

# CORPORATE GOVERNANCE REPORT

2019



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## 1. Statement of procedures taken to complete the Corporate Governance system during 2019, and method of implementing thereof

Ras Al Khaimah National Insurance Company PSC (RAKINSURANCE) has adopted sound Corporate Governance Policy and Procedures to facilitate effective and prudent management of the company that can deliver enduring success. The framework followed within the company ensures long-standing utmost ethical standards.

RAKINSURANCE ensures that The Chairman of Authority's Board of Director Resolution No. (7.R.M) of 2016 concerning the Standards for Institutional Discipline and Governance of Public Shareholding Companies is aligned with the Company's governance policies, procedures and practices.

RAKINSURANCE is committed to maintain the highest standards of Corporate Governance practices; devoting its time and effort to continuously identifying the best business practices and setting clear policies to be implemented across the organisation. These practices ensure smooth, effective and transparent operations that will attract additional investments and guarantee the protection of shareholder rights.

The primary role of the Board of Directors (the "Board") is to protect and enhance long-term stakeholder values; including shareholders and clients. The Board is responsible for setting the overall Company strategy and has oversight of executive management to ensure that highest standards of corporate governance practices are followed within the organisation.

Day-to-day operations are delegated to the executive management, led by the Chief Executive Officer. The executive management team is accountable for the performance of the Company and measured against a set of corporate goals and targets. The posts of the Chairman and Chief Executive Officer of the Company are separate to have a clear distinction between the Chairman's role to manage the Board and the Chief Executive Officer's responsibility to manage the executive management and supervise the company's business.

The Board established four committees and delegates its power and authorities from time to time (as permitted by the laws, regulations and Company's Articles of Association) to ensure that the operational efficiency and specific issues are being handled with diligence and scrutiny. Each committee has its specific duties and authorities defined with each of its terms of reference duly approved by the Board.

RAKINSURANCE, through its robust Corporate Governance, provides confidence that the Company's overall business performance is properly monitored and ensures that its Directors, management and staff are acting to best serve the interests of the Company and its stakeholders.

## 2. Statement of ownership and transactions of the Board of Directors' members, and their spouses and children in the Company securities during 2019, according to the following schedule:

SN	Name	Position / Kinship	Shares owned as on 31-Dec-2019	Total sale	Total purchase
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1	Ahmed Essa Al Naeem	Vice Chairman	*17,845,000	-	3,072,192
2	Mohamed Ahmed Essa Ahmed al-Naeem	Son of the Vice Chairman	6,315	243,987	250,302

\* The number of shares included the 5% bonus shares distributed in 2019 as per the 2018 AGM.

**Attached the shareholders list issued by the market.**

### 3. Board Formation

#### 3.1. Statement of the current Board formation

The individuals comprising RAKINSURANCE Board of Directors provide a broad range of skills, relevant industry knowledge, experience and highly professional backgrounds contributing to the diversity appropriate for the organisation's circumstances.

The Board consists of 5 members including the Chairman, two independent directors and three non-independent directors. Four members of the Board are UAE Nationals and all members are non-executive members.

As per the Company's Articles of Association, the Board should hold its meetings at least four times a year and may convene for additional meetings when the need arises upon the invitation of the Chairman or the Vice-chairman in his absence. A meeting will only be held if a quorum has been reached. The Board members elected are as detailed below

#### 3.2. Composition of the Board of Directors for 2019

SN	Name	Category	Experience & Qualifications	Period served as a BOD since first election	Membership/positions in any other joint stock companies	Positions in any other important supervisory, governmental or business entities
1	Salem Ali Al Sharhan	Non-Independent/ Non-Executive	Bachelor of Science in Accountancy, UAE University	5 years and 8 months	Board Member – RAK Bank	<ul style="list-style-type: none"> <li>• Board Member – DIFC</li> <li>• Board Member – RAK Medical &amp; Health Sciences University</li> <li>• Board Member – American University of Ras Al Khaimah</li> </ul>

2	Ahmed Essa Al Naeem	Non-Independent/ Non-Executive	Bachelor of Science in Electrical and Communication Engineering	13 years	Board Member - RAK Bank	<ul style="list-style-type: none"> <li>• Chairman – RAK Trade Centre</li> <li>• Chairman – Al Naeem Mall and Al Naeem City Centre</li> <li>• Chairman – Khalifa Mall</li> <li>• Board Member – Majan Printing</li> </ul>
3	Peter William England	Non-Independent/ Non-Executive	Masters in Business Administration	4 years and 4 months	Chief Executive Officer - RAKBANK	<ul style="list-style-type: none"> <li>• None</li> </ul>
4	Jasem Ahmed Al Nuaimi	Independent/ Non-Executive	Bachelors in Public Administration	2 years and 9 months	None	<ul style="list-style-type: none"> <li>• Board Member – Emirates Insurance Association</li> </ul>
5	Aarefa Saleh Al Falahi	Independent/ Non-Executive	Masters Degree	1 Year 9 months	Vice President - Mashreq Bank	<ul style="list-style-type: none"> <li>• Board Member – Ras Al Khaimah Chamber of Commerce and Industry</li> <li>• Board Member – Saud Bin Saqr Establishment for Youth Enterprises Development</li> <li>• Adviser – Higher Colleges of Technology – the Information Technology and Marketing Program</li> </ul>

**Attached an acknowledgment issued by each member that the above information contained in clauses 2 and 3 are valid.**

### **3.3. Statement of the percentage of female representation in the Board for 2019**

RAKINSURANCE believes that good corporate decision-making requires the ability to hear and consider different points of view which comes from people who have different backgrounds, experiences and perspectives. The Company's General Assembly held on 7<sup>th</sup> March 2018 has appointed Ms. Aarefa Saleh Al Falahi as Board member in accordance with SCA Resolution No. (7.R.M) of 2016. Women, therefore, represent 20% of the Company's Board of Directors.

## 4. Remunerations and Allowances

### 4.1. Total Remuneration paid to the Board members for year 2018

The Board of Directors remuneration for the financial year ending 31<sup>st</sup> December 2018, has been fixed at AED 1.46 million - pursuant to Article 169 of the Federal Law no 2 of 2015 on Commercial Companies, Article 21 of the Chairman of Authority's Board of Directors' Resolution No. (7 R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies, and as per Article 38 of the Company's Article of Association. This was approved in the General Assembly Meeting on 15<sup>th</sup> April 2019 and subsequently paid.

### 4.2. Total Remuneration proposed to the Board members for year 2019, and will be presented in the AGM meeting for approval

Subject to Board of Directors review and recommendation, it is expected that an amount of AED 350,000 will be presented for review to the upcoming Annual General Meeting to be held on 31<sup>st</sup> March 2020 as the Board of Directors remuneration for the year ended on 31<sup>st</sup> December 2019.

### 4.3. Details of the allowances for attending the sessions of the Board Committees received by the Board members for year 2019

No attendance fee nor allowance have been paid to any of the members of the Board of Directors for the fiscal year 2019.

### 4.4. Details of the additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees and their reasons.

No additional allowances, salaries or fees received by a Board member for the fiscal year 2019.

## 5. The Board meetings held during the fiscal year 2019

During the year 2019, RAKINSURANCE's Board of Directors held five (5) meetings. The detailed agenda along with the Board documents were circulated in advance. The details of attendance of the Directors at the Board meetings are given below.

