses that are or shall be mentioned in such reports and accounts, the committee shall also pay the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor.
- Review of financial control, internal control, and risk management systems in the Company.
- Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control.
- Considering the results of primary investigations relating to internal control issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of director's approval of such initiative.
- Review the Company's financial and accounting policies.
- Meeting of the Audit Committee with the External Auditor at least once a year.
- Ensure the existence of coordination between the internal and external auditor, which will be done at the meeting with the internal audit department.
- Reviewing the External Auditor's letter and their work plan and any material queries raised by the auditor to the management on the following: accounting records, financial accounts, or internal control systems.
- Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the external auditor's letter.
- Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.
- Review and discuss internal audit reports.

- The Audit Committee shall send all minutes of the Committee meetings to the Board of Directors for discussion and review at the next Board meeting.
- Monitoring the extent to which the Company complies with the code of conduct.
- Submitting reports and recommendations to the Board of Directors as per the functions listed herein.
- Considering any other issues determined by the Board of Directors.

#### **5B. Audit Committee meetings**

**The number and dates of the meetings held by the audit committee and the attendance frequency:**

- In 2022, The Audit Committee held five meetings to carry out the tasks assigned to it and to discuss internal audit reports.

<i>Number of Meeting</i>	<i>Date of the Meeting</i>
First Meeting	2022/02/08
Second Meeting	2022/03/23
Third Meeting	2022/05/10
Fourth Meeting	2022/08/01
Fifth Meeting	2022/11/09

The attendance frequency in person by the committee's members.

<i>Name</i>	<i>Attendance Frequency</i>
Mr. Mohamed Saeed Al Qubaisi	5
Mr. Ahmed Ali Al Dhaheri	5
Mr. Khalid Khalifa Al Mheiri	5



## 6. Nominations & Remunerations Committee

The committee emanates from the Board of Directors, which is evaluated by the Board to ensure that it is committed to the work entrusted to them from time to time.

- Mr. Shukri Salem Al Mheiri, Chairman of the Nomination & Remuneration Committee, acknowledges his responsibility for the committee's system in the company, review of its work mechanism and ensuring its effectiveness.

### 6A. Nominations & Remunerations Committee Members & Functions

The names of members of the Nominations & Remunerations Committee, and a statement of its functions and the duties assigned thereto.

#### – Committee Composition:

Name	Designation
Mr. Shukri Salem Al Mheiri	Committee Chairman
Mr. Rasheed Ali Al Omaira	Committee Member
Mr. Khalifa Saif Al Ketbi	Committee Member

#### – Nominations & Remunerations Committee Functions:

- Constantly verifying independence of independent Board members.
- Setting the policy for granting bonus, privileges, incentives, and salaries to the Company's Board members and staff. Reviewing such policy annually and ensuring that the bonus and privileges offered to the

Senior Executive Management are reasonable and in line with the Company's performance.

- Reviewing the Company's human resources and training policy and monitor the implementation of such policy.
- Determining the Company's needs of qualifications at the Senior Executive Management and the staff levels and the criteria for selection thereof.
- Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations and in accordance with the Chairman of Authority's Board of Directors' Resolution No. (03 R.M) of 2021 Concerning the Corporate Governance Guide of Public Shareholding Companies.

### 6B. Nominations & Remunerations committee meetings

The number and dates of the meetings held by the Nominations & Remunerations committee and the attendance frequency:

- The Nomination and Remuneration Committee held two meetings during 2022.

Number of Meeting	Date of the Meeting
Meeting date	14/02/2022

- The attendance frequency in person by the committee's members.

Name	Attendance Frequency
Mr. Shukri Salem Al Mheiri	1
Mr. Rasheed Ali Al Omaira	1
Mr. Khalifa Saif Al Ketbi	1



## 7. Insiders Dealing Committee

### 7A. Insiders Dealing Committee Members and Functions

In compliance with the provisions of Article (33) of the Chairman's decision No. 3 of 2020 concerning corporate governance guide of public shareholding companies and the provisions of Article (14) of the Board of Directors Resolution No. (2) for the year 2001 regarding the system of dealing, clearing, and transferring ownership and custody of securities, where a committee was formed on 22/10/2019 which is responsible for the management, follow-up, and supervision of insider transactions of the following names:

Name	Department	Designation
Mr. Awni Manna	Investments & Shareholders Affairs	Committee Chairman
Mr. Murali Krishnan	Finance	Committee Member
Mr. Hassan Hadid	Legal Affairs	Committee Member

- Mr. Awni Manna, Chairman of the Insiders 'Dealing Committee, acknowledges his responsibility for the committee's system in the company, review of its work mechanism and ensuring its effectiveness.

