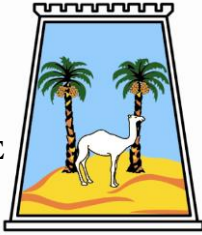


AL AIN AHLIA INSURANCE CO.(PSC)

**INCORPORATED IN ABU DHABI BY ACT 18 OF THE YEAR 1975 INSURANCE REGISTRATION
NO. 3 DATED 8/8/1984 AND SUBJECT TO THE PROVISIONS OF LAW NO. 6 OF 2007 CONCERNING THE
ESTABLISHMENT OF INSURANCE AUTHORITY AND ITS REGULATIONS.
PAID UP CAPITAL DH. 150.000.000**



GOVERNANCE REPORT OF THE YEAR 2019



First: Practices of Corporate Governance :

1. Application of the Governance Principles :

AL AIN AHLIA INSURANCE COMPANY was one of the companies that interacted with the intention of the financial market relating to the application of the laws governing the corporates (Corporate Governance). Since 2005, when AL AIN AHLIA INSURANCE COMPANY was asked to do so, it gave notes regarding this matter and ended up supporting all the endeavors that aim at coping with the latest administrative and ownership methods, the application of effective practices in relation to the institutional development, modernization to face the challenges, achieve constant development and methodological approaches and professional skills compatible with the standing social and economic fabric of the country and its privacy.

The application of governance, with its leading advantages in change and restructure, promises the enhancement of performance, the continuation, risk reduction, supporting the responsibility, transparency and taking into account the shareholders' rights. Therefore, the Company's Board of Directors takes all of that into the consideration.

Based on the aforementioned, the Company is committed to apply the rules of disclosure and transparency in order to strengthen confidence. That is why on 19/04/2010 the Company's Board of Directors decided to apply fully the system of governance controls, in accordance with the provisions of Ministerial Resolution No. (518) of the year 2009.

2. The Company as well is committed and works under the rules of governance controls, contained in the Resolution No. (7/RM) 2016 of the Chairman of the Board of the Securities and Commodities Authority regarding the standards of institutional discipline and the governance of public joint stock companies and its amendment which replaces the Ministerial Resolution No. (518/2009).

Second: Transactions Securities of Board Members:

1. The provisions and resolutions of the Securities and Commodities Authority frame the transactions of board members and any employee familiar with the Company's basic data including Article No. (14) of the Resolution No. (2) of the year 2001 by the Authority's Board of Directors, regarding the system of trading, clearing, settlements, transfer of ownership and custody of securities.

On the other hand, the Board Members and employees are banned to trade in the shares of the Company, the parent company, subsidiary company or affiliated company in short-time limits, whether on a daily or a weekly basis. In addition, they are banned to trade in these shares to dilute the rest of the investors and to affect the Company's prices, whether directly or indirectly. They are



banned as well to trade in the Company's shares when it comes to their knowledge of any important events or resolutions aim at affecting the price of the Company's shares. In all cases, the Company's board members, the general manager, the senior executives or any employee familiar with the Company's material informations shall not transact with the Company's securities, Parent Company, The Subsidiary and Sister or the Affiliate of the Company on his own or on behalf of others, during the following periods:

- Ten (10) working days prior to the announcement of any material informations, 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.

A statement of ownership and transactions in the Company's securities by the board members, their spouses and their children during 2019 :

In accordance with the disclosure system and pursuant to Article No. (36) of the disclosure and transparency system issued by Securities and Commodities Authority, and in relating to the e Service Notification of Abu Dhabi Securities Market dated 05 / 01 / 2020, the stock ownership and trading transactions of the Company's shares by the Board Members and their first-degree relatives of the year 2018 are as follows:

Serial No.	Name	Shares Owned On 31/12/2019	The Total Sale	The Total Buying
1	MOHAMED JOUAN RRASHED AL BADIE AL DHAERI	1.542.307	-	-
	MOZA AYED JABIR AL MAZROUI (WIFE)	27.780	-	-
	AHMED MOHAMED JOUAN RASHED AL BADIE AL DHAERI (SON)	749.812	-	-
	MAHA MOHAMED JOUAN RASHED AL BADIE AL DHAERI (DAUGHTER)	8.730	-	-
	FARIS MOHAMED JOUAN RASHED AL BADIE AL DHAERI (SON)	50.000	-	-
2	KHALID MOHAMED JOUAN RASHED AL BADIE AL D DHAERI	818.216	-	-
3	MOHAMED AL FANDI GHANEM ATAISH AL MAZROUEI	159.960	-	-
4	SAEED ALI SALEH AHMED AL KUWAITI	252.012	-	-
5	GHAITH HAMMEL BIN KHADIM AL GHAITH AL QUBAISI	100.658	-	-
	HAMDA KHALIFA FARAIH AL QUBAISI (MOTHER)	98.000	-	-
6	MOHAMED ABDULJABBAR ABDULMOHSEN AHMED ALSAYEGH (EPRESENTATIVE OF ABU DHABI INVESTMENT COUNCIL COMPANY)	-	-	-
7	FAYSAL JASIM MOHAMED AL KHALUFI (REPRESENTATIVE OF ABU DHABI INVESTMENT COUNCIL COMPANY)	-	-	-



Third: Board of Directors Composition :

1. Statement of the current Board of Directors composition according to the categories of its members:

The board of directors currently consists of seven members elected by the General Assembly and the duration of board membership is three years.

