

الاتحاد للتأمين
UNIONINSURANCE



Union Insurance Company PJSC

Governance Report 2020



UNION INSURANCE COMPANY

P.J.S.C

GOVERNANCE REPORT
For the Fiscal year ending 31/12/2020

Index

1. Statement of the actions taken to complete the Corporate Governance System during 2020, and how to execute the same.
2. Statement of the board members ownership and transactions, their spouses, and sons in the Company's securities during the year 2020.
3. Board of Directors:
 - a. Statement of formation of the Board of Directors.
 - b. Percentage of female representation of the year 2020.
 - c. The reasons why there are no nominated females at the Board of Directors.
 - d. Remunerations and Attendance Allowances:
 - i. Total paid bonuses of the Board of Directors for the year 2019.
 - ii. Total proposed bonuses of the Board of Directors for the year 2020.
 - iii. Details of allowances, salaries or wages received by a Board member other than committee allowances and the reasons thereof.
 - iv. Attendance allowances received by the Board Members for the meetings of committees emanating from the Board for the fiscal year 2020.
 - e. Meetings of the Board of Directors.
 - f. Statement of duties and responsibilities of the Board of Directors delegated to the Executive Management.
 - g. Details of transactions with relevant parties.
 - h. Organization Structure.
 - i. Detailed statement of the Senior Executives.
4. External Auditor:
 - a. About External Auditor.
 - b. Statement of costs and fees of External Auditor.
 - c. Remarks of the External Auditor for the year 2020.
5. Audit Committee:
 - a. Acknowledgement by the Chairman of Audit Committee.
 - b. Members of Audit Committee and a statement of their responsibilities and duties.
 - c. Meetings of Audit Committee.
6. Nominations and Remunerations Committee:
 - a. Acknowledgement by the Chairman of Nominations and Remunerations Committee.
 - b. Members of Nominations and Remunerations Committee and a statement of their responsibilities and duties.
 - c. Meetings held by the Nominations and Remunerations Committee.

7. Committee of Follow-up and Supervision on the transactions of the Insiders:
 - a. Acknowledgement by the Chairman of Committee.
 - b. Members of the Committee.
 - c. Summary of the Committee's work during 2020.

8. Investment Committee:
 - a. Acknowledgement by the Chairman of Committee.
 - b. Members of the investment Committee and a statement of their responsibilities and duties.
 - c. Meetings of the Investment Committee.

9. Expenditure Structuring and Control Committee
 - a. Acknowledgement by the Chairman of Committee.
 - b. Members of the Committee and a statement of their responsibilities and duties.
 - c. Number of meetings held by the Committee during the fiscal year, the dates, and the attendances of the members in person.

10. Internal Control System:
 - a. Acknowledgment by the Board of their responsibility for the Company's Internal Control System, the review of its working mechanism and the assurance of its effectiveness.
 - b. The name of the head of the department and his qualifications.
 - c. Name of Compliance Officer.
 - d. How the Internal Control Department handles any major issues in the company.
 - e. Number of reports issued by the Internal Control Department and submitted to the board

11. Details of violations committed during the fiscal year 2020, a statement of their reasons and how to deal with them.

12. Statement of the cash and in-kind contributions made by the Company in the development of community and preservation of the environment during the year 2020.

13. General Information.

About the Company

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

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

By providing better coverage in areas including, but not limited to, life, health, automotive, property, engineering, liability and marine, Union Insurance helps its clients focus on their core operations, confident that they have adequate insurance cover for various liabilities.

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

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

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

1) Statement of the actions taken to complete the Corporate Governance System during 2020, and how to execute the same:

Union is keen to adopt and execute the best practices of Governance that are compliant with the regulations and laws in the UAE, and the Joint Stock Companies Governance Guide issued according to the decision of the Chairman of the Securities and Commodities Authority Board of Directors No. (3) for the year 2020, which defined governance as “A set of controls and rules that ensures institutional discipline in relationships and management in the Company in accordance with international standards and methods through identifying the responsibilities and duties of the members of the Board of Directors and the Senior Executive Management of the Company, taking into account the protection of the rights of shareholders and Stakeholders.”