### The Functions and duties assigned to Insiders Dealing Committee as follows:

- Set rules and regulations regarding the transactions of the Company's Board of Directors and its employees in the securities issued by the Company, the Parent Company, subsidiaries, or sister companies.
- Preparing a special and integrated register for all people who are knowledgeable, including those who may be considered as temporary insiders who are entitled or have access to the company's internal information prior to publication. The register also includes the

prior and subsequent disclosures of the insiders.

- Manage, follow up, and supervise the transactions of the insiders and their ownership. Moreover, the Committee will maintain their register and submit periodic statements and reports to the market.
- To take all measures to maintain the complete confidentiality of the company's material data and information to ensure that they are not misused.
- Establish effective contractual arrangements to ensure that other insiders who review their own internal data and information of other customers maintain the confidentiality of such data and information and not misuse, transfer or direct or indirect transfer of such data and information to third parties.
- The signature of all parties that are aware of the official statements that confirm their knowledge that they have internal data and information relating to the company and its customers and bear all the legal effects in the event of leaking this information or data or providing advice on the basis of the information in possession of it, and its obligation to notify the company of any trading carried out on the securities of the parent company or subsidiaries before and after such transactions.
- To confirm the prohibition of trading the securities of the company itself or the subsidiaries, associates, and associates of the company to the Chairman and members of the Board of Directors and the Director General and employees who are aware of the essential data himself or for his account by third parties or as another account for the other during the following periods:
  - Ten days before the announcement of any material information that will affect the price of the stock up or down unless the information is the result of sudden events.
  - Fifteen days before the end of the quarterly, semi-annual or annual financial period and until the disclosure of the financial statements.



### 7B. Committee's Summary report

#### **Summary report of the Committee's work during the year 2022:**

- A special and comprehensive record has been created for all insiders.
- Ensure that all persons familiar with the prohibition during the said prohibition periods in accordance with circulars issued by ADX.
- The Committee is currently committed to fulfilling all its mandated tasks as fully as possible.

## 8. Investment Committee

The committee emanates from the Board of Directors, which is evaluated by the Board to ensure that it is committed to the work entrusted to them from time to time.

- Mr. Rashed Darwish Ahmed Al Ketbi, Chairman of the Investment Committee, acknowledges his responsibility for the committee's system in the company, review of its work mechanism and ensuring its effectiveness.

### 8A. Investment Committee Members & Functions

The names of members of the Investment Committee, and a statement of its functions and the duties assigned thereto.

#### **Committee Composition:**

Name	Designation
H.E. Rashed Darwish Al Ketbi	Committee Chairman
Mr. Shukri Salem Al Mheiri	Committee Member
Mr. Mohamed Saeed Al Qubaisi	Committee Member

#### **Investment Committee Functions:**

- Establishing the investment strategy and policy.
- Setting the investment guidelines.
- Reviewing / monitoring the investments.
- 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; and
- 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.

### 8B. Investment committee meetings

The number and dates of the meetings held by the Investment committee and the attendance frequency:

- The Investment Committee held two meetings during 2022.

Number of Meeting	Date of the Meeting
First Meeting	28/02/2022
Second Meeting	13/07/2022

- The attendance frequency in person by the committee's members.

Name	Attendance Frequency
H.E. Rashed Darwish Al Ketbi	2
Mr. Shukri Salem Al Mheiri	2
Mr. Mohamed Saeed Al Qubaisi	0



## 9. Internal Control System

### 9A. Board of Directors' acknowledgement of its responsibility

**Board of Directors' acknowledgement of its responsibility for the Internal Control System in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness.**

The Internal Control reviews the effectiveness of the internal control system of the Company and informs the Board of Directors of the results and recommendations by sending its reports directly to them. Moreover, they are responsible for monitoring the internal control system and reviewing its effectiveness.