Serial No.	Name	Designation	Category	Expertise/Qualifications	Duration of Membership (since)
1	MOHAMED JOUAN RASHED ALBADIE ALDHAERI	Chairman	Non-executive / Non-independent	<ul style="list-style-type: none"> - Businessman - Experienced, proprietor and major shareholder in many real estate, tourism and oil projects. - Founder and owner of AL BADI GROUP since 1967. - Former Chairman of Abu Dhabi National Industrial Projects (ADNIP). - Former Board Member of NATIONAL BANK OF ABU DHABI, from 1968 to 2009. - Former Board Member of Abu Dhabi Chamber. 	1976
2	KHALID MOHAMED JOUAN RASHED ALBADIE AL DHAERI	Deputy Chairman	Non-executive / Independent	<ul style="list-style-type: none"> - Businessman. - Master of Financial Management from George Washington University. - Experienced in investment banking and projects. - Former Board Secretary of National Bank of Abu Dhabi - Former Deputy General Manager of Investment Banking Division at National Bank of Abu Dhabi. - Former Head of Asset Management, Funds and Investment Portfolio at NATIONAL BANK OF ABU DHABI. - Former Board Member of Abu Dhabi Chamber. 	2006



				<ul style="list-style-type: none"> - Chairman of Emirates Insurance Association - Chairman of Executive Board of Gulf Insurance Federation. 	
3	MOHAMED ALFANDI GHANEM ATAISH ALMAZZROUEI	Member	Non-executive / Non-independent	<ul style="list-style-type: none"> - Businessman. - Former Member of the first National Consultative Council in the Emirate of Abu Dhabi. - Experienced in the field of oil services and investment. - Experienced in attracting international companies to implement projects in the country. 	1979
4	GHAITH HAMMEL BIN KHADIM AL HAITH ALQUBAISI	Member	Non-executive / Independent	<ul style="list-style-type: none"> - Businessman. - Experienced in the field of investment and real estate. - Member of the National Consultative Council in the Emirates of Abu Dhabi. - Deputy Chairman of Al GHAITH HOLDING. - Former Board Member of Abu Dhabi Emiratization Council. - Former Board Member of MARINE DREDGING COMPANY. - Former Chairman of PRESTIGE JET for private aviation. 	2003
5	SAEED ALI SALEH AHMED ALKUWAITI	Member	Non-executive / Non-independent	<ul style="list-style-type: none"> - Businessman. - Master of Military Science. - Former Board Member of Emirates Red Crescent and Abu Dhabi Hotels Company. - Chairman of EMIRATES METAL STRUCTURES INDUSTRY/AI Ain. - Business experience in real estate and contracting. - Former Board Member of ABU DHABI AVIATION. 	2006



6	MOHAMED ABDUL JABBAR ABDULMOHSEN AHMED ALSAYEGH	Member	Non-executive / Independent	- Senior Dealer in the accounts management and financial services at Abu Dhabi Investment Council Co. - Financial expert in capital markets. - Businessman who runs many private companies. - Bachelor of Finance from Northeastern University, Boston, USA.	2018
7	FAYSAL JASIM MOHAMED AL KHALUFI	Member	Non-executive / Independent	- Head of investments at Department of Private Ownership, Abu Dhabi Investment Council Co. - Investment expert. - Bachelor of Business Administration.	2018

2. The membership, positions of Board Directors in other joint stock companies and their important supervisory, governmental and business entities :

Serial No.	Name	Current Positions
1	MOHAMED JOUAN RASHED ALBADI ALDHAERI	Owner of AL BADI GROUP
2	KHALID MOHAMED JOUAN RASHED ALBADIE AL DHAERI	Chairman of EMIRATES INSURANCE ASSOCIATION
3	MOHAMED ALFANDI GHANEM ATAISH ALMAZZROUEI	
4	GHAITH HAMMEL BIN KHADIM ALGHAITH ALQUBAISI	Member of the NATIONAL CONSULTATIVE COUNCIL IN THE EMIRATES OF ABU DHABI.
5	SAEED ALI SALEH AHMED ALKUWAITI	
6	MOHAMED ABDUL JABBAR AL SAYEGH	ABU DHABI INVESTMENT COUNCIL CO.
7	FAYSAL JASIM AL KHALUFI	ABU DHABI INVESTMENT COUNCIL CO.