SN	Name	Board meeting dates - 2019					Total number of attendance
		21-Feb	14-Mar	05-May	29-Sep	12-Dec	
1	Salem Ali Al Sharhan	✓	✓	✓	✓	✓	5
2	Ahmed Essa Al Naeem	✓	✓	✓	✓	✓	5
3	Peter England	✓	✓	✓	✓	✓	5

4	Jasem Ahmed Al Nuaimi	✓	✓	✓	✓	✓	5
5	Aarefa Saleh Al Falahi	✓	✓	✓	✓	✓	5

✓ : Attended; - Not attended;

**Attached the Company disclosures on the Market website about the Board meetings.**

### 5.1. Number of the Board resolutions passed during the fiscal year 2019

Four (4) Board resolutions were passed during the fiscal year 2019. These resolutions were operational in nature and were not disclosed to the Abu Dhabi Exchange Market, as they do not impact the Company's share price.

- Board of Directors Resolution by passing No. 1/2019 dated 19<sup>th</sup> March 2019 on the Staff Bonus.
- Board of Directors Resolution by passing No. 02/2019 dated 18<sup>th</sup> April 2019 on the appointment of "Baldwin Global Risk Services Ltd" as the external Company's Risk Consultant.
- Board of Directors Resolution by passing No. 3/2019 dated 17<sup>th</sup> July 2019 on the opening of a new corporate and retail branch in the Emirate of Sharjah. (Still in process and the branch did not open yet).
- Board of Directors Resolution by passing No. 04/2019 dated 14<sup>th</sup> October 2019 on the appointment of Ernst & Young for IFRS 17 Phase II.

### 5.2. Statement of Board duties and powers exercised by the Board members or the executives management members during 2019 based on Board authorisation

SN	Name of the authorized person	Power of authorization	Duration of the authorization
1	Ewen John McRobbie	Power of Attorney	Unlimited

The Executive Management supports the Chief Executive Officer (CEO) in the preparation of strategies, budget, policies and procedures, and handling of significant or fundamental operative matters as well as ensuring effective internal communications.

The CEO operates in accordance with the authority delegated to him by the Board of Directors through a Power of Attorney. The CEO, with support from the Executive Management team, is responsible for the day-to-day management of the business, in line with the annual Strategy Plan approved by the Board of Directors.

The major duties and responsibilities delegated to the Executive Management by virtue of a Power of Attorney are as follows:

1. Transact, manage, carry on and do all commercial, financial and insurance matters and powers requisite and necessary or in any matter connected with or having reference to the business and affairs of the Company's operations inside of the United Arab Emirates as per the provisions of the Power of Attorney and in the limits mentioned in the Delegation of Authority Matrix.
2. Manage the accounts of the Company with any Bank(s) as per the provisions of the Power of Attorney and in the limits mentioned in the Delegation of Authority Matrix.
3. Represent the Company in all financial agreements approved by the Board of Directors as per the provisions of the power of attorney and in the limits mentioned in the Delegation of Authority Matrix.

4. Settle, compromise, discharge or compound as per the provisions of the Power of Attorney and in the limits mentioned in the Delegation of Authority Matrix.
5. Purchase or take on leases for residential, business and other premises and facilities for the business of the Company compound as per the provisions of the Power of Attorney and in the limits mentioned in the Delegation of Authority Matrix. The validity of the delegation of authority is limited to one year.

### **5.3. Statement of the details of transactions made with the related parties (stakeholders) in 2019**

During the year 2019, the Company entered into the following transactions:

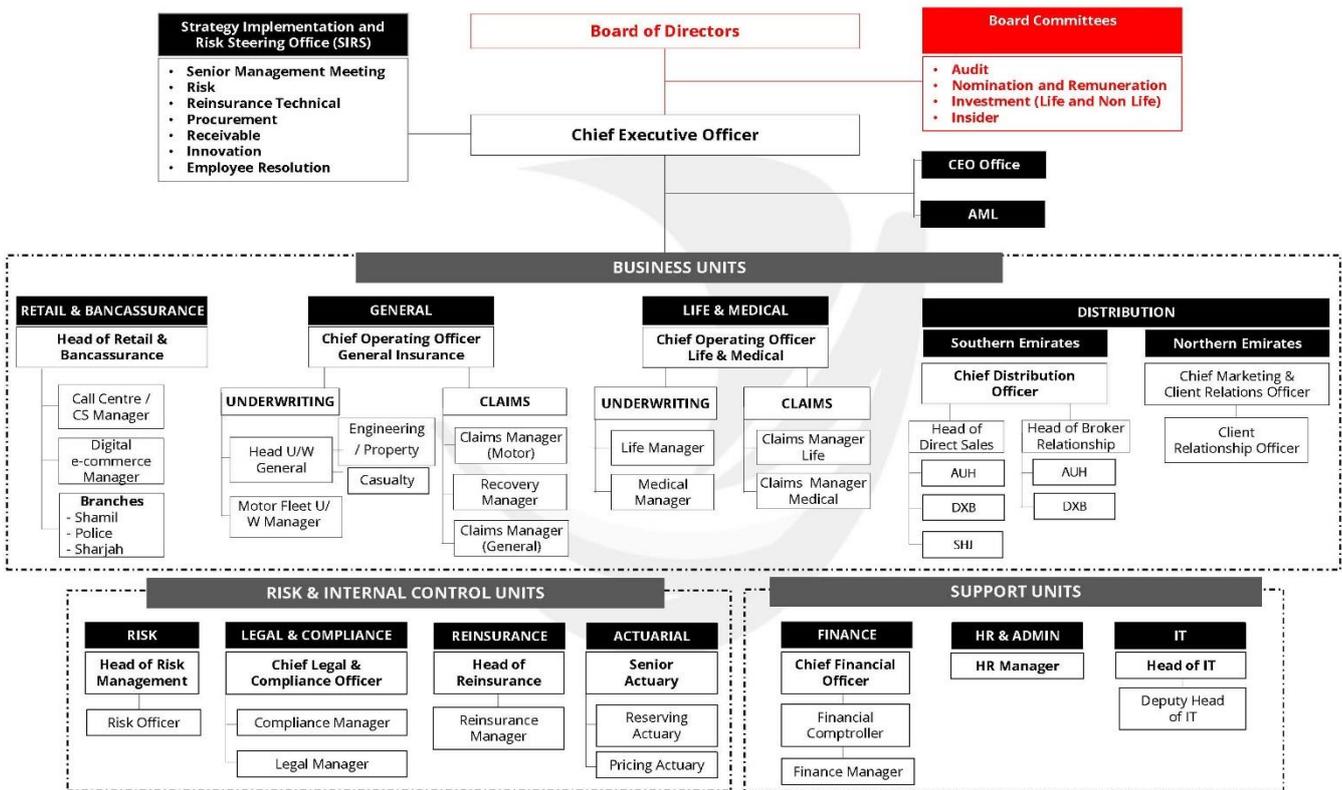
<b>SN</b>	<b>Clarifying the nature of relationship</b>	<b>Type of transaction</b>	<b>Total Value of all transactions</b>
1	Board Members and Shareholders	Premium Written	94,293,645
2	Board Members and Shareholders	Claims paid	38,778,052
3	Parent Company	Repayment of Loan	36,319,529
4	Shareholders	Dividend - Fund transfer	11,000,000
5	Parent Company	Fixed Deposit Placements	10,000,000

**Attached a statement of the transactions that the company made during 2019, which equal 5% or more of the company's capital.**

## The Complete organizational structure of the company<sup>1</sup>.

Attached a sealed copy of the company's complete organisational structure.

### High Level Organisational Structure Overview



<sup>1</sup> Group Internal Audit (GIA) is independent of Management and reports directly to the Audit Committee, hence the Chief Internal Auditor and Internal Audit Team are not represented in the above Organisational Structure.