- ❖ The Internal Control is responsible for the following functions:
  - Continuing the development of corporate governance and building a culture of governance.
  - Establish an effective monitoring system and ensure that the employees of the company adhere to the internal policies and procedures that govern its work.
  - Perform any other tasks assigned by the Board of Directors.
  - To assess the adequacy of the internal control system, and the effectiveness of management.
  - Investigate a conflict of interest.
  - Making recommendations related to risk management to the Board of Directors to ensure the effectiveness of the control system.
  - Updating the internal procedures of the company to make them commensurate with the developments of the work and to ensure an effective control environment.
  - Working to strengthen the internal control system to comply with the requirements of the Securities and Commodities Authority and the Insurance Authority by:
    - Creating a suitable decision-making system.

- Determination of authorities and responsibilities.
- Create clear policies and procedures.
- In addition to the above, the Internal Controls Department meets with the Audit Committee on an annual basis to coordinate the determination of the annual audit and control plan.

### 9B. Head of Internal Audit:

**The name and qualifications of the Head of Internal Audit:**

Mr. Ali Imran Memon, who joined the company on 01/08/2022 possesses 17+ years of internal audit & risk management experience in financial services and insurance.

#### **Qualifications:**

- MA Economics
- Bachelor of Commerce (B. Com)
- Certified Internal Auditor (CIA)
- Certificate in Accounting & Finance from Institute of Chartered Accountants of Pakistan (ICAP)

### 9C. Compliance Officers

**The name and qualifications of the Compliance Officer:**

Compliance Officer "Mr. Mahmoud Farag Gaber", joined the company on 28/01/2018 and has a high level of experience in accounting, auditing sciences, and compliance for more than 15 years in major companies in the United Arab Emirates.

#### **Qualifications:**

Bachelor's degree in accounting from Zagazig University - Egypt.





#### **9D. Significant Issues**

**How the Internal Control Department handle any significant issues in the company, or issues disclosed in the annual reports and accounts:**

- The company did not face any issues during 2022.

#### **9E. Number of reports issued by the Internal Control Department to the Company's Board of Directors**

5 reports (Internal Audit and Risk) were issued to the Board Audit Committee during 2022.

#### **10. Details of the violations committed during 2022, explaining their causes, how to address them and avoid their recurrence in future**

The company paid a fine of AED 20,000 due to the delay in submitting Economic Substance notification by the due date of 30 June 2022. Management has taken steps to ensure that such instances are avoided in future.

#### **11. Statement of the cash and in-kind contributions**

**Statement of the cash and in-kind contributions made by the Company during the year 2022 toward the local community development and environmental conservation:**

**The company aims to serve the local community. And the same is detailed as follows:**

- Contribute to providing Iftar for those who fast during of Ramadan.
- Participate in blood donation campaigns/ Sponsored by the Blood Bank.



## 12. General Information

### 12A. The Company share price in ADX.

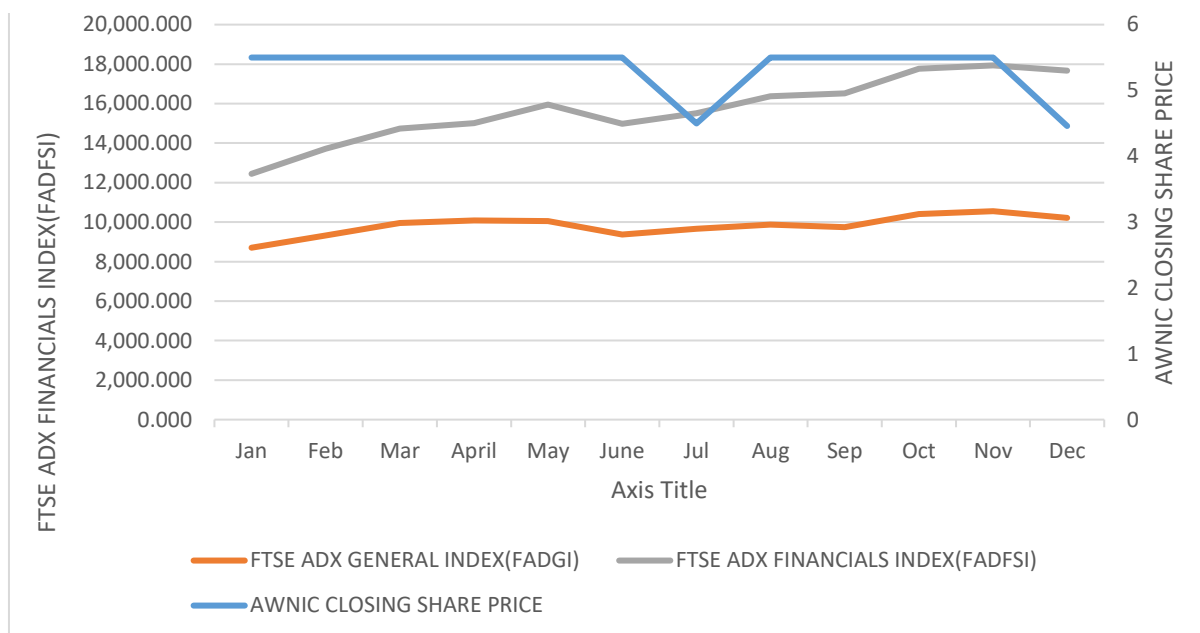
A statement of the Company share price in ADX (closing price, highest price, lowest price) in the end of each month during fiscal year 2022