The Board of Directors adopted the corporate governance framework and updated it whenever the need arises to ensure that the best rules and practices are followed in a way that contribute to enhancing the company's growth and achieving its goals. Among the most prominent of these standards are:

- Adherence to the instructions for transparency and disclosure in line with the laws and regulations issued by the Securities and Commodities Authority and their inclusion of all reports to be disclosed, including interim and annual financial reports, dates for board meetings, decisions issued by the board, and all data and statistics required by the authority or the market.
- The Board of Directors administers the company effectively through the development of strategic objectives of the company and the supervision of their execution in cooperation with the Senior Executive Management, as well as the supervision of the work of the committees emanating from it in accordance with the controls of governance.
- Formation of Permanent Committee in accordance with regulations organizing the formation of committees, such regulations include defining the duties, duration and powers of the committee, as well as following up on the works of the committees periodically, and the Board shall be responsible for the work of the same.
- Periodic review by the Board of Directors and in coordination with the Audit Committee of the Internal Control and Risk Management systems in the company to ensure its effectiveness and to verify the Company's and its employees' compliance with the provisions and decisions in force issued by the competent authorities.
- To update written rules regarding the transactions of insiders and approving them by the Board of Directors, preparing a register of required information about insiders and forming a committee to monitor, manage and supervise the transactions of insiders, and to submit periodic reports on these transactions to the Securities and Commodities Authority and the Abu Dhabi Securities Exchange.
- The Company's commitment to appoint an officer responsible for all the duties related to Investor Relations Management, where Ms. Riham Osama link on the Company's website that includes all necessary data, including financial reports and disclosures made to control and supervisory bodies.

- The Company's commitment to appoint an officer responsible for all the duties in relation to Investor Relations Management, where Ms. RIHAM OSAMA was appointed as an Investor Relations Officer, in addition to creating an electronic link on the Company's website that contains all necessary data, including financial reports and disclosures made to control and supervisory bodies.
- The company is committed to submit an Annual Governance Report and publish it on the website of the Securities & Commodities Authority. UIC ensures that the Annual Governance Report is available to shareholders and that it includes all key financial and non-financial data and actions taken each year.
- To appoint the external auditor and to set his fees by a decision of the Annual General Meeting in accordance with the laws and regulations.

2) Statement of the Board Members ownership and transactions, their spouses, and their sons in the Company's securities during the year 2020:

The Company shall comply with Resolution N° 2 of 2001 of the Authority Board regarding the system of trading, clearing, settlement, transfer of ownership and custody of securities, where Article 14 thereof stipulates the following:

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

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

The Company shall also commit to the Board of Directors Decision N° (3) of 2000 regarding the disclosure and transparency system, as well as the decisions and instructions issued by the Abu Dhabi Securities Exchange. The Board of Directors and their first-class relatives are as follows:

Sr. N°	Name	Position/Kinship	Owned Shares as on 31/12/2020	Total Sale Transaction	Total Purchase Transaction
1	Investment Group Pvt. Ltd	Board Member, Legal entity	44,679,314	-	-
2	AI SALEM Co. Ltd.	Board Member, Legal entity	5,915,718	-	158,350

3) Board of Directors:

The Board of Directors consists of seven members and their membership extends for three years. Members whose membership term has ended more than once may be re-elected, as they are elected by the General Assembly by cumulative secret vote in accordance with the Articles of Association of the Union Insurance Company. The board may exercise all the powers required to achieve the goals and objectives of the company, except for what is preserved by the law or the statute of the General Assembly. The Board is keen to carry out all the tasks entrusted to it to ensure the correct direction and guidance for the company and its management in a way that reflects positively on the general performance of the company and the rights of the shareholders.

a) Statement of formation of the Board of Directors:

The company is managed by a board of directors consisting of seven members who were elected by acclamation at the general assembly meeting of shareholders, which was held on 22/04/2019 because the number of candidates was equal to the number of members. The following is the composition of the current Board of Directors and the term they served as Board Members from the date of the first election:

Name	Category	Membership Term as of First Election Date	Qualifications	Being a Member in another PJSC	Supervisory, Governmental Commercial Positions
Mr. MOHAMMED HAREB AL MAZROUEI - Chairman	Non-executive Independent	2010	-Businessman, 17 years of experience in real estate investment where he was the Chairman of the Real estate Appraisal Department at Dubai Land – Dubai	N/A	N/A
AWTAD Co. represented by Mr. AHMED MAGED LOOTAH – Deputy Chairman	Non-executive Independent	2015	-Executive master's in business Administration with Distinction Level – University of Sharjah. -Bachelor of Business Administration in Finance – University of Miami. -More than 20 years of experience in the financial and banking fields, both traditional and Islamic, and is currently CEO of Al Hilal Capital.	N/A	N/A