#### 5.4. Statement of the Senior Executive in the first and second grade according to the Company's organisational structure.

SN	Position	Date of Appointment	Total salaries and allowances paid in 2019 (AED)	Total bonuses paid for 2019	Any other Bonuses in cash/in kind for 2019 or due to be paid in the future
1	Chief Executive Officer	01-Oct-2018	1,320,000.00	These bonuses will be determined after review and approval by the Board	Not Applicable
2	Chief Financial Officer	20-May-2018	705,000.00		
3	Chief Legal and Compliance Officer	21-Feb-2016*	702,999.96		
4	Chief Distribution Officer	01-Oct-2013	682,616.16		
5	Chief Risk and Compliance Officer	07-Dec-2014	419,171.76		
6	General Manager (RAK Life Insurance)	02-Jun-2013	520,563.60		
7	General Manager (RAK General Insurance)	02-Nov-1996	679,416.00		
8	Chief Reinsurance Officer	10-Aug-2014	387,875.40		

\*On 26<sup>th</sup> August 2019, the Compliance function has been added to the Chief Legal Officer who become Chief Legal & Compliance Officer.

## 6. External Auditor

### 6.1. An overview of the company auditor to shareholders

PricewaterhouseCoopers (PwC) is one of the world's largest providers of assurance, tax, and business consulting services. As one of the world's largest professional services firms, PwC offers a wide range of services and brings variety of skills and experience to bear on clients' issues. PwC has been established in the Middle East region for more than 40 years and has more than 5,600 people in 12 countries across the region: Bahrain, Egypt, Iraq, Kuwait, Jordan, Lebanon, Libya, Oman, Palestine, Qatar, Saudi Arabia and the United Arab Emirates.

The external auditor is completely independent from the executive management and the Board of Directors. No other external auditors were appointed other than the current external auditor during the year of 2019.

### 6.2. The fees and costs for the audit or services provided by the external auditor

Name of the audit office and partner auditor	PricewaterhouseCoopers (PwC) The partner is Stuart Scoular
Number of years served as the company's external auditor.	One year
Total fees for auditing the financial statements of 2019.	AED 375,000

Fees and costs of the special services other than the auditing of the financial statements in 2019 (in AED), if any, and in case there are no other fees, this shall be expressly stated.	None
Details and nature of other services provided (if any). If there are no other services, this shall be expressly stated.	There are no other services provided
Statement of the other services that an <b>External Auditor</b> other than the Company's accounts auditor provided during 2019 (if any). In the absence of another external auditor, this matter is explicitly stated.	There is no external auditor other than the Company's accounts auditor.

**6.3. The reservations that the company's external auditor included in the interim and annual financial statements for 2019. In case of the absence of any reservations, this matter must be mentioned explicitly.**

There was a qualified opinion made by the Company's external Auditor in the annual financial statements for year ended in 31<sup>st</sup> December 2019. The wording of the qualification is as follows;

**Our qualified opinion**

In our opinion, except for the known and possible effects of the matter described in the "Basis for qualified opinion" section of our report, the financial statements present fairly, in all material respects, the financial position of Ras Al Khaimah National Insurance Company P.S.C. (the "Company") as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis for qualified opinion**

The Company has entered into medical capitation agreements with several medical service providers to cap the cost of claims arising from some of its medical insurance contracts. These agreements meet the definition of reinsurance contracts under International Financial Reporting Standard 4, "Insurance contracts".

Because of the lack of available information from Third Party Administrators, management was not able to quantify the cost of the notional claims that the Company would have incurred if the capitation agreements were properly accounted for as reinsurance contracts. As such, there is an equal understatement of both the "Gross claims settled" and "Reinsurance share of claims settled" amounts in the income statements for the years ended 31 December 2019 and 2018.

In addition, there is an overstatement of "Gross claims settled" and understatement of "Insurance premiums ceded to reinsurers" in the income statements for the years ended 31 December 2019 and 2018 of AED 97 million and AED 60 million respectively and an understatement in "Reinsurance contract assets" and "Insurance and other payables" in the statements of financial position as at 31 December 2019 and 2018 of AED 38 million and AED 44 million respectively.

There is no impact of any of these misstatements on the "Gross underwriting profit" or the "Profit" for the years ended 31 December 2019 and 2018.

**7. Audit Committee**

The Audit Committee is composed of three (3) non-executives directors.

### **7.1. The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the company**

Mr. Jasem Ahmed Al Nuaimi, the Audit Committee Chairman acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

### **7.2. Names of the Audit Committee members**

From 1<sup>st</sup> January 2019 up to 31<sup>st</sup> December 2019

<b>Member's Name</b>	<b>Position</b>	<b>Designation</b>
Jasem Ahmed Al Nuaimi	Chairman	Independent
Peter England	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent

### **Audit Committee functions and duties assigned thereto**

The responsibilities of the Audit Committee are in line with Article (48) and Article (49) of SCA Resolution No. (7 R.M) of 2016, and as per the terms of reference of the Audit Committee. The Audit Committee undertakes the following duties:

#### **The Financial Statements and Reporting of the Company**

- Monitor and review the integrity of the Company's financial and accounting policies and procedures, including the review of significant financial reporting issues and judgements contained in the financial statements.
- Monitor the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly) and other formal announcements relating to the financial performance and review thereof as part of its normal work during the year, and the Committee shall particularly focus on the following:
  - a) The consistency of, and any changes to, accounting policies and practices, on a year on year basis;
  - b) Highlighting the aspects that are subject to the management's discretion;
  - c) Methods used to account for significant and unusual transactions;
  - d) Substantial amendments resulting from audit work;
  - e) Supposing continuity of the Company's business;
  - f) Commitment to the accounting standards approved by the Authority;
  - g) Commitment to the listing and disclosure rules and any other legal requirements related to preparation of financial reports; and
  - h) Clarity and completeness of disclosure in financial reports.
- Coordinate 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;
- Consider important and unusual disclosures 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, and challenge where necessary, the actions, estimates and judgements of management (and any changes in them), in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:
  - disclosures and estimates requiring a major element of judgement;
  - the extent to which the financial statements are affected by any unusual transactions in the year, the methods used to account for any significant or unusual transactions where different approaches are possible, and how such transactions are disclosed;
  - the clarity and completeness of disclosures, and the context within which financial statements are made;
  - compliance with accounting standards;
  - compliance with legal and regulatory requirements;
  - the going concern assumption;
  - the representation letter to the auditors; and
  - all material information presented with the financial statements including the business review, and corporate governance statements relating to the audit and risk management.
- Wherever practicable, the Committee should review other statements containing financial information (which require Board approval, in advance of their consideration by the Board, subject always to not being inconsistent with the obligation to comply with prompt reporting obligations);
- Review any significant adjustments to financial reporting resulting from the audit, and resolve any disagreements between management and the external auditors regarding financial reporting;
- Review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy. The review undertaken by the Committee should assess whether the narrative is consistent with the accounting information;
- Submit reports and recommendations to the Board of Directors concerning the above mentioned responsibilities; and consider any other issues determined by the Board of Directors.

### **Whistleblowing arrangements**

- 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 arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters including consideration of the procedures for:
  - The reception, retention and treatment of complaints regarding accounting, internal accounting controls or audit matters; and
  - The confidential submission by employees of the Company (which may be anonymous) of concerns on any matter, including those regarding questionable accounting or audit matters;
- Submit reports and recommendations to the Board of Directors concerning the above mentioned responsibilities; and consider any other issues determined by the Board of Directors.