3. Statement of women's representation in the Board of Directors in 2019 :

There are no women members at the Company's Board of Directors.



4. **A statement of the reasons why no women were nominated for the membership of the Board of Directors :**

No female members have run for the 2018 elections of the Company's Board of Directors. Noting that the members of the Company's Board of Directors should be, in accordance with the Company's Articles of Association, one of the Company's shareholders, as well as being subject to the other conditions and requirements of the governance resolution regarding the Board of Directors member.

5. **The Total remuneration to the Members of the Board of Directors for the year 2018 :**

Remuneration of Board of Directors Members are determined based on the provisions of Article No. (21) of the Governance Resolution and Article No. (169) of the Commercial Companies Law No. (2) of the year 2015, which are in force at the time when the meeting of General Assembly is held and approves the proposal of the Board of Directors on 11/02/2019. Whereas, the remuneration of the members of the Board of Directors consists of a percentage of the net profit, in all cases it shall not exceed 10% of the net profit for the ended fiscal year, after the deduction of depreciation and reserve.

In execution of the aforementioned, the remuneration of the Board of Directors should be determined through a proposal or a recommendation of the Board of Directors and submitted to the General Assembly of the Company. In all cases, it shall not exceed 10% of the net profit in accordance with the above-mentioned controls.

In 2018, the total paid remuneration for members of the Board of Directors were AED 5,387,234/-

6. **The Total remuneration Proposed to be paid to the members of the Board of Directors for the year 2019 :**

As for the fiscal year 2019, the distribution of remuneration of the Board of Directors has not yet been completed, whereas the remuneration will be presented to the General Assembly of the Company, which has the authority to refuse or approve them. It is expected that the Board of Directors' remuneration proposal for 2019 will be AED.6.414.897/69 up to 10% in accordance with the provisions of Article No. (169) of the Commercial Companies Law No. 2/2015, **while members of the Board of Directors do not receive any allowances for attending Board meetings.**

As for the committees emanating from the Board of Directors according to the system of governance, the member shall receive an amount of AED FOUR THOUSAND for attending each meeting, as well as the amount of AED TEN THOUSAND for attending each meeting at the Real



Estate & Investment Committee, in addition to AED EIGHT THOUSAND for the transportation of the member outside the city of Abu Dhabi.

7. Statement of the details of allowances for attending the sessions of the committees derived from the BOD, which were paid to the BOD members for the fiscal year 2019 :

Name	Audit Committee	Nomination & Bonus Committee	Real Estate & Investment Committee	Total
Number of Meetings	8	3	24	
KHALID MOHAMED JOUAN RASHED ALBADIE AL DHAERI	AED.40.000	AED.20.000	AED.336.000	AED.396.000
GHAITH HAMMEL BIN KHADIM ALGHAITH ALQUBAISI	AED.40.000	AED.20.000	AED.336.000	AED.396.000
MOHAMED ABDUL JABBAR AL SAYEGH	-	AED.20.000	AED.336.000	AED.356.000
FAYSAL JASIM AL KHALUFI	AED.40.000	-	-	AED.40.000

8. The Board Member did not receive on 2019 any additional allowances, salaries or fees other than the allowances for attending the committees.

9. Statement of the number of meetings of the Board of Directors for the year 2019, their dates and number of attendances :

The Board of Directors of AL AIN AHLIA INSURANCE COMPANY held the number of (5) meetings over the past year, in the following details :

Date Of The meeting	No Of Attendees	Number Of Attendance By Proxy	Name of Absent Members
11/02/2019	7	-	-
17/06/2019	7	-	-
01/10/2019	5	-	- KHALID MOHAMED JOUAN RASHED ALBADIE AL DHAERI - GHAITH HAMMEL BIN KHADIM ALGHAITH ALQUBAISI
25/11/2019	6	-	MOHAMED ALFANDI GHANEM ATAISH ALMAZZROUEI
15/12/2019	7	-	-

Noting that the absence of the members was under excuses approved by the Board of Directors.

10. Number of board resolution passed during the 2019 fiscal year along with its meeting convention dates :

No passing decisions were issued.



11. Statement of the tasks and function delegated by the Board of Directors to the Executive

Management :

In addition to the powers of the General Manager of the Company stipulated in Articles No. (27) and (28) of the Company's Articles of Association, whether by running the Company's business, defending its rights, representing it before others, empowering lawyers and appealing against the judgments. As well as the General Manager Mr. Mohamad Mazhar Hamadeh being authorized to sign on behalf of the Company in all administrative, technical and legal transactions, and has the right to authorize others to sign all or some of the foregoing authorization till 07/01/2023. He also has the right to appoint and dismiss employees, determine their salaries, allowances, promotion, transfer, and rules of discipline and to carry out all the work required by the Company's management according to its purposes.