AI SALEM Co. Ltd, represented by Mr. MOHAMMED SALEM AL HOSSANY – Board Member	Non-executive Non Independent	2010	-Bachelor of Applied Science, E-commerce- Higher Colleges of Technology UAE. -Master of Science and Financial Administration, London. -Board Member of other companies and CEO of AI SAHEL SHARES CENTER since 2005.	-Board member of Gulf Medical Projects Co. -Board Member of Umm Al Qaiwan General Investments.	N/A
INVESTMENT GROUP PRIVATE Ltd., represented by Dr. BOUSHRA ABDULLAH AL MULLAH	Non-executive Non Independent	2019	-Master of Health care management – Royal College of surgeons in Ireland -Bachelor of Medicine and General Surgery- Dubai Medical College for Girls -Government executive Leaders Program - Prime Minister Office	N/A	-Manager of Education and Community Development at the Sector of Strategy and Innovation- Prime Minister Office -Founder and CEO of Osraty Center for Physiotherapy in Dubai
AL BARAKA INVESTMENTS Co., represented by Mr. TAREQ KHALED AL HAMD	Non-executive Independent	2019	More than 30 years of experience in the establishment of strategic companies and leading business development operations throughout GCC. Representing Kuwait at various diplomatic positions in several countries, as well as participating actively in providing investment and monitoring support to many companies in the UAE. Founding member of Kuwait Business Foundation. Graduated in Psychology in 1987 from Kuwait University.	N/A	N/A
ALSOOR INVESTMENT CO. Mr. BASHAR AL ZOUBI	Non-executive Non Independent	2018	-Master of Financial Management from the University of Reading UK. -More than 18 years of experience in the field of banking and Investments.	N/A	N/A
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	Executive Non Independent	2012	-Bachelor of Commerce – Ain Shams University, ARE. -More than 40 years of experience in the field of Insurance as a reference figure in the insurance sector, he has been distinguished by the provisions of new insurance products and the development of standard services that have left a	N/A	N/A

			<p>tangible impact on the reputation of the sector in general.</p> <p>-He was the CEO of Oman Insurance Company, which witnessed through his management remarkable development and became the first company in the country and one of the top companies in the region.</p>		
--	--	--	--	--	--

(b) Percentage of female representation of the year 2020:

There percentage of female representation the current Board of Directors reached (14%) for the year 2019.

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

Not applicable.

(d) Remunerations and Attendance Allowances:

The company's Articles of Association clarified the method of determining the remuneration of the Board Members based on the provisions of Article N° (169) of the Federal Law N° 2 of 2015 regarding Commercial Companies, whereas, the remuneration of the Chairman and the Board Members consist of a percentage of the net profit, which shall not exceed 10% of the net profit after the deduction of depreciation and reserves.

1- Total paid bonuses of the Board of Directors for the year 2019:

Total bonuses that have been paid to the Board of Directors for the year 2019 after being approved by the General Assembly at its last meeting, AED1,750,000 (excluding value added tax).

2- Total proposed bonuses of the Board of Directors for the year 2020, which will be presented at the Annual General Meeting for approval:

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

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

An amount of AED250,000 has been disbursed to each member in exchange for the additional tasks and work assigned to them during the year 2019 as follows:

- Track the company's performance to confirm the achievement of its goals and desired outcome during the year 2019
- Ensure compliance with the regulations issued by the supervisory authorities in accordance with its public interest.
- Providing a technical and professional opinion based on experience in the issues presented to them, such as the company's investment portfolio, the company's strategy, general policy, and operational performance.

4- Attendance Allowances for the meetings of committees emanating from the Board for the Fiscal Year 2020:

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

(e) Meetings of Board of Directors:

The Board of Directors held (4) meetings during 2020, one of which was by acclamation as shown below:

Member	Meeting 10/03/2020	Meeting 25/03/2020	Meeting 28/04/2020	Meeting 16/06/2020	Meeting 12/08/2020	Meeting 03/11/2020	No.of Attendances	No. of Attendees by Proxy
Mr. MOHAMMED HAREB AL MAZROUEI	X	By acclamation	✓	By acclamation	✓	✓	3	
Mr. AHMED LOOTAH	✓	By acclamation	✓	By acclamation	✓	✓	4	
Mr. MOHAMMAD SALEM AL HOSANY	✓	By acclamation	✓	By acclamation	✓	✓	4	
Dr. BOUSHRA ABDULLAH AL MULLAH	✓	By acclamation	✓	By acclamation	✓	✓	4	
Mr. TARIK KHALID AL HAMD	X	By acclamation	✓	By acclamation	✓	✓	4	
Mr. BASHAR AL ZOUBI	✓	By acclamation	✓	By acclamation	✓	✓	4	
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	✓	By acclamation	✓	By acclamation	✓	✓	4	
No. of Attendees	6		7		7	7		