### **Internal Controls and the Risk Management Framework**

- Review management's reports on the effectiveness of systems for internal control and financial reporting;
- Review Internal Audit/Internal Control's reports on the effectiveness of systems for internal control;
- Review management's reports on critical control issues that have an impact on financial reporting;
- Review the Company's procedures for detecting financial reporting fraud;
- Consider the major findings of any relevant internal investigations into control weaknesses, fraud or misconduct and management's response (in the absence of management where appropriate);
- Review management's and the Chief Risk & Compliance Officer reports on the effectiveness of systems for risk management;
- Monitor the extent to which the Company complies with the code of conduct;
- Review of Related Party transactions with the Company, managing conflict of interests, and submitting recommendations concerning such transactions to the Board of Directors before concluding the contracts.
- Ensuring implementation of code of conduct related to the Committee's duties and powers assigned to it by the Board of Directors;
- Review and assessment of internal control and risk management systems in the Company;
- Submit reports and recommendations to the Board of Directors concerning the above mentioned responsibilities; and consider any other issues determined by the Board of Directors.

#### **Internal Audit/Internal Control**

- Ensure availability of the resources required for the Internal Audit/Internal Control function, review and monitor the effectiveness of such function;
- Review and approve the Internal Audit/Internal Control annual plan and ensure that the function is adequately resourced, has appropriate access to information, adequate standing within the Company and is free from management and other restrictions;
- Review Internal Audit/Internal Control reports on the effectiveness of internal control systems on a regular basis and follow up the implementation of corrective measures from the comments arising from such reports;
- Monitor and review the effectiveness of the Internal Audit/Internal Control function in the context of the overall risk management system;
- Consider the appointment, resignation or removal of the Internal Audit/Internal Control function;
- Review and report on the results of the Internal Audit/Internal Control work on a periodic basis and in particular consider the major findings of any significant internal control escalated to the Committee and consider management's response to Internal Audit/Internal Control recommendations;
- Review and monitor management's responsiveness to the audit findings and recommendations of Internal Audit/Internal Control;
- Review and approve the Internal Audit Charter;
- Approve the Internal Audit/Internal Control annual budget;

- Discuss the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control;
- Consider the results of primary investigations in 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; Submit reports and recommendations to the Board of Directors concerning the above mentioned responsibilities; and consider any other issues determined by the Board of Directors.

### **External Audit**

- Submit a recommendation to the Board of Directors in respect of the selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Audit Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Audit Committee recommendations and the reasons for the Board of Directors' rejection thereof;
- Set and implement the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the Committee deems necessary to take procedures in relation to, and submitting the Committee's recommendations concerning the steps required to be taken;
- Ensure the auditor's fulfilment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company's Articles of Association, and follow up and monitor auditor's independence;
- Review all matters related to the auditor's job, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up the Company's Board of Directors response thereto and provision of the facilities required for performing the auditor's job;
- Ensure timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter;
- Review of the auditor's assessment of internal control procedures and ensure coordination between the internal and external auditors;
- Consider and make recommendations to the Board, to be submitted to shareholders for their approval at the Annual General Meeting, on the appointment, reappointment and removal of the external auditor. The Audit Committee shall oversee the process for selecting the external auditor;
- Oversee the relationship with the external auditor, including:
  - approving the terms of engagement (and the engagement letter) of the external auditor, the remuneration to be paid and the scope of the audit;
  - assessing the external auditor's effectiveness, independence and objectivity, ensuring that key partners are rotated at appropriate intervals;
  - agreeing the policy for, and where required by that policy, approving the provision of non-audit services by the external auditor and the related remuneration; and
  - agreeing with the Board a policy on the employment of former employees of auditor, and monitoring the implementation of this policy.
- Review and approve the annual audit plan, and ensure that it is consistent with the scope of the audit engagement, and coordinated with the activities of the Internal Audit/Internal Control function;

- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;
- Review the findings of the audit with the external auditor, considering the external auditor's management letter and management's responsiveness to the auditor's findings and recommendations;
- Review the reports prepared by the external auditor as per Audit Committee request, considering management's response to any major external audit recommendations;
- Develop and implement a policy on the supply of non-audit services by the external auditor, to avoid any threat to the auditor objectivity and independence;
- Review annually and report to the Board on the qualification, expertise and resources, and independence of the external auditors and the effectiveness of the audit process, with a recommendation on whether to propose to the shareholders that the external auditor should be re-appointed;
- Ensure that the Audit Committee section of the annual report should include an explanation of how the Committee has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, including length of term, when the tender was last conducted and restructures on appointment;
- Review the audit representation letters before signature, giving particular consideration to any non-standard issues within the representations;
- Review any other matters referred to it by the Chairman or the Board; Submit reports and recommendations to the Board of Directors concerning the above mentioned responsibilities; and consider any other issues determined by the Board of Directors.

### 7.3. Number of the Audit Committee meetings held during the year 2019.

During the year 2019, RAKINSURANCE held four (4) Audit meetings. The details of attendance are as follows:

SN	Name	Meetings dates - 2019				Total number of attendance
		31-Jan	25-Apr	25-Jul	6-Nov	
1	Jasem Ahmed Al Nuaimi	✓	✓	✓	✓	4
2	Peter William England	✓	✓	✓	✓	4
3	Aarefa Saleh Al Falahi	✓	✓	✓	✓	4

✓ : Attended; - Not attended;

## 8. Nomination & Remuneration Committee

The Nomination & Remuneration Committee is composed of three (3) non-executives directors.

### 8.1. The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the company.

Mr. Jasem Ahmed Al Nuaimi, the Nomination & Remuneration Committee Chairman's acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

### 8.2. Names of the Committee members,

From 1<sup>st</sup> January 2019 up to 31<sup>st</sup> December 2019

Member's Name	Position	Designation
Jasem Ahmed Al Nuaimi	Chairman	Independent
Peter England	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent

### Nomination & Remuneration Committee functions and duties assigned thereto

The scope of work of REMCO is to review and to recommend to the Board any decision in relation to its duties. The duties of the Committee shall be as follows:

- Setting and recommending to the Board a policy for nomination for Board and Executive Management membership with the aim of varying between the two genders respecting formation of both and encouraging female nominees through offering privileges and training and motivational programs, and submitting a copy of such policy to the Securities & Commodities Authority and any amendments thereof;
- Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and the provisions of the Chairman of the Securities & Commodities Authority's Board of Directors' Resolution No. (7 R.M) of 2016 Concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies;
- Constantly verifying independence of independent Board members;
- If the committee finds out that one of the members has lost independence, the committee shall bring the issue before the Board of Directors to serve a registered letter to such member at his/her address registered at the company, clarifying the reasons for the loss of independency; such member shall reply to the Board of Directors within fifteen days from the date of receiving notice thereof, and the Board of Directors shall issue a decision as to whether such member is independent or otherwise in its first meeting following reception of the board member's reply or elapse of the period mentioned in the previous paragraph without replying;
- With due diligence to Article (145) of the Federal Law no. (2) on 2015 concerning on Commercial Companies, if the Board of Directors' decision of a member's loss of independence affects the minimum percentage of independent Board members, the Board shall appoint an independent member to replace such member in case the latter submits his/her resignation for losing independence; if such member refuses to submit his/her resignation, the Board of Directors shall bring the issue before the general assembly to issue the decision of approval of appointing another Board member or open the door for nomination to elect a new Board member;