Month	Highest Price	Lowest Price	Closing Price	Month	Highest Price	Lowest Price	Closing Price
January	5.50	5.50	5.50	July	4.50	4.50	4.50
February	5.50	5.50	5.50	August	5.50	5.50	5.50
March	5.50	5.50	5.50	September	5.50	5.50	5.50
April	5.50	5.50	5.50	October	5.50	5.50	5.50
May	5.50	5.50	5.50	November	5.50	5.50	5.50
June	5.50	5.50	5.50	December	4.46	4.46	4.46



## 12B. Comparative performance of the company's shares

A statement of the comparative performance of the company's shares with the market index and the sector index to which the company belongs during year 2022:



## 12C. Company's Shareholding Distribution

A statement of shareholding distribution as of 31/12/2022:

Shareholders	Individuals		Companies		Government		Total
	Shares Held	%	Shares Held	%	Shares Held	%	
Local	75,309,044	36.38	131,690,058	63.62	00.0	0.00	206,999,102
Foreign	898	0	-	-	-	0	898
Total	75,309,942	36.38	131,690,058	63.62	-	-	207,000,000

**12D. Company's Capital holders of 5% or more**

A statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2022:

S/N	Name	Number of Shares Held	% Of the Shares Held of the Company's Capital
1.	Darwish Bin Ahmed & Sons Co	63,252,750	30.56
2.	United Al Sager Group LLC	27,375,018	13.22
3.	Ali Rashed Naser Al Omairah	16,218,028	7.83
4.	Al Dhabhi Investments PJSC	15,435,239	7.46
5.	Mohammed Ahmed Saeed Al Qasimi	11,901,998	5.75
6.	ABK investments LLC	10,877,505	5.25

**12E. Company's Equity Distribution**

A statement of shareholders distribution by the size of equity as of 31/12/2022:

S/N	Share(s) Owned	Number of Shareholders	Number of Shares Held	% Of the Shares Held of the Capital
1	Less than 50,000	161	1,290,411	0.62
2	From 50,000 to less than 500,000	60	9,407,217	4.54
3	From 500,000 to less than 5,000,000	10	18,720,683	9.04
4	More than 5,000,000	10	177,581,689	85.79



## 12F. Controls of Investors' Relations

### A statement of the procedures taken with respect to the controls of investors' relations:

Subject to the provisions of Article (51) of the decision of the Chairman of the Board of Directors No. 3 of 2020 concerning Approval of Joint Stock Companies Governance Guide. The following actions have been taken:

S/N	Requirement	Action Taken
1	Appoint a competent investor relations management officer	<p>Mr. Awni Manna was appointed Head of Investment and Shareholders Affairs since 2015 and performs the role of an Investor Relations Officer at the Company. His address is as follows:</p> <ul style="list-style-type: none"> <li>Name: Mr. Awni Manna</li> <li>Telephone (Direct): 02-4185450</li> <li>E-mail: <a href="mailto:a_manna@awnic.com">a_manna@awnic.com</a></li> <li>The investor relations officer information has been published on the company's website</li> </ul>
2	Establish a special investor relations section on the company's website.	<p>We have an investor relations section on company website, containing investor relations data and communication details such as phone number and e-mail address. In addition, it also covers financial statements with the published date, material core events, data and information that are disclosed to regulators or markets.</p> <p>Web Link: <a href="https://awnic.com/eng/investor-relations">https://awnic.com/eng/investor-relations</a></p>





### 12G. Implications of the Special Resolutions

**A statement of the special resolutions presented to the General Assembly held in 2022 and the procedures taken with respect there to:**