✓ Attended

X Apologized

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

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

Subject to the provisions of the Companies Law No. 2 of 2015, the CEO, upon authorization of the Board, shall exercise the powers required to conduct the Company's business, including:

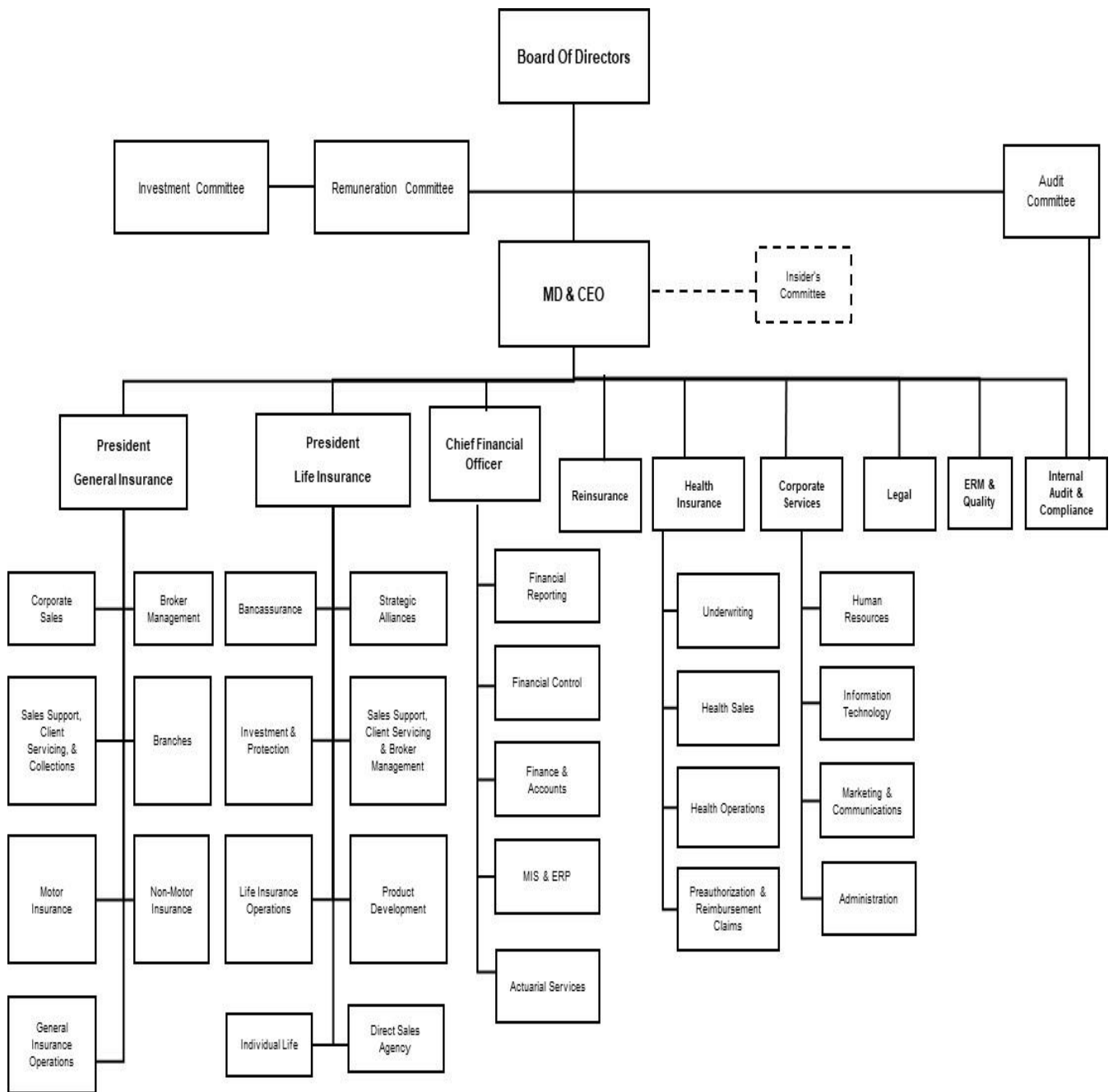
- All authorities required to manage the Company, conduct all business and actions, and all powers required to achieve the Company's purposes, as well as developing regulations in relation to administrative, financial and personnel affairs and the financial entitlements thereof.
- Represent the Company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