- Setting and recommending to the Board of Directors for approval the policy on which basis bonuses, privileges, incentives, and salaries shall be granted to the company's Board members and staff (the Remuneration Policy), reviewing such policy annually, and ensuring that the bonuses and privileges offered to the senior executive management are reasonable and in line with the company's performance;
- Annual review of the skills required for Board membership and preparation of the required capabilities and qualifications for Board membership including the time a member shall need to allocate to do his/her duties as a Board member;
- Review of the structure of the Board of Directors and submitting recommendation to the Board respecting the changes that may be made;
- Determining and recommending to the Board of Directors the company's need of competencies at the level of the Senior Executive Management and the staff and the basis for selection thereof;
- Setting and recommending to the Board of Directors the policy of human resources and training in the company, monitoring implementation of such policy, and review thereof on annual basis;
- Review and recommend to the Board of Directors the Board Secretary's job description and duties;
- Consider all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code of Conduct and associated guidance. The objective of such shall be to attract, retain and motivate staff of the quality required to run and work with the company successfully;
- Delegate to the Chief Executive Officer the recruitment of and setting the individual compensation for all staff that do not report directly to the Chief Executive Officer and in line with the approved Remuneration Policy.
- Review and recommend to the Board any staff appointment that reports directly to the Chief Executive Officer and determine with the Chief Executive Officer the need for qualified staff at the level of Senior Management and agree the basis of their selection;
- To carry out exit interviews on Senior Management who report directly to the Chief Executive Officer;
- Review and recommend to the Board the annual Training and Development policy;
- Review and recommend to the Board the Human Resource Plan and Budget
- To help fulfil its obligations the committee shall have the full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary;
- Approve and recommend to the Board the staff compensation budget;
- Recommend to the Board for approval the annual compensation for the Chief Executive Officer;
- Recommend to the Board for approval the annual bonus scheme and payment for the Chief Executive Officer;
- Establish and recommend to the Board selection criteria, selecting, appointing and setting the Terms of Reference for any remuneration consultants who advise the committee.
- Determine and recommend to the Board the design of, and determine targets for, any performance-related pay schemes operated by the company and approve the total annual payments made under such schemes.

- Review the design of all share incentive plans for approval by the board and shareholders. For any such plans, determine and recommend to the Board each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, Board Secretary and other designated Senior Executives and the performance targets to be used.
- Review and approve the policy for authorising claims for expenses from the Directors.
- Work and liaise as necessary with all other Board committees.
- Any other matters determined and considered appropriate by the Board of Directors.

### 8.3. Number of the Nominations & Remunerations Committee meetings held during 2019

During the year 2019, RAKINSURANCE held two (2) Nominations & Remunerations Committee meetings. The details of attendance are as follows:

No.	Name	Meetings dates – 2019		Total numbers of attendance
		25-Apr	6-Nov	
1	Jasem Ahmed Al Nuaimi	✓	✓	2
2	Peter William England	✓	✓	2
3	Aarefa Saleh Al Falahi	✓	✓	2

✓ : Attended; - Not attended;

## 9. The Supervision and Follow-up Committee of insider's transactions

The Committee of follow-up and supervision of Insiders' Trading is composed of four (4) management members.

### 9.1. The Chairman of the Supervision and Follow-up Committee of insider's transactions acknowledgment of his responsibility for the Committee system at the company.

Mr. Ewen John McRobbie, the Supervision and Follow-up Committee of insider's transactions Chairman's acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

### 9.2. Names of the members of the Supervision and Follow-up Committee of insider's transactions

From 1<sup>st</sup> January 2019 up to 31<sup>st</sup> December 2019

Member's Name	Position	Designation
Ewen McRobbie	Chairman	Chief Executive Officer
Sami Zouagui	Member	Chief Legal Officer
Charles Forward	Member	Chief Financial Officer
Mohammed Hasan Khan <sup>2</sup>	Member	Chief Risk and Compliance Officer

<sup>2</sup> Mohammed Hasan Khan presented his resignation on 26<sup>th</sup> August 2019. A replacement to Mohammed Hasan Khan will be appointed in Q1 2020.

### The Supervision and Follow-up Committee of insider's transactions functions and duties assigned thereto.

The duties of the Committee are in accordance with Article (12) of SCA Resolution. The Committee undertakes the following duties:

- Manage, follow-up and supervise Insiders' Trading and their ownerships.
- Prepare and maintain a special and comprehensive register for all insiders, including persons who can be considered as insiders on temporary basis and who are entitled to or have access to inside information of the Company prior to publication.
- Submit period statements and reports to the Board of Directors and to SCA and Abu Dhabi Securities Exchange as and when required.
- Submit and recommend to the Board the rules regarding the trading of Board members and employees of the company in the securities issued by the Company or its mother company, subsidiary or its sisters companies.
- Consider any other issues determined by the Board of Directors.

### 9.3. Number of Supervision and Follow-up Committee of insider's meetings held during the year 2019

During the year 2019, The Committee of follow-up and supervision of insiders' trading held two (2) meetings. The first meeting details of attendance is as follows;

No.	Name	Meetings dates - 2019		Total numbers of attendance
		13-Mar	27-Oct	
1	Ewen McRobbie	✓	✓	2
2	Sami Zouagui	✓	✓	2
3	Charles Forward	✓	✓	2
4	Mohammed Hasan Khan <sup>2</sup>	✓	-	1

✓ : Attended; - Not attended

### 9.4. Summary report on the Committee's activities during 2019

The Committee held two meeting during 2019. The First meeting was held on 13<sup>th</sup> March 2019 and the results of this meeting were as follows:

- Review the updated paper on Insiders Register and Trading.
- Review the Insiders register as of 31st December 2018.
- Review the updated report on the Insiders transactions in Q4 2018.
- The Committee appointed Ian Kingco as the Committee secretary for the next Committee meetings.

The Committee held the second meeting on 27<sup>th</sup> October 2019 and the results of this meeting were as follows:

- Review and approve the Insiders Committee Code - Rules Guidelines.
- Review and approve the Insiders Committee Terms of Reference.
- Review the changes to the Insiders Register and transactions during Prohibited period from Q1 2019 to Q3 2019.
- Review the Insiders Register as of 20th October 2019.

## 10. Investment Committee

### 10.1. Investment Committee for General Insurance

#### A. The Chairman of the Investment Committee for General Insurance acknowledgment of his responsibility for the Committee system at the company.

Mr. Peter England, the Investment Committee's Chairman acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

#### B. Names of the members of the Investment Committee for General Insurance.

The Investment Committee for General Insurance is composed of one (1) non-independent director and three (3) management members.

From 1<sup>st</sup> January 2019 up to 25<sup>th</sup> September 2019

Member's Name	Position	Designation
Peter England	Chairman	Board Member
Ewen McRobbie	Member	Chief Executive Officer
Mohammed Hasan Khan	Member	Chief Risk & Compliance Officer
Charles Forward	Member	Chief Financial Officer

From 26<sup>th</sup> September 2019 to 31<sup>st</sup> December 2019

Member's Name	Position	Designation
Peter England	Chairman	Board Member
Ewen McRobbie	Member	Chief Executive Officer
Sami Zouagui	Member	Chief Legal and Compliance Officer
Charles Forward	Member	Chief Financial Officer

#### C. Statement of number of the Investment Committee for General Insurance meetings held by the during the year 2019

During the year 2019, the Investment Committee for General Insurance held two (2) meetings.