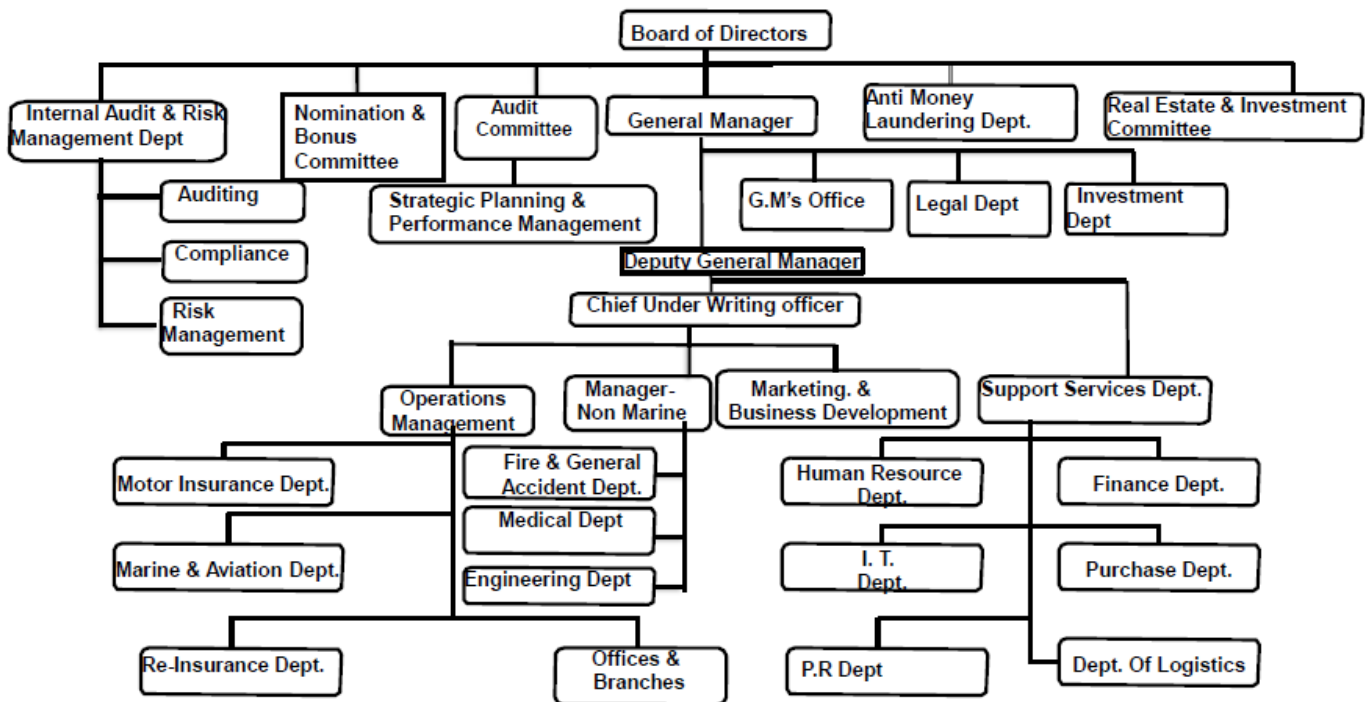
12. Statement of the details of transactions mad with the related parties (stakeholder) during 2019:

No deals were done with related parties during 2019.

13. Corporate Structure :



**Al Ain Ahlia Insurance Company
Organization Chart**





14. A detailed statement of the names of senior executives in the first and second grades of the Company and the total salaries and bonuses paid to them of the year 2019 :

No.	Names	Position	Date of Appointment	Total Salaries and Allowances Paid in year 2019	Total Bonuses Paid in year 2019	Any Other Cash/In-Kind benefits for 2019 or Payable in the Future
1	MOHAMMAD MAZHAR HAMADA	General Manager	20/03/1976	AED. 3,761,964.00	AED.1.479.902.00	None
2	RONALD BAKICA	Deputy General Manager	22/09/1994	AED.1,554,480.00	None	None
3	MARK COCKAYNE	Chief Under Writing Officer	08/01/2019	AED.1,177,419.00	None	None

Fourth: External Auditors' Fees :

- 1- Deloitte & Touche (M.E) Company took over the Company's external audit of the year 2019, which was selected in accordance with the shareholders' resolution at the meeting of General Assembly in 2019. A paid fee of AED.130.000/- for the audit of the annual financial statements, an amount of AED.30.000/- for the audit of the first quarter, an amount of AED.30.000/- for the second quarter and the same amount for the third quarter. An additional amount of AED.4.000/- for the Health Authority disclosures, and an amount of AED.22.000/- for translation, an amount of AED.100.000/- for reports preparation and auditing the financial statements disclosed of the Insurance Authority (Eforms) and the amount of AED.4.000/- for issuing certificates according to the requirements of the Insurance Authority.

