



Corporate Governance Report

2023

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1- Statement of procedures taken to complete the Corporate Governance system during 2023, and method of implementing thereof

Ras Al Khaimah National Insurance Company PSC (RAKINSURANCE or the Company) maintains a robust governance structure which is aligned to the “three lines of defense” model. It establishes a framework to embed a control culture committed to a high-level of ethical and behavioral standards in order to achieve the Company’s objectives. This is supported by the Company’s Corporate Governance Policy and Procedures to facilitate effective and prudent management of the Company to deliver enduring success.

During 2023, RAKINSURANCE focused its efforts and resources to align the Company’s governance policies, procedures and practices to comply with the Central Bank of United Arab Emirates Regulation and Standards for Insurance Companies in addition to maintain the Company’s compliance with Decision no. (3/Chairman) of 2020 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority concerning Approval of Joint Stock Companies Governance Guide (the “SCA Corporate Governance Guide Decision 3/RM 2020”), and other applicable decisions and resolutions issued by regulatory authorities and international best practices.

RAKINSURANCE is committed to maintaining 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 Company. These practices ensure smooth, effective and transparent operations that aim to protect shareholder’s 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 robust corporate governance practices are followed within the Company.

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 clearly distinguished 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.

There are five established Board committees (the Audit Committee, the Risk Committee, the Nomination and Remuneration Committee, Investment Committee (Life and General) and the Insider Committee). The Board 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 2023, according to the following schedule:

SN	Name	Position / Kinship	Shares owned as on 31-Dec-2023	Total sale	Total purchase
1	Ahmed Essa Al Naeem	Vice Chairman	19,283,312	-	31,112
2	Mohamed Ahmed Essa Ahmed al-Naeem	Son of the Vice Chairman	1,000	-	-

Attached the shareholders list as of 28 December 2023 issued by the market.

3- Board Formation

- Statement of the current Board formation

The Board of Directors of RAKINSURANCE is comprised of individuals who possess a wide range of skills, relevant industry knowledge, experience and highly professional backgrounds. These qualities contribute to the desired level of diversity for the Company's situation.

The Board comprises seven (7) members, all of whom are non-executive Directors. Three directors are considered "not-independent" due to either the tenure of exceeding 12 years or the executive roles within the Group company. The majority of the Board members are UAE Nationals.

In 2023, the Board and its committees held a total of 22 meetings. According to the Company's Articles of Association, the Board is required to meet at least six times a year and may convene for additional meetings as necessary, as determined by the Chairman or Vice-Chairman in their absence. A meeting will only take place if a quorum has been reached. The Board of Directors members elected are as detailed below in section 3.2.

- Composition of the Board of Directors for 2023

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	Sheikh Omar Saqr Khaled Humaid Al Qasimi	Independent / Non-executive director	Bachelor of Arts in International Studies with Concentration in International Economics	8 Months	Not applicable	Investment and Development Office, Ras Al Khaima- Executive Manager
2	Ahmed Essa Al Naeem	Non- Independent / Non-executive director	Bachelor of Science in Electrical and Communication Engineering	17 years	Board member at RAK Bank	Chairman – Emirates Travel Agency Chairman – RAK Trade Centre Chairman – Al Naeem Mall Chairman – Khalifa Mall Board Member – Majan Printing and Packaging
3	Bernhard Urs Schluep	Independent – Non-executive director	Master of Law LLM/ Attorney at law	8 Months	Not applicable	Dextra Legal Protection insurance LTD- Chairman
4	Raheel Ahmed	Non- Independent / Non-executive director	Master of Business Administration	2 years	Chief Executive Officer - RAKBANK	Rak Bank- CEO
5	Safwan Humood Mohammed Ghaleb Alsebaiha	Non- Independent / Non-executive director	Bachelor's degree in business administration with honor second class	8 Months	Deputy Chief Risk Officer - RAKBANK	Rak Bank- Deputy CRO
6	Futooh Abdulaziz Hasan Alzayani	Independent / Non-executive director	Bachelor's Business Studies	8 Months	Not applicable	-
7	Aarefa Saleh Al Falahi	Independent / Non-executive director	Master of Business Administration	5 years 10 months	Vice President – Mashreq Bank	Board Member- Emirates Sport Club Board Member- Ras Al Khaimah Chamber of Commerce and Industry Board Member- Saud Bin Saqr Establishment for Youth Enterprises Development Vice Chairlady- Al Mataf Traditional Boat Rowing Art Society Board Member- RAK SME Association Board Member- UAE Scout Association