The first meeting details of attendance is as follows:

No.	Name	Meetings dates - 2019	Total numbers of attendance
		15-May	
1	Peter England	✓	1
2	Ewen McRobbie	✓	1
3	Mohammed Hasan Khan *	✓	1
4	Charles Forward	✓	1

✓ Attended; - Not attended;

The second meeting details of attendance is as follows:

No.	Name	Meetings dates - 2019	Total numbers of attendance
		8-Sep	
1	Peter England	-	-
2	Ewen McRobbie	✓	1
3	Sami Zouagui <sup>3</sup>	✓	1
4	Charles Forward	✓	1

✓ Attended; - Not attended;

### The Investment Committee functions and duties assigned thereto.

The Committee undertakes the following duties:

- Understand the investment objectives, risk/returns profile and investment guidelines of RAK Insurance;
- Periodically review and recommend to the Board, appropriate amendments to the investment guidelines;
- Recommend to the Board the appointment, retention or replacement of external investment manager/s as required;
- Monitor the performance of investment manager/s in accordance with the investment guidelines;
- Review investment/divestment proposals received and make recommendations to the Board;
- Select, monitor, and replace third-party advisors for investments/divestments, such as consultants;
- Resolve all questions of interpretation of the investment guidelines to the investment manager/s;
- Review all fees incurred by or on behalf of the portfolio for reasonableness;
- Review and regularly report the performance of the portfolio to the Board;
- Monitor and review the allocation of assets in the portfolio per the investment guidelines;
- Oversee the appropriateness of investment risk management;

<sup>3</sup> Sami Zouagui has been appointed temporarily instead of Mohammed Hasan Khan for 2019, and a replacement will be appointed in Q1 2020.

- Maintain records of the administration of the portfolio and the actions of the Investment Committee.
- Be authorised to approve any investment per the following:
  - Any single investment except for primary issuance of bonds in a particular asset up to a limit of AED 10 million per transaction;
  - Any single investment for a primary issuance of bonds up to a bid limit of AED20 million. In this case the Committee has to inform the Board of Directors by circulation of such an action;
  - Any subsequent investment in the same asset is permitted after a waiting period of six months up to a limit of AED 10 million per transaction. Board approval must be sought should the subsequent investment in the same asset be required prior to the expiry of the six months waiting period;
  - All investment decisions should ensure that the investment portfolio remains in accordance with the asset allocation limits per the Financial Regulations No. 25 / 2014 for Insurance Companies;
  - Be authorised to dispose any investment either by gain or fall of the investment up to a disposal value of AED 10 million per transaction.
  - The Investment Committee is further authorised to delegate certain responsibilities to either the Investment Manager or Additional Specialists (such as attorneys, auditors, others employed of the company).

## 10.2. Investment Committee for Life and Medical Insurance:

### A. The Chairman of the Investment Committee for Life and Medical Insurance acknowledgment of his responsibility for the Committee system at the company.

Mr. Peter England, the Investment Committee's Chairman acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

### B. Names of the members of the Investment Committee for Life and Medical Insurance.

The Investment Committee for General Insurance is composed of one (1) non- independent director and three (3) management members.

From 1<sup>st</sup> January 2019 up to 25<sup>th</sup> September 2019:

Member's Name	Position	Designation
Peter England	Chairman	Board Member
Ewen McRobbie	Member	Chief Executive Officer
Mohammed Hasan Khan *	Member	Chief Risk & Compliance Officer
Charles Forward	Member	Chief Financial Officer

From 26<sup>th</sup> September 2019 to 31<sup>st</sup> December 2019

Member's Name	Position	Designation
Peter England	Chairman	Board Member

Ewen McRobbie	Member	Chief Executive Officer
Sami Zouagui	Member	Chief Legal and Compliance Officer
Charles Forward	Member	Chief Financial Officer

### C. Statement of number of the Investment Committee for Life and Medical Insurance meetings held by the during the year 2019

During the year 2019, The Investment Committee for General Insurance held two (2) meetings.

The first meeting details of attendance is as follows:

No.	Name	Meetings dates - 2019	Total numbers of attendance
		15-May	
1	Peter England	✓	1
2	Ewen McRobbie	✓	1
3	Mohammed Hasan Khan	✓	1
4	Charles Forward	✓	1

✓ *Attended;* - *Not attended;*

The second meeting details of attendance is as follows:

No.	Name	Meetings dates - 2019	Total numbers of attendance
		8-Sep	
1	Peter England	-	-
2	Ewen McRobbie	✓	1
3	Sami Zouagui	✓	1
4	Charles Forward	✓	1

✓ *Attended;* - *Not attended;*

### The Investment Committee for Life and Medical Insurance's functions and duties assigned thereto.

The Committee undertakes the following duties:

- Understand the investment objectives, risk/returns profile and investment guidelines of RAK Insurance;
- Periodically review and recommend to the Board, appropriate amendments to the investment guidelines;
- Recommend to the Board the appointment, retention or replacement of external investment manager/s as required;
- Monitor the performance of investment manager/s in accordance with the investment guidelines;
- Review investment/divestment proposals received and make recommendations to the Board;
- Select, monitor, and replace third-party advisors for investments/divestments, such as consultants;
- Resolve all questions of interpretation of the investment guidelines to the investment manager/s;

- Review all fees incurred by or on behalf of the portfolio for reasonableness;
- Review and regularly report the performance of the portfolio to the Board;
- Monitor and review the allocation of assets in the portfolio per the investment guidelines;
- Oversee the appropriateness of investment risk management;
- Maintain records of the administration of the portfolio and the actions of the Investment Committee.
- Be authorised to approve any investment per the following:
  - Any single investment except for primary issuance of bonds in a particular asset up to a limit of AED 10 million per transaction;
  - Any single investment for a primary issuance of bonds up to a bid limit of AED20 million. In this case the Committee has to inform the Board of Directors by circulation of such an action;
  - Any subsequent investment in the same asset is permitted after a waiting period of six months up to a limit of AED 10 million per transaction. Board approval must be sought should the subsequent investment in the same asset be required prior to the expiry of the six months waiting period;
  - All investment decisions should ensure that the investment portfolio remains in accordance with the asset allocation limits per the Financial Regulations No. 25 / 2014 for Insurance Companies;
  - Be authorised to dispose any investment either by gain or fall of the investment up to a disposal value of AED 10 million per transaction.

The Investment Committee is further authorised to delegate certain responsibilities to either the Investment Manager or Additional Specialists (such as attorneys, auditors, others employed of the company).

## 11. Internal Control System

**The Internal Control System** of the Company is developed with a disciplined approach to evaluate and improve effectiveness of the internal policies as well as to monitor business risks. Below is an overview of the Internal Control process.

**Risk Based Approach:** A detailed risk assessment methodology has been established to assess the Internal Control environment of the Company and its business activities. Aligned to the organisational risk management processes, this methodology enables Internal Audit to be strategically and operationally aligned with the risks facing the organisation.

**Internal Audit Plan:** A comprehensive, risk based audit plan is prepared annually for the organisation and is approved by the Audit Committee.

**Internal Audit Reports:** Internal audits and control effectiveness reviews are conducted throughout the year and reports are issued periodically. These reports are presented to the Audit Committee on a quarterly basis and summarise the observations and opportunities areas for process and control improvement, the implications from a risk perspective as well as management responses and action plans.

**Internal Control follow-up:** Internal Audit conducts regular, quarterly follow-ups with the business to assess implementation of agreed management action plans. The results of these reviews are presented to the Audit Committee on a quarterly basis.