Name Of Audit Office	Deloitte and Touche
Partner Auditor	Oliver Zoeger
Number of years served as an external auditor for the Company	One year
Total fees for the auditing the financial statements of 2019 (in AED)	AED.350,000/=
The fees and costs of the special services other than auditing of the financial statements in 2019 (in AED), and in case there are no other fees, this shall be expressly stated.	None
The details and nature of other services provided (if any), and in case there are no other services, this shall be expressly stated.	None
A statement of the other services performed by an external auditor other than the Company's auditor in 2019 (if any), and in case there is no another auditor, this shall be expressly stated.	None



- 2- A statement of the reservations made by the company's external auditor in the interim and annual financial statements for 2019.

No reservations made by the company's auditor.

3- **About Deloitte and Touche :**

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 312,000 professionals are committed to becoming the standard of excellence.

Deloitte UAE has over 1,100 professionals based within five practice offices in Abu Dhabi, Dubai, Fujairah, Ras Al Khaimah and Sharjah. They are a full service firm in the UAE, and have well developed practices serving leading enterprises and institutions in banking, insurance and other financial services, telecommunications, construction, public sector activities, trading, manufacturing, and energy and resources. The UAE Audit practice has 37 Partners, Principals and Directors, and more than 400 dedicated audit professionals.

The external audit Company is independent of the Company and its board of directors. It conducts audit work, verifies the financial statements and monitors the Company's accounts for the fiscal year in which it was appointed. In order to perform its duties, it shall have the right to inspect at all times all the Company's books, records and documents and to request data and clarifications, which it deems necessary to obtain, and to check the Company's assets and liabilities.

The external auditor shall attend the General Assembly meeting and verify the procedures followed in calling for that meeting. He shall express his opinion on the Company's budget and on any irregularities that may have occurred during the fiscal year regarding the provisions of the Company's Articles of Association or the Companies Law or the resolutions of the General Assembly.

Fifth: Statement of Board Committees :

1. **Audit Committee**

Khalid Mohamed Jouan Al Badie, Audit Committee Chairman's acknowledges his responsibility for the Committee system in the company, review of its work mechanism and ensuring its effectiveness.



The purpose of this committee is to support the role of the Board of Directors in its responsibilities to represent shareholders in relation to the audit of financial information and corporate governance matters on a regular basis to ensure the effective use of available resources. As well as the supervision and follow-up of the independence of the external auditor, the objectivity and the review of internal control systems.

The Audit Committee consists of the following Excellences :

HE/ KHALID MOHAMAD ALBADIE	Head of the Committee
HE/ GHAITH HAMMEL AL GHAITH AL QUBAISI	Member
HE/ FAYSAL JASIM AL KHALUFI	Member

The Committee shall carry out all the specialties and tasks stipulated in Article No. (49) of the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of the year 2016.

The Audit Committee held (8) meetings in the presence of all its members during 2019 with the following dates:

First Meeting	10/02/2019
Second Meeting	24/02/2019
Third Meeting	12/03/2019
Fourth Meeting	14/03/2019
Fifth Meeting	26/05/2019
Sixth Meeting	19/08/2019
Seventh Meeting	13/10/2019
Eighth Meeting	04/11/2019

2. Nomination & Remuneration Committee

GHAITH HAMMEL BIN KHADIM ALGHAITH ALQUBAISI, Nomination & Remuneration Committee Chairman's acknowledges his responsibility for the Committee system in the company, review of its work mechanism and ensuring its effectiveness

The main purpose of the Nomination and Remuneration Committee is to define policies and criteria of the Board of Directors elections, in addition to periodic review of the capabilities and skills required in the Board, the preparation of human resource policies and training. Ensuring the independence of independent members and ensuring that there are no conflicts of interest in the



membership of the Boards of Directors and other companies, as well as determining compensation and bonus policies for Board members and senior executives.

The Nomination and Bonus Committee consists of the following excellence's :

HE/ GHAITH HAMMEL AL GHAITH AL QUBAISI	Head of the Committee
HE/ KHALID MOHAMED AL BADIE	Member
HE/ MOHAMED ABDUL JABBAR AL SAYEGH	Member

The Committee shall carry out all the specialties and tasks stipulated in Article No. (47) of the Resolution No. (7/R.M) of the year 2016 of the Chairman of the Board of Directors of the Securities and Commodities Authority.