(i) Details of Transactions with Relevant Parties:

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

Transactions of Relevant Parties	AED
Owed insurance premiums	26,172,698
Held shares	0
Total claims under settlement	3,130,390
Investment properties	72,270,000
Subscribed premiums	1,780,484
Paid claims	1,014,826

(i) Organization Structure:



(k) Detailed Statement of the Senior Executives:

Position	Joining Date	Total Paid Salaries and Allowances for 2020 (AED)	Total Paid Bonuses for 2020 (AED)	Any other in cash/in kind Bonuses for 2020 or due in the future
CEO	01/09/2012	2,400,000	Not decided yet	N/A
President – General Insurances	16/10/2011	1,020,000	Not decided yet	N/A
President – Life Insurance	16/09/2013	1,020,000	Not decided yet	N/A
CFO	01/08/2019	720,000	Not decided yet	N/A
Head of Health Insurance	01/08/2012	689,880	Not decided yet	N/A
Head of IT	08/09/2019	540,000	Not decided yet	N/A
Head of Personnel and HR	01/05/2019	540,000	Not decided yet	N/A
Manager of Legal Dept.	01/05/2013	720,000	Not decided yet	N/A
Manager of Risk, Compliance and Internal Audit	10/11/2013	348,573	Not decided yet	N/A

- Governance Report of 2020 will be updated after defining the bonuses of Executive Management.

4) External Auditor:

(a) About the External Auditor:

Ernst and Young was appointed as an External Auditor of Union Insurance Company upon a resolution issued by the General Meeting. Ernst and Young has worked in the UAE since 1966 and has been one of the largest professional service companies; it has an office in the Emirate of Dubai of 565 experienced and qualified employees, and 12 partners. Moreover, the expansion around the world with a number of 700 offices, has about 250.000 employees, and provides services in many sectors of government and private sector, insurance, banking, industrial and commercial sectors. It is worth noting that the first appointment of Ernst and Young to audit the works of UIC was in 2018.

(b) Statement of Costs and Fees of External Auditor:

The Annual General Meeting held on 14/04/2020 decided to appoint M/s Ernst and Young as the External Auditor of the Company for the year 2020. Their fees were set at AED310,000; their services included all professional services in relation to the review of interim and annual financial reports.

Name of Audit Office	Ernst and Young
Partner Auditor	Mr. Ashraf Abu Sharkh
Number of service years as an External Auditor of the Company	3
Total Audit Fees of Financial Statements of 2020	AED 240,000
Fees and Charges for Special Services other than Audit of Financial Statements of 2020	AED 100,000
Details and Nature of other Services provided	Approving the quarterly and annual electronic forms of the Insurance Authority, approving the Authority's supervision fees, and approving the Abu Dhabi Health Authority forms, reviewing and approving quarterly investment reports and money laundry reports as per the requirements of the authority.
Other Services performed by another External Auditor during 2020	N/A

(c) Remarks included by the External Auditor on interim and annual financial lists for the year 2020:

“In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.”

Basis of Qualified Opinion

“As disclosed in Note 22 to the financial statements, the Company has receivables from related parties, classified under Insurance and other receivables, amounting to AED 26,173 thousand as at 31 December 2020 (31 December 2019: AED 25,996 thousand), against which an impairment provision for related party receivables of AED 12,721 thousand (2019: AED 4,721 thousand) is maintained by the Company. The Management, based on discussions with the respective related parties, believes that these amounts are recoverable in full and, therefore, are not subject to impairment losses. However, due to the lack of independent confirmations and subsequent collections, and in the absence of any alternative procedures we could carry out, we were unable to satisfy ourselves with regard to Management’s assertions relating to the recoverability of these receivables and the adequacy of provision maintained.”

5) Audit Committee:

(a) Acknowledgment by Chairman of Committee:

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

(b) Members of Audit Committee and a statement of their responsibilities and Duties:

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

Responsibilities and duties of audit Committee:

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

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

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

The Audit Committee held 4 meetings during the year 2020; Statement of meetings and number of in person attendances is as per the following:

Meetings of Audit Committee
10 March 2020
15 May 2020
11 August 2020
02 November 2020

Attendances of Audit Committee Members in person:

Member	Meeting 10/03/2020	Meeting 15/06/2020	Meeting 11/08/2020	Meeting 02/11/2020	No. of Attendances
Mr. AHMED LOOTAH	✓	✓	✓	✓	4
Dr. BOUSHRA ABDULLAH AL MULLAH	✓	✓	✓	✓	4
Mr. TARIK KHALID AL HAMD	✓	✓	✓	✓	4