<p>1. Approving the board's recommendation about the Company's purchase a number of its shares not more than 10% of the number of shares for disposal of the same according to the Authority's decision in this regard and the board's authorization to:</p> <ul style="list-style-type: none"> <li>• Execute the general meeting's resolution during the period to be approved by the Authority.</li> <li>• Decrease the Company's capital in case of the expiry of the deadline set by the Authority for disposal of the purchased shares by canceling such shares and amending the Company's capital in the articles of association</li> </ul>	<p>The General Assembly Approved the resolution, but the resolution was postponed.</p>
<p>2. Approving the Company's voluntary social contributions during 2022 as well as the board's authorization to determine the entities to which such amounts will be contributed, provided that such voluntary contributions will not be more than 2% of the Company's average net profits realized during the past two fiscal years (2020 and 2021) and such voluntary contributions will be intended for the community service purposes, subject to the relevant provisions of Federal Law No. (32) of 2021 on Commercial Companies.</p>	<p>The General Assembly approved the resolution, and the company's management adhered to the resolution's requirements.</p>

### 12H. Board of Directors' meetings Secretary

**The name of the board secretary and the date of his/her appointment:**

- Ms. Taysir Mokashfi has been appointed as a board secretary as per the board of directors' decision at its meeting held on 14/02/2021.

### 12I. Significant events

**The significant events that took place in the Company in 2022:**

- AWNIC was awarded Insurance Technology Leader Award" at Insurtek Golden Shield Excellence Awards 2022.
- AWNIC published its first integrated report 2021 during the year and was one of the few companies to publish a comprehensive report complying with GRI framework. Through this report we demonstrate our commitment towards ADX initiative to drive sustainability in alignment with UAE national vision 2021, Abu Dhabi Economic Vision 2030 and national & global efforts on adopting sustainable development goals (SDG) through all the activities in insurance value chain.



AWNIC strives to continuously enhance and strengthen corporate governance, ensuring operational transparency, accountability and maximizing long term value for all our stakeholders and positive contribution to society. The evaluation and integration of ESG factors into the corporate strategy and risk management remained a key agenda for the Board through past years.

- Standard & Poor's reaffirmed the financial strength rating (BBB-) with a stable outlook for AWNIC.

#### 12J. Emiratization percentage in the Company

**A statement of the Emiratization percentage in the Company as of 2022:**

The year	2020	2021	2022
%	12%	12%	12%

- The company is working to support the Emiratization by creating an appropriate environment that increases the number of citizens by providing the necessary programs, guidance, training, and development.

#### 12K. Innovative Projects

**A statement of the innovative projects and initiatives undertaken by the company or under development, and the awards received:**

- The company has made further progress on its digitalization initiatives:
  - 1) Enhancement of features of AWNIC Mobile App which enables the customer to have an end-to-end digital journey. The mobile app enables the customer to check the status of claims, renew policies among many other features offered.
  - 2) Revamping of HRMS system which automates all HR related requests right from onboarding of the employee to exit process. The platform also has features that enables employees to interact with each other, comment on major announcements in addition to being available on mobile.
  - 3) Innovative claims management system enabling fully digital way of managing motor claims right from claims notification to handover of repaired vehicle to the customer.
  - 4) Implementation of portals for corporate clients and brokers which enables a single window access to all the market offerings of AWNIC in addition to providing access to account statements, for making payment, user access management, service requests and policy documents.
- All the systems that have been implemented support the company's sustainability initiatives and in preserving the environment by reducing the use and printing of papers as much as possible.
- Enhancing, updating, and expanding (continuous development) of the loyalty program for distinguished customers by including a greater number of strategic partners in the program. The loyalty program which is a unique offering allows our customers to get points on each insurance purchase from AWNIC and upon successful referral of a customer. These points can then be redeemed for renewals, purchase of insurance products from AWNIC. The customers have the option to view the loyalty points balance from our AWNIC Mobile APP.



Mr. Ali Imran Memon

(Head of Internal Audit)

Date: 25/03/2023

Mr. Shukri Salem Al Mheiri

(Nominations & Remunerations  
Chairman)

Date: 25/03/2023

Mr. Mohamed Saeed Abdulla Al  
Qubaisi

(Audit Committee Chairman)

Date: 25/03/2023

Sheikh Saif Bin Mohamed bin Butti Al Hamed

Chairman

Date: 25/03/2023