**Surprise Audits:** Surprise audits are conducted periodically across the organisation.

**Whistleblowing:** A whistleblower policy is designed as a control to help safeguard the integrity of RAKINSURANCE financial reporting, its business dealings and to support adherence with the code of conduct. Protocols by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, business conduct or relevant matters are defined within the policy, including procedures for the following;

- The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- The confidential submission by employees of the Company (which may be anonymous) of concerns on any matter, including those regarding questionable accounting or auditing matters.

**Investigations and Resolution:** All whistleblower cases will be recorded, reviewed and investigated under the direction of the Chief Internal Auditor. The Chief Internal Auditor evaluates the complaint in accordance with the policy and reports findings to Audit Committee as appropriate.

### **Acknowledgement by the Board of its responsibility for the Company's Internal Control System, review of its work mechanism and ensuring its effectiveness.**

In response to the requirement of Article 8 of the Ministerial Resolution No. 518 of 2009, Internal Control, The Compliance and Internal Control/Audit function of the Company was established in 2010. The provisions pertaining to Article 50 of The Chairman of Authority's Board of Director's Resolution No. (7.R.M) of 2016 is also complied. The Board of Directors acknowledges its responsibility for the application, review and efficiency of RAKINSURANCE's internal control system. The Audit Committee in conjunction with the Chief Internal Auditor ensures the adequacy of the internal control framework within the Company.

### **Name of the Department Director, her qualifications, and date of appointment.**

The Audit Committee approved the appointment of Ms. Nicola Thompson as Chief Internal Auditor on 10<sup>th</sup> June 2019. Ms. Thompson is a certified Internal Audit professional with over 20 years of internal audit, governance and risk management experience across regional and international markets. Ms. Thompson leads a team of dedicated, qualified internal audit staff members with significant regional and international insurance, re-insurance and financial services experience.

### **Name of the Compliance Director, his qualifications and date of appointment.**

Sami Zouagui, the Chief Legal Officer, has been appointed as the Chief Legal & Compliance Officer on 26<sup>th</sup> August 2019.

Sami holds a Master Degree in Business Law from the Faculty of Judicial, Political and Social Science of Tunis and is registered with the Tunisian Bar Association since 2001.

Sami has an extensive legal experience of more than 17 years in banking and insurance.

### **How the Internal Control Department dealt with any major problems at the company, or those that were disclosed in the annual reports and accounts.**

Audit is conducted as per the audit plan and the relevant parameters are captured in the audit report. Action Taken report is prepared on a pre-determined frequency and the audit report is closed only after each audit finding is rectified. No effort is spared to review and create awareness among staff on company's policies. Risk sensitization programs are also held. There were no significant issues during the year 2019.

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

No reports issued by the Internal Control Department to the Company's Board of Directors.

### **12. Details of the Violations committed during the year 2019**

Ras Al Khaimah National Insurance Company has no major violations during the fiscal year 2019.

### **13. Statement of the cash and in-kind contributions made by the Company during 2019 in developing the local community and preserving the environmental.**

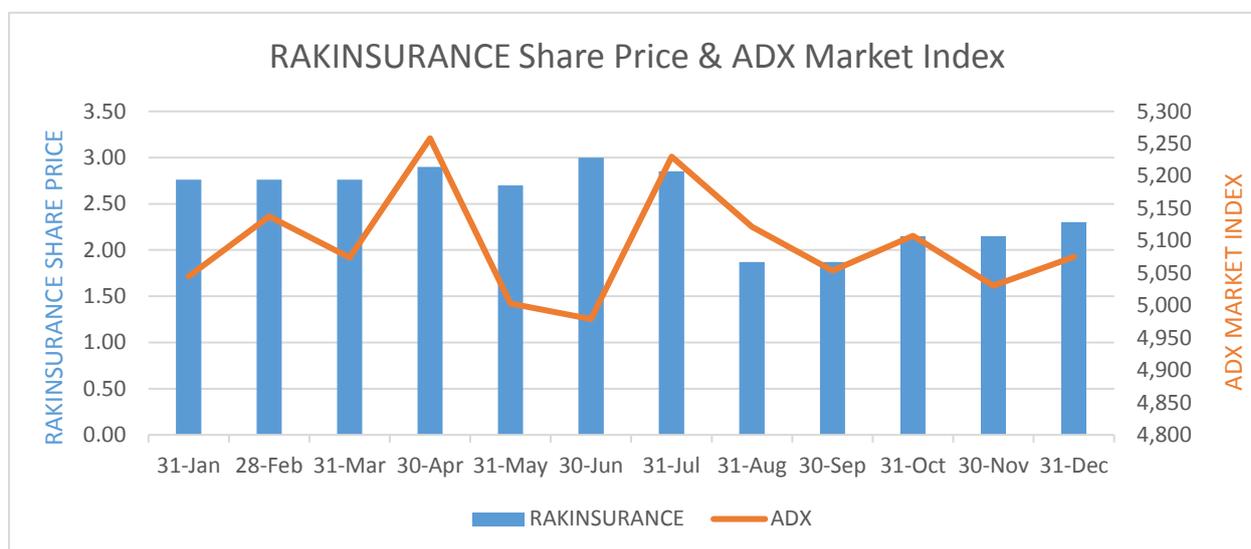
For 2019, the Company continuously adheres to protecting the environment by promoting a "greener" business like encouraging staff to restrict printing if it can be kept on screen; recycling of paper and ink cartridges; and ensuring proper disposals of waste especially used electrical items. An amount of AED 19,594.99 was paid to Shred-It for proper paper disposal and recycling. In return we received an environmental accomplishment certificate from them mentioning the number of trees we have saved from destruction. RAKINSURANCE has donated (1) wheel chair for the Rashid Centre for people of Determination amounting to AED 3,150.

### **14. General Information**

#### **14.1. Statement of Company's market share price in the Market (closing price, highest price and lowest prices) in the end of each month during year 2019.**

<b>Month</b>	<b>High</b>	<b>Low</b>	<b>Close</b>
31-Jan	2.76	2.76	2.76
28-Feb	2.76	2.76	2.76
31-Mar	2.76	2.76	2.76
30-Apr	2.90	2.76	2.90
31-May	3.00	2.70	2.70
30-Jun	3.00	3.00	3.00
31-Jul	2.85	2.85	2.85
31-Aug	1.87	1.87	1.87
30-Sep	1.87	1.87	1.87
31-Oct	2.15	2.15	2.15
30-Nov	2.15	2.15	2.15
31-Dec	2.30	2.30	2.30

**14.2. Statement of the comparative performance of company's shares with the market index and the sector index to which the company belongs during year 2019.**



**14.3. Statement of Shareholders distribution as of 31<sup>st</sup> December 2019 (Individuals, companies, governments) classified as follows: Local, GCC, Arab or Foreign**

SN	Shareholder Classification	Number of Shares			
		Individuals	Companies	Governments	Total
1	Local	20.21%	79.79%	0.00%	100.00%
2	GCC	0.00%	0.00%	0.00%	0.00%
3	Arab	0.00%	0.00%	0.00%	0.00%
4	Foreign	0.00%	0.00%	0.00%	0.00%
	Total	20.21%	79.79%	0.00%	100.00%

**14.4. Statement of shareholders owning 5% or more of the Company's capital as at 31 December 2019**

SN	Name	Number of Shares	Percentage % of shares
1	National Bank of Ras Al Khaimah PSC	91,512,730	79.23%
2	Ahmed Issa Ahmed Al Naeem	17,845,000	15.45%

**14.5. Statement of shareholders distribution by the size of equity as 31 December 2019, as per the following**

SN	Share Ownership	Shareholders number	Owned Shares	Percentage % of Shares
1	Less than 50,000	31	258,949	0.224%
2	From 50,000 to less than 500,000	9	1,642,800	1.42%

3	From 500,000 to less than 5,000,000	7	4,240,521	3.67%
4	More than 5,000,000	2	109,357,730	94.68%

#### **14.6. Statement of measures taken regarding the controls of investor relationships:**

RAKINSURANCE appointed the Investor Relations Manager who will assist in all of the Investor Relations enquiries.