The Nomination and Bonus Committee held (3) meetings in the presence of all its members during 2019 with the following dates:

First Meeting	10/02/2019
Second Meeting	17/06/2019
Third Meeting	04/11/2019

3. Any Other Committee Approved by the Board of Directors :

Real Estate and Investment Committee

Khalid Mohamed Jouan Al Badie, Real Estate and Investment Committee Chairman's acknowledges his responsibility for the Committee system in the company, review of its work mechanism and ensuring its effectiveness.

The Board formed the Real Estate and Investment Committee by the diction Board of Director No. (73) dated 15/04/2007 in order to devise and observe the investment strategy as intended and submitted suggestion on different investment field without canceling its powers or the authority of the Chairman of the Board of Directors in accordance with the Articles of Association of the Company and resolutions of the General Assembly.

The Real State and Investment Committee consists the following Excellency's :

HE/ KHALID MOHAMED AL BADIE	Head of the Committee
HE/ GHAITH HAMMEL AL GHAITH AL QUBAISI	Member
HE/ MOHAMED ABDUL JABBAR AL SAYEGH	Member



MR/ MOHAMMAD MAZHAR HAMADEH Member

The Real State and Investment Committee held (24) meetings in the presence of all its members during 2019 with the following dates :

(10/02, 24/02, 28/02, 07/03, 28/03, 20/05, 26/05, 09/06, 13/06, 23/06, 30/06, 08/07, 18/07, 28/07, 30/07, 15/08, 19/08, 10/10, 13/10, 30/10, 04/11, 26/11, 05/12 and 10/12/2019).

Sixth: Committee of follow-up and supervision on the transactions of Insiders :

1. Pursuant to Article No. (12) of the Resolution No. (7/R.M) of the year 2016 of the Chairman of the Board of Directors of the Securities and Commodities Authority, in relation to the criteria of institutional discipline and the governance of public joint stock companies. On 14/06/2016, a committee was formed to assume responsibility for managing, following up and supervising the transactions of Insiders and their properties, and maintaining a register for them. Whereas the committee consists of :

1. Mr. KHODR MOHAMMAD SAID **Manager of Legal Department at the Company**
2. Mr. HASSAN HOUSAM AL SAYED **Manager of the Internal Control Department - Compliance officer**

Khodr Mohd. Said and Hassan Housam Naiyf acknowledges their responsibility for the follow-up and supervision system on transaction of the insiders in the company, review of its work mechanism and clarifying and ensuring its effectiveness.

2. The Committee has accomplished during 2019

- The Committee held its meeting on 29/09/2019 and reviewed the e-mail sent by Messrs./ Abu Dhabi Securities Exchange dated 23/09/2019, in response on the Company's request indicating that there is no transaction for the Board member of the Company during the period from 01/01/2019 to 17/09/ 2019.



Seventh : Internal Control System :

1. The Company's Internal Control Department exercises its roles in accordance with the provisions of Article No. (50) of the Resolution No. (7/R.M) of the Chairman of the Board of Directors of the Securities and Commodities Authority. Consequently, it has sufficient independence to perform its roles and is directly subordinate to the Board of Directors, who acknowledge his responsibility for the Internal Control System, its audit and effectiveness.

2. Mr. / HASSAN HOUSAM NAIYF is the Director of the Internal Control Department, who has also been assigned as a Compliance Officer since 2010. He has accounting and management experience in a number of companies in addition to working as an external auditor in the Kingdom of Bahrain.

The Company adopts the application of international standards of internal control in order to achieve the required purposes efficiently and with less economical cost, in relation to the basics of internal control to ensure the following :

1. Plausibility and compatibility of information and data.
2. The extent of compliance with policies, plans, procedures, regulations, laws and instructions.
3. The extent of the protection of the Company's assets and properties.
4. The extent to which activities, processes and programs are aligned with the specified strategic purposes and objectives, and to ensure the application of these activities, processes and programs by the supervisory bodies according to the specified plans and objectives.
5. Emphasizing preventive control, intended towards desired achievements and encourages the repetition of its performance, in order to prevent undesired events and correct improper actions.
6. Emphasizing the integrity and efficiency of the internal control elements represented in the following:
 - Regulatory Authority.



- Risk Assessment.
- Internal Control Activities.
- Information & Communications.
- Control & Inspection.