✓ **Attended** **X** **Apologized**

6) Nominations and Remunerations Committee:

a. Acknowledgment by Chairman of Nominations and Remunerations Committee:

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

b. Members of Nomination and Remunerations Committee and a statement of their responsibilities and Duties:

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

Responsibilities and duties of nomination and remuneration Committee:

1. To organize and follow up the procedures of nomination to the Board of Directors in accordance with the applicable laws and regulations, and the provisions of Resolution No. 3 of 2020.
2. To ensure the independence of independent members on a continuous basis, if the Committee finds that one of the members has lost the conditions of independence, it shall submit the matter to the Board of Directors of the Company, therefore, the Board shall serve a notice to the member, by a registered letter at his known address, of the reasons for the absence of his independence capacity and the member shall respond to the Board within fifteen days from the date of notice. The Board shall issue a decision to consider the member as independent or non-independent at the first meeting following the member's reply or the expiry of the period referred to in the previous paragraph without reply.

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

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

3. The Committee shall be responsible for preparing the policy of bonuses, benefits, incentives and salaries of the Board Members of the Company and its employees, considering, upon preparing such policies, the use of performance-related criteria.

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

c. Meetings held by the Nominations and Remunerations Committee during the fiscal year and the dates of the meetings and number of attendances:

Nomination and Remuneration Committee held 1 meeting during 2020; the Committee members held the meeting on 24/12/2020.

Number of in person attendances of the Members of Nomination and Remuneration Committee:

Member	Meeting 24/12/2020	No. of Attendances
Mr. AHMED LOOTAH	✓	1
Mr. MOHAMMAD SALEM AL HOSANY	✓	1
Mr. TARIK KHALID AL HAMD	✓	1

✓ Attended X Apologized

7) Committee of follow-up and Supervision on the transactions of the Insiders:

a. Acknowledgment by Chairman of Committee:

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

b. Members of the Committee:

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

Responsibilities and duties of the Committee:

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

c. Summary of the Committee's work during 2020:

The Committee held a meeting on 27/12/2020 in the presence of all its members, where it reviewed the rules concerning the transactions of Insiders by reviewing the market trading reports and reviewing the insiders records and tracking the periods when trading was suspended and ensuring that insiders were informed.

8) Investment Committee:

a. Acknowledgment by Chairman of Committee:

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

b. Members of Investment Committee and a Statement of their Responsibilities and Duties:

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

Responsibilities and Duties of Investment Committee:

1. To develop and monitor the investment strategy and policy.
2. Prepare and discuss investment plans, review the fundamentals in relation to the nature of investment activities, and to prepare a plan of action accordingly, in addition to making recommendations for the Board of Directors.
3. Review the investment financial results and make the necessary recommendations.

4. Manage the Company's investments in accordance with the interests of the Company and the directives of the Board of Directors.

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

Member	Meeting 17/05/2020	Meeting 30/06/2020	Meeting 21/07/2020	Meeting 06/12/2020	No. of Attendances
Mr. MOHAMMAD HAREB AL MAZROUEI	✓	✓	✓	✓	4
Dr. BASHAR AL ZOUBI	✓	✓	✓	✓	4
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	✓	✓	✓	✓	4

9) Expenditures Structuring and Control Committee:

a. Acknowledgment by the Chairman of Committee:

The Chairman of the Committee, Mr. Mohammad Hareb Al Mazrouei, acknowledges his responsibility for the committee system in the company and for his review of the mechanism of its work and to ensure its effectiveness.

b. Members of the Committee and a Statement of their Responsibilities and Duties:

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

The committee undertakes the tasks of re-examining all capital and operating expenditures with the aim of rationalizing them and enhancing their efficiency, linking expenses with the revenues, increasing the efficiency of the available human and economic resources, making the necessary recommendations to rationalize expenditures, whether capital or operational, studying the organizational structure and finding a flexible mechanism in adapting current expenditures according to expected revenues in light of the developments of the Covid-19 epidemic. The committee chairman has the right to add any other tasks to the committee that would raise productivity and rationalize expenditures, as well as determine the number of committee meetings and fees, and take the necessary decisions to implement committee's recommendations.