##### **The name and contact details of the Investor's Relations Manager:**

Name : Mr. Sami Zouagui  
 Email : investorrelations@rakinsurance.com  
 Telephone No. : +97172273000  
 Mobile/WhatsApp No. : +971 54 303 5506

##### **The link of the Investor Relations webpage on the website of the Company:**

Website page : <https://www.rakinsurance.com/investor-relations/>

#### **14.7. Statement of the special resolutions presented to the General Assembly held in 2019 and the procedures taken with respect thereto.**

There were no Special Resolutions in the Agenda of the unique General Assembly meeting held during 2019.

#### **14.8. Rapporteur of the Board meetings.**

The Board of Directors appointed Mr. Sami Zouagui as the Secretary of the Board of Directors during the Board meeting held on 4<sup>th</sup> April 2017 following the election of the Board of Directors.

##### **Qualifications and experiences**

Sami Zouagui, the Chief Legal and Compliance Officer, holds a Master Degree in Business Law from the Faculty of Judicial, Political and Social Science of Tunis and is registered with the Tunisian Bar Association since 2001.

##### **Statement of his duties during the year:**

The Duties of the Board Secretary are as follows:

- Documenting meetings of the Board of Directors and preparing their minutes, which shall include the discussions and deliberations that took place during these meetings, and place of these meeting as well as dates of their start and end.
- Recording resolutions of the Board of Directors and voting results and keeping them in a special and organized record, including the names of attendees and any expressed reservations (if any).
- Keeping all reports submitted to the Board of Directors and reports prepared by the Board.
- Providing members of the Board of Directors with the agenda of the Board's meeting and the related papers, documents, and information and any additional information related to subjects contained in clauses of the agenda requested by any member of the Board of Directors.
- Notifying members of the Board of Directors of dates the Board meetings well in advance of the meeting date.

- Submitting draft of the minutes to members of the Board to express their opinion thereon before signing it.
- Informing the Company's executive administration about resolutions of the Board of Directors and its committees and reporting on their implementation and application.
- Coordinating between members of the Board of Directors and executives.

#### **14.9. Statement of the significant events that took place in the Company in 2019.**

- **Rebranding** - Since RAKBANK acquired a majority stake in RAKINSURANCE in 2015, the two entities have continued to trade under their own distinct brands. To strengthen this well-established partnership and build synergies across the two businesses, it was decided to align both brands and position both RAKINSURANCE and RAKBANK as a unified brand delivering "a Simply Better experience" to the customer. This new and improved brand was launched in June of 2019.
- **Head Office Relocation** - After 45 years, RAKINSURANCE head office bids farewell to its landmark in Al Nakheel, Ras Al Khaimah. As part of the synergy initiatives, RAKINSURANCE has moved its Head Office to the RAKBANK RAK Operations Office (ROC) located at the Sheikh Saqr Al Qasimi Road, Al Refaa. The IT department and call centre have also relocated to ROC. Both Motor Claims and Customer Service Departments remained at the Ground floor of the old building in Al Nakheel which became a branch office to serve our customers.
- **Board approval of the 3-year business plan** - the Board has approved the 3-year Business Strategy Plan 2020-2022. RAKINSURANCE Management is currently rolling out the implementation plan. Proper monitoring and controls are being set, quarterly audits are being conducted to secure business success.
- **Call Centre Award** - October 2019, the Call Centre & Customer Service teams won the Best Contact Centre (runner-up) award in the 2019 Customer Happiness Summit & Awards (CHSA) held at the Ritz Carlton Dubai. It was indeed a happy event attended by the team. This award expresses our sincere commitment in delivering our promise to provide a 'Simply Better' experience to all our customers and partners.

#### **14.10. Statement of Emiratisation percentage in the Company at the end of 2017, 2018 and 2019.**

In accordance with Cabinet Resolution No. (267/10 & /3) of 2015 Approving the Emiratisation Strategy in the Banking and Insurance Sectors, the Insurance Authority has determined 44 points as the Emiratisation targeted points for the Company for the year 2019. The Company achieved 49 points as at 31<sup>st</sup> December 2019 and, therefore, the Company has fully completed the Emiratisation targeted points of the year 2019. The Company's Emiratisation percentage is 6.2%. As for the previous years, RAKINSURANCE achieved Emiratisation percentages of 5% both of 2018 and 2017.

#### **14.11. Statement of the innovative projects and initiatives implemented by the Company or are still under development in 2019.**

Continuing our journey on Innovation, 2019 witnessed a great momentum in embracing the culture of innovation. RAKINSURANCE continued to explore areas of improvement leveraging customer feedback, internal staff suggestions and taking up a collaborative responsibility for climate change and going paperless, hashtag #Lets press for paperless #Go Green.

Some of the ideas shortlisted and the awardees in 2019 include:

- WhatsApp for Business & Emirates ID Card Reader by Pj Emmanuel Mascariña
- Referral incentive scheme by Henrich Rhanil Oabel
- Customer Satisfaction Survey-Quick Tap Survey by Lovely Bongato Arago

Innovation team witnessed a great involvement of all staff members across organisation to support the need for innovation and supporting climate change. Every opportunity to enhance customer services and simplify the process via digital means, read/send/store as digital documents, re-use the papers, Print on both sides was enforced for users and tracking mechanism has been put in place to ensure success in reducing 50-60% in printing papers in 2020.

RAKINSURANCE continues to re-energies its efforts to bring innovation in its process, systems etc. to enhance customer services, employee satisfaction and fulfill its responsibility towards the society.

### Go Digital, Go Paperless!

This project is initiated as part of 'Go Digital' initiative at RAK Insurance. It is observed that while majority of the correspondence and member interactions are on digital platform either via emails or bespoke MS Excel application or process dispositions on 'ESKADENIA', the information is still managed and stored as physical copies.

**~100,000 papers are printed every month at RAK Insurance! WHY!!!**



INTERNAL



### Lets PRESS for PAPERLESS - we aim to minimize the use of paper prints and encourage teams to Go Digital - Read/send/share & store digital documents.

- ✓ **Automated reports at user level** have been put in place to retrieve the number of papers printed by each user. This would mean that you would no longer have to write the details on the "PRINTER LOG BOOK" except the one on 2nd floor as we are still in the process to automate the functionality on this machine.
- ✓ **Printing on both sides as default function** : As suggested during our focus group discussions, we are in the process of changing the default print option to "PRINT ON BOTH SIDES" and this functionality would help us to reduce paper utilization. Although our objective is to go paperless across functions, we urge you to prefer this option until we have an alternate option to GO DIGITAL. This is majorly applicable for customer-facing teams.
- ✓ **Need-Based printer access** : Thank you for sharing the list of names for your teams (phase1), this would help us to create better accountability and enrich the scope for continuous improvement. We are in process of mapping the access rights to dedicated staff.

we appreciate your efforts, inputs and suggestions!!!  
#LetsPressforPaperless #GoDigital #GoGreen

**Board Chairman**



Saïem Ali Al Sharhan

**Audit & Nomination and Remuneration  
Committees Chairman**



Jasem Ahmed Al Nuaimi

**Chief Internal Auditor**



Nicola Jane Thompson

Date: 16 March 2020

Company's Stamp