The Internal Control Department, represented by the Director of Internal Control Department, is responsible for the following:

- Preparing the annual control plan in coordination with the Audit Committee and the directors of the concerned departments or heads of the other divisions of the Company.
 - Executing the approved internal control plan as well as executing any other special tasks or projects requested by the Board of Directors.
3. The Director of the Internal Control Department shall submit detailed reports to the Audit Committee and then to the Board of Directors on the evaluation of the internal control system, on a regular basis and when necessary and at any time, in accordance with the requirements of such evaluation to provide feedback and make suggestions to fill the gaps in the internal control system.
 4. In 2019, the Company did not face any major problems to be dealt with by the Internal Control Department, which in case of occurrence; the Internal Control Department will deal with them properly and according to the nature of the problem, which may differ from one another in its causes and components. In addition to submitting reports with facts and solutions to the Board of Directors.
 5. The Director of the Internal Control Department is also assigned by the Board of Directors as the Compliance Officer to verify the compliance of the Company and its employees with the issued laws, systems, resolutions and regulations.
 6. Six reports were issued by the Internal Control Department to the Board of Directors for the Year 2019.



Eighth: The Company did not commit any violations during the fiscal year of 2019.

Ninth: Code of Conduct:

The Company applies the system of the Code of Conduct, on the Board of Directors, the Higher Management and the employees. The Code of Conduct, which covers the general rules of ethics and covers a wide range of procedures and practices in conformity with all relevant legislation and local customs .

Tenth: AL AIN AHLIA INSURANCE COMPANY has many social contributions and partnerships with community institutions and centers. In 2019, the Company, in order to enhance its external relations, supported and sponsored a number of events for governmental, social and educational bodies with a total amount of AED.800.000/- for the Messrs. Emirates Traffic Safety Society, Sandooq Al Watan. In addition to the interest of the Company in preserving the safety of the environment by reducing the use of paper and reusing it and reducing water and electricity consumption.

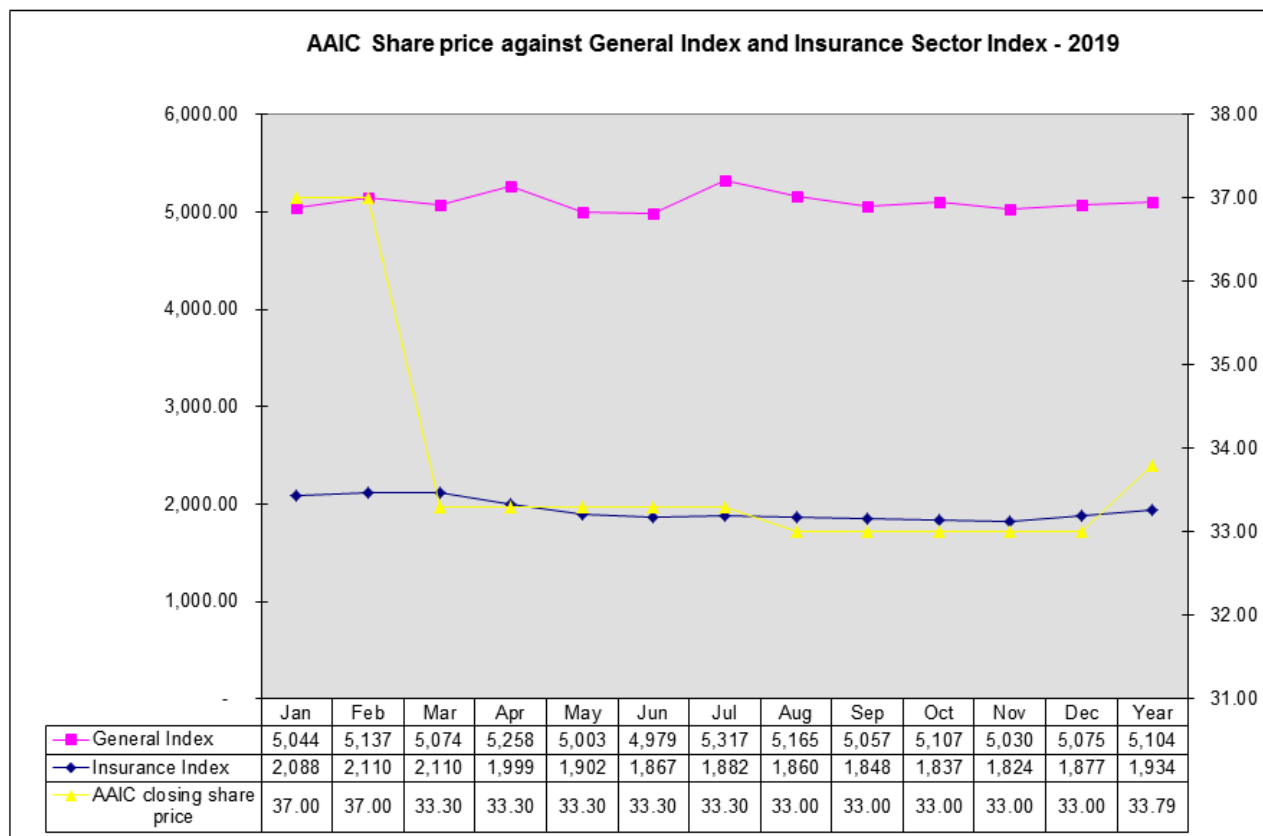
Eleventh: General Information:

1. **A statement of the Company's share price on the Abu Dhabi Securities Exchange (closing price, highest price and lowest price) at the end of each month during the fiscal year 2019.**

Month	High (52)	Low (52)	Close
Jan-2019	38.00	33.00	37.00
Feb-2019	38.00	33.00	37.00
Mar-2019	37.00	33.00	33.30
Apr-2019	37.00	33.00	33.30
May-2019	37.00	33.00	33.30
Jun-2019	37.00	33.00	33.30
Jul-2019	37.00	33.00	33.30
Aug-2019	37.00	33.00	33.00
Sep-2019	37.00	33.00	33.00
Oct-2019	37.00	33.00	33.00
Nov-2019	37.00	33.00	33.00
Dec-2019	33.30	33.00	33.00



2. A statement of the comparative performance of the Company's shares with the general market index and sector index to which the Company belongs during 2019 :



3. Distribution of Ownership of Equity (Individuals, Companies and Governments) on 31/12/2019, categorized as follows :

Geographic Location	Government			Companies			Individuals			Total		
	No. of Shareholders	Ownership (share)	%	No. of Shareholders	Ownership (share)	%	No. of Shareholders	Ownership (share)	%	No. of Shareholders	Ownership (share)	%
UAE	-	-	-	13	4,555,240	30.37	157	10,444,760.00	69.63	170	15,000,000	100
GCC	-	-	-	-	-	-	-	-	-	-	-	-
ARAB	-	-	-	-	-	-	-	-	-	-	-	-
FOREIGN	-	-	-	-	-	-	-	-	-	-	-	-



4. A statement of shareholders holding 5% or more of the Company's capital as on 31/12/2019 :

Name	No. of Shares	Percentage of owned shares of the company's capital
Abu Dhabi Investment Council Company	2,955,450	%19.70
Mohamed Jouan Rashed Albadie Aldhaheri	1,542,307	%10.28
Khaled Mohamed Jouan Albadie Aldhaheri	818,216	%5.45
Total	5,315,973	%35.44

5. Distribution of shareholders according to the size of ownership as on 31/12/2019as follows:

No. of shares ranging from and to	No. of shareholder	Total No. of owned shares	Percentage of owned shares of the capital
< 50,000	118	1,231,049	8.21%
50,000 - <500,000	46	6,426,786	42.84%
500,000 - <5,000,000	6	7,342,165	48.95%
5,000,000 & above	0	0	0.00%
TOTAL	170	15,000,000	100.00%

6. Controls of Investors Relationship :

In 2015, in accordance with the requirements of the governance controls, the Company nominated a person who follow up the Investor relationship work which is now follow up by Mr. Khalid Walid Al Omari, to assume all tasks related to managing the Investors Relationship, in addition to creating a tab on the Company's website : https://www.alaininsurance.com/Investor%20Relations_New.html for the Investors Relationship, noting that the contact data are as follows:

Company's Telephone No. : 02/6119999
 Mobile No. : 050/4959501
 Fax No. : 02/4456685
 Email of the authorized person : Khalid.omari@alaininsurance .com

7. Special Resolutions that were presented in the 2019 General Assembly :

Approving the proposal of the Board of Directors to make voluntary contributions for the purposes of community service and authorize the Board of Directors to determine the parties to which these amounts will be allocated. The voluntary contributions shall not exceed (2%) of the average net



profit of the Company during the two fiscal years of (2017/2018) and subject to the provisions of the Commercial Companies Law No. 2 of the year 2015.

8. The Name of the Board Secretary and the Date of his appointment :

Mr. Khodr Mohd. Said – start his position in 04/05/2004 holds a bachelor's degree in Sharia and Law from the United Arab Emirates University and he has undergone many legal and administrative training courses.

One of his duties is to perform all administrative functions of board meetings, preparing meetings, informing members of appointments, providing them with information, working as the main point of contact for all members of the board, preparing minutes and drafts, and organizing the record of board disclosures in addition to all other requirements

9. Highlights of the Company's significant events during the year 2019 :

The Company did not encounter any significant events during 2019.

10. Statement of the Emiratization percentage in the Company at the end of 2017, 2018 and 2019 :

The percentage of Emiratization at the Company reached

2017	14.85%
2018	14.66%
2019	15.28%

11. Statement of projects and innovative projects and initiatives carried out by the Company or being developed during 2019 :

The Company did not undertake projects or innovative initiatives during 2019.

Internal Audit Department Manager Nomination & Remuneration Committee Chairman Audit Committee Chairman

17/02/2020

17 /02/2020

17/02/2020

The Chairman Of The Board Of Directors

17/02/2020

HK/.....