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

Member	Meeting 30/06/2020	Meeting 06/12/2020	No. of Attendances
Mr. MOHAMMAD HAREB AL MAZROUEI	✓	✓	2
Dr. BASHAR AL ZOUBI	✓	✓	2
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	✓	✓	2

10) Internal Control System:

a) Acknowledgment by the Board of their responsibility for the Company's Internal Control System, the review of its working mechanism and the assurance of its effectiveness:

The Board of Directors acknowledges its responsibility for the company's internal control system, its review, and its effectiveness in accordance with the laws and regulations and the relevant decisions of the Securities and Commodities Authority.

b) The Managing Director and his Qualifications:

A competent department for internal control was established, managed by Mr. AMIT KATARIA who was appointed on 10/11/2013, who also takes the responsibility of Compliance Officer, holder of a bachelor's in commerce from the University of Mumbai (Faculty of Commerce and Economics). He holds an ICAI certificate from the Indian Institute, an AICPA certificate from the American Institute of Certified Public Accountants in Colorado, in addition to 12 years of experience in auditing, compliance and risk management due to working for several insurance companies such as TATA AIG and Universal Sompo Japan.

Mrs. MASOUMEH KARIMI also works as an Anti-Money Laundering Officer, according to the instructions of the Insurance Authority, since 03/05/2016.

c) Name of Compliance Officer:

Mr. AMIT KATARIA.

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

The Internal Audit Department shall prepare an annual plan to identify the risks and the degree of severity, and to review and audit the various sections, departments and branches of the Company, where periodic reports shall be submitted on the tasks performed to the Audit Committee, which are presented to the Board of Directors, as well as a plan that aims at handling or limiting violations, if any. Noting that the Internal Control Department did not encounter any problems at the Company during 2020.

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

The number of reports issued by the Internal Control Department during 2020 reached eleven reports.

11) Details of violations committed during the fiscal year, a statement of their reasons and how to deal with them:

There are no violations on the Company during the year 2020.

12) Statement of cash and in-kind contributions made by the Company in the development of community and preservation of the environment during the year 2020:

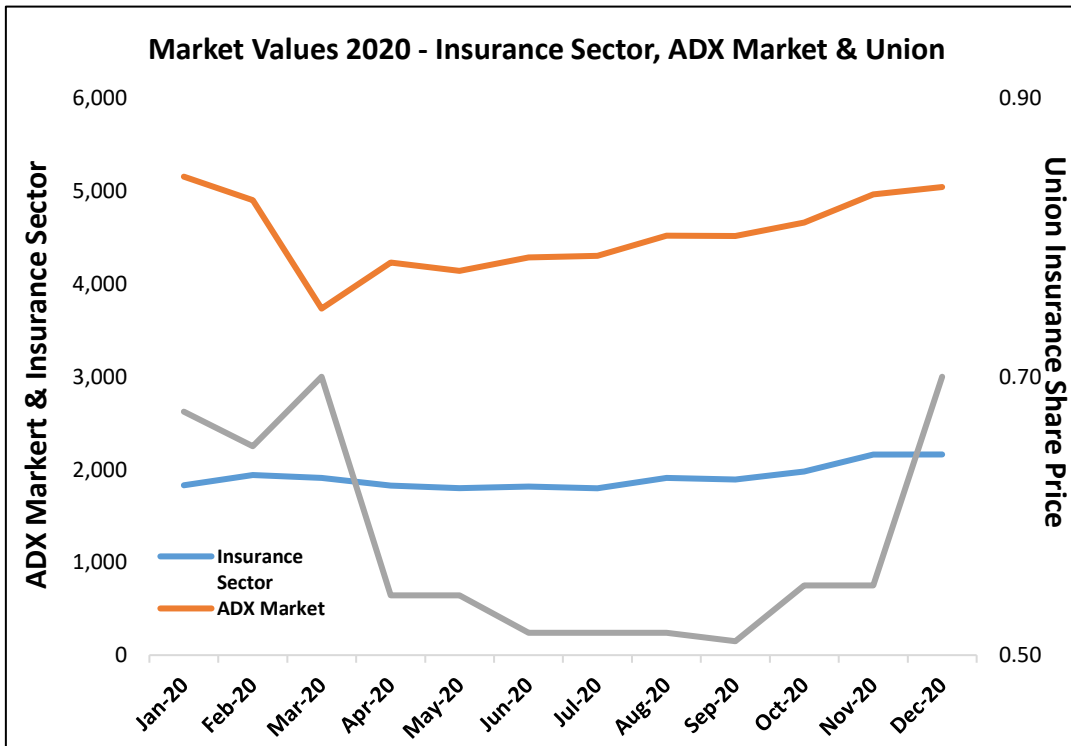
The Company continued its initiatives to recycle paper and HP ink cartridges in its offices across the UAE, in order to reduce the Company's impact on the environment, as it recycled more than 6459 kgs of paper and 2336 ink cartridges until the end of 2020.