- **Statement of the percentage of female representation in the Board for 2023**

RAKINSURANCE strongly values the importance of diverse perspectives in corporate decision-making. Recognizing that individuals with different backgrounds, experiences, and perspectives bring unique and valuable insights, the company believes in actively seeking out and considering such viewpoints.

In accordance with the SCA Corporate Governance Guide Decision 3/RM 2020 and the CBUAE regulations and standards for insurance companies, the company's General Assembly, held on April 12th, 2023, has appointed Mrs. Aarefa Saleh Al Falahi and Mrs. Futooh Al Zayani as Board members. This decision not only ensures compliance with these guidelines but also reflects the company's commitment to encouraging diversity and inclusivity.

By welcoming Mrs. Aarefa Saleh Al Falahi and Mrs. Futooh Al Zayani as Board members, the company has taken a significant step towards enhancing gender representation on its Board of Directors. With these appointments, women now account for 20% of the Board, demonstrating the company's dedication to promoting gender diversity and inclusiveness at the highest level of decision-making.

- **Remunerations and Allowances**

1. **Total Remuneration paid to the Board members for year 2022**

Due to the accumulated losses of the company amounting of AED 35m for the year ended 31 December 2022 and as per the approval of the Annual General Meeting in its meeting held on 12th April 2023, it was recommended and approved not to distribute remuneration to the Board of Directors for the year ended 31st December 2022.

2. **Total Remuneration proposed to be paid to the Board members for year 2023, which will be presented in the AGM meeting for approval.**

According to applicable laws and RAKINSURANCE Articles of Association, Directors may not receive any remuneration in years when RAKINSURANCE does not achieve a net profit. Therefore, no remuneration paid in 2023 for the year ended 31 December 2022 based on the resolution approved at the Company's Annual General Meeting held on 12th April 2023 due to the accumulated losses incurred by the Company.

3. **Details of the allowances for attending the sessions of the Board Committees received by the Board members for year 2023.**

The allowance paid to the committees' members was limited to the independent Board members only who makes special efforts or performs additional work to serve the company in addition to the regular duties as a member of the Board of Directors of the company.

Name	Total Allowance paid in 2023
Bernhard Schlupep	AED103,000
Aarefa Al Falahi	AED39,000
Fetooh Al Zayani	AED62,000

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 2023.

- The Board meetings held during the fiscal year 2023.

The Board of Directors of RAKINSURANCE held six (6) meetings during 2023. The agenda along with the Board documents were circulated in advance. The details of the names of the Board members and attendance at the Board meetings are given below.

Names of the Board of Directors Members:

From 1st January 2023 up to 12th April 2023.

Member's Name	Position	Designation
Salem Al Sharhan	Chairman	Non-Independent
Ahmed Essa Al Naeem	Vice Chairman	Non-Independent
Raheel Ahmed	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent
Jasem Ahmed Al Nuaimi	Member	Independent

From 13th April 2023 up to 31st December 2023

Member's Name	Position	Designation
Sheikh Omar Saqr Khaled Humaid Alqasimi	Chairman	Independent
Ahmed Essa Al Naeem	Vice Chairman	Non-Independent
Raheel Ahmed	Member	Non-Independent
Safwan Ghaleb Alsebaiha	Member	Non-Independent
Bernhard Urs Schluep	Member	Independent
Futooh Abdulaziz Alzayani	Member	Independent
Aarefa Saleh Al Falahi	Member	Independent

Attendance at the Board meetings:

SN	Name	Meetings dates - 2023						Total number of attendance
		7-Feb	20-Feb	12-April				
1	Salem Ali Al Sharhan	✓	✓	-	-	-	-	2
2	Ahmed Essa Al Naeem	✓	✓	✓	-	-	-	3
3	Jasem Ahmed AlNuaimi	✓	✓	-	-	-	-	2
4	Aarefa Saleh Al Falahi	-	✓	-	-	-	-	1
5	Raheel Ahmed	✓	✓	✓	-	-	-	3
6	Sheikh Omar Saqr Alqasimi	-	-	✓	-	-	-	1

7	Safwan Ghaleb Alsebaiha	-	-	✓	-	-	-	1
SN	Name	Meetings dates - 2023						Total number of attendance
					29-May	28-Aug	5-Dec	
1	Sheikh Omar Saqr Alqasimi	-	-	-	✓	✓	✓	3
2	Ahmed Essa Al Naeem	-	-	-	✓	-	✓	2
3	Raheel Ahmed	-	-	-	✓	✓	✓	3
4	Aarefa Saleh Al Falahi	-	-	-	✓	✓	✓	3
5	Futooh Abdulaziz Alzayani	-	-	-	✓	✓	✓	3
6	Bernhard Urs Schluep	-	-	-	✓	✓	✓	3
7	Safwan Ghaleb Alsebaiha	-	-	-	✓	✓	✓	3

✓ : Attended; - Not attended;

No attendance by a proxy for the year 2023

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

- Number of the Board resolutions passed during the fiscal year 2023.

Six (6) Board resolutions were passed during the fiscal year 2023. These resolutions were operational in nature and did not have any impact on the Company's share price.

- Board of Directors Resolution by passing No. 1/2023 dated 11th January 2023.
- Board of Directors Resolution by passing No. 02/2023 dated 21st June 2023.
- Board of Directors Resolution by passing No. 03/2023 dated 17th September 2023.
- Board of Directors Resolution by passing No. 04/2023 dated 9th October 2023.
- Board of Directors Resolution by passing No. 05/2023 dated 23rd October 2023.
- Board of Directors Resolution by passing No. 06/2023 dated 02nd November 2023.

4- Board Committees

- Audit Committee

The Audit Committee has been established by the Board of Directors of the Ras Al Khaimah National Insurance Company (P.S.C.) to assist the Board of Directors in the oversight, monitoring and review the Company and all its businesses in the quality and integrity of financial statements and financial reporting, the effectiveness of governance, risk management and internal control systems including compliance with laws, regulations and the Company's Code of Conduct, and in the statutory audit process of Internal and External Auditor. The Committee is composed of three (3) non-executives directors in which two (2) of the members including the Chairlady are Independent.

a. The Audit Committee Chairlady's acknowledgment of her responsibility for the Committee system at the company

Mrs. Aarefa Saleh Al Falahi, the Audit Committee Chairlady acknowledges her 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 Audit Committee members

From 1st January 2023 up to 12th April 2023.

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

From 13th April 2023 up to 31st December 2023

Member's Name	Position	Designation
Aarefa Saleh Al Falahi	Chairlady	Independent
Raheel Ahmed	Member	Non-Independent
Bernhard U. Schluep	Member	Independent

Audit Committee functions and duties assigned thereto.

The responsibilities of the Audit Committee are in line with SCA Corporate Governance Guide Decision 3/RM 2020 and the CBUAE Regulation and Standards for Insurance Companies. The Audit Committee undertakes the following duties and responsibilities:

The Financial Statements and Reporting of the Company

- Monitor and review the integrity of the Company's interim and annual published financial report including accounting policies and procedures, and other formal announcements relating to the financial performance and review thereof as part of its normal work during the year, the review of significant financial reporting issues and judgements contained in the financial statements. In particular:
 - a) The consistency of, and any changes to, accounting policies and practices, on a year on year basis;
 - b) Extent to which financial statements are affected by significant and unusual transactions in the year and methods used to account for these.
 - c) Review and challenge, where necessary, the actions, estimates and judgements of management (and any changes in them), and the continuity of the Company's business.