13) General Information:

a) Statement of the Company's share price at market (closing price, highest price, lowest price) at the end of each month during the Fiscal Year 2020:

Month	Highest Price	Lowest Price	Last Close
Jan-20	0.675	0.675	0.675
Feb-20	0.651	0.650	0.650
Mar-20	0.700	0.700	0.700
Apr-20	0.665	0.543	0.543
May-20	0.665	0.543	0.543
Jun-20	0.516	0.516	0.516
Jul-20	0.516	0.516	0.516
Aug-20	0.516	0.516	0.516
Sep-20	0.516	0.510	0.510
Oct-20	0.550	0.550	0.550
Nov-20	0.550	0.550	0.550
Dec-20	0.700	0.550	0.700

b) Statement of the comparative performance of the Company's shares with the general market index and the sector index to which the Company belongs during 2020:



c) Statement of Shareholders' Capital as on 31/12/2020 (Individuals, Companies, and Governments) classified as follows: Local, Gulf, Arab, and Foreign:

No.	Classification of Shareholder	Percentage of Owned Shares			
		Individual	Companies	Government	Total
1	Local	85,226,858	232,878,770	0	318,105,628
2	Gulf	160,165	0	0	160,165
3	Arab	164,285	109,102	0	273,387
4	Foreign	0	12,400,000	0	12,400,000
5	Total	85,551,308	245,387,872	0	330,939,180

d) Statement of Shareholders holding 5% or more of the Company's Capital as on 31/12/2020:

No.	Name	Number of Capital Shares	Percentage of Capital Shares
1	Almanara Investments and Developments	70,694,304	21.36%
2	SALEM ABDULLAH SALEM AL HOSANY	46,614,519	14.09 %
3	Private Investment Limited Group	44,679,314	13.50%
4	Suqur Al Khaliq General Trading Co. LLC	44,400,000	13.42 %
	Gulf General Investments Company	29,089,334	8.79 %

e) Distribution of Shareholders in accordance with the size of ownership as on 31/12/2020:

No.	Equity (share)	Number of Shareholders	Number of Owned Shares	Percentage of Owned Shares
1	Less than 50.000	2,028	13,157,928	4.0 %
2	From 50.000 to less than 500.000	46	5,757,855	1.7 %
3	From 500.000 to less than 5.000.000	16	27,670,781	8.4 %
4	Fore than 5.000.000	10	284,352,616	85.9 %
	Total	2,100	330,939,180	100.0%

f) Actions taken regarding the controls of Investor Relations:

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

An electronic link has also been created on the company's website:

(https://www.unioninsurance.ae/en/about_us/#/InvestorRelations) through which it is possible to view all financial reports, company news, developments and essential events related to it.

g) Special Resolutions presented to the General Meeting during 2020 and the actions taken thereon:

The General Meeting discussed no special resolutions on 14/04/2020.

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

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

i) The Company's significant events during the year 2020:

- The company launched a new website that provides customers with more electronic services such as submitting claims and purchasing some insurance products over the Internet.
- The company offered a free month of car insurance to its individual customers during Covid pandemic.
- The company relocated its Ittihad branch.
- During GITEX, the company signed an agreement with Etisalat to be the first insurance company to offer secure and flexible payment services through the Etisalat's ewallet.
- The Easy Payment Plan was launched with Fujairah Bank and Commercial Bank of Dubai to provide customers with the opportunity to convert their insurance purchases into easy installments.
- Union Insurance Company has been included as a provider of insurance services, in the Ya Hala loyalty program, where exclusive offers are provided to all employees of the Prime Minister's Office.
- The company has activated the call center phone system (IVR) in all offices and branches to ensure quick access of customers to employees.

(j) Transactions carried out by the company during the year 2020 that are equal to 5% or more of the company's capital:


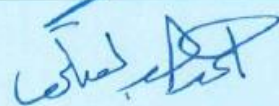


Not applicable.

(k) Statement of the percentage of Emiratization by the end of 2020:

The percentage of Emiratization in the company for the year 2020 reached 9.8%.

(l) Projects and innovative initiatives carried out by the Company or under development in 2020:

The company did not undertake innovative projects or initiatives during the year 2020.

Designation	Signature	Date
Chairman of Board of Directors		24-3-2021
Chairman of Audit Committee		22/3/2021
Chairman of Nomination and Bonus Committee		22/3/2021
Director of the Internal Control Department		14/03/2021