- d) Review any significant adjustments to financial reporting resulting from the audit and resolve any disagreements between management and the external auditors regarding financial reporting.
 - e) Commitment to the accounting standards approved by the Competent Authority, listing and disclosure rules and any other legal requirements related to preparation of financial reports.
 - f) Clarity and completeness of disclosure in financial reports.
- Review and approve the release of the Company's quarterly financial statements.
 - 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 the content of the annual report and financial statements 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.

Internal Audit

- Review and approve the Internal Audit Charter annually. The Charter should be reviewed to ensure that it accurately reflects the IA activity's purpose, authority and responsibility, consistent with the mandatory guidance of the IIA's International Professional Practices Framework and the scope and nature of assurance and consulting services, as well as changes in the financial, risk management, and governance processes of the Company and reflects developments in the professional practice of internal auditing.
- Advise the Board regarding the qualifications and recruitment, appointment, resignation or removal of the Chief Audit Officer (CAO).
- Meet with the CAO at least once annually, without the presence of Management, to discuss the remit of the IA, and any issues arising from the internal audits conducted.
- Review and approve IA's strategy, objectives, budget, annual audit plan and resource plan, performance measures and outcomes and make recommendations relevant to IA projects.
- Ensure the independence of the CAO and the IA.
- Ensure IA has appropriate access to information, adequate standing within the Company and is free from Management and other restrictions.
- Review IA's performance relative to its audit plan.
- Receive and review IA reports on the effectiveness of internal control systems on a regular basis and follow up on the implementation of corrective measures of key operating risks arising from such reports.
- Review and monitor management's responsiveness to the audit findings and recommendations.
- Monitor and review the effectiveness of the IA in the context of the overall risk management system and against the approved annual audit plan.
- Review Internal Audit's assessment of internal control procedures and ensure coordination between the Internal and External Auditors.

- Inquire of the CAO about steps taken to ensure that IA activity conforms to the IIA's International Standards for the Professional Practice of Internal Auditing.
- Ensure that any deficiencies identified by supervisory authorities related to IA are remedied within an appropriate timeframe and progress on any corrective actions are reported to the Committee.
- Ensure that IA has a quality assurance and improvement program and that the results of these periodic assessments are presented to the Committee.

External Audit

- Reviews Review and approve the policy for the tendering of the external audit engagement that includes requirements for knowledge, competence, objectivity, independence, professional skepticism and quality control.
- Consider and recommend to the Board the appointment, re-appointment, resignation, removal and compensation of External Auditors.
- Review and approve the terms of the audit engagement and monitor the effectiveness of the audit process.
- Review and approve the annual audit plan, ensure consistency with the scope of the audit engagement and monitor progress against the audit plan.
- Review and approve the policy governing the provision of non-audit services by External Auditors, specifying the types of non-audit services the External Auditors may provide, or is prohibited from providing.
- Approve the engagement of External Auditors for non-audit services, with due regard to their independent and objectivity, and the related remuneration.
- Meet with External Auditors, without the presence of Management, at its discretion.
- Ensure compliance with the applicable laws, regulations, standards and policies of the Company in respect of External Auditors.

Whistleblowing Arrangements

- Review and approve the Whistleblowing policy that enables the Company's staff to confidentially report potential violations in financial reports, internal control, or any other issues and sets out procedures 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:
 - a) The reception, retention and treatment of complaints regarding accounting, internal accounting controls or audit matters; and
 - b) 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.
- Consider the results of primary investigations, as assigned by the Board to the Committee as part of its duties.

Others

- Receive and review regulatory inspection reports from the Central Bank of the UAE ("CBUAE") and other regulators.
- Monitor the Company's compliance with professional code of conduct rules.
- Review Company controls for the prevention and detection of fraud and bribery and receive reports on any non-compliance.

- Review the Related Party Transactions with the Company, managing conflict of interests, and submitting recommendations concerning such transactions to the Board of Directors.
- Review and investigate any matters pertaining to the integrity of Senior Management, including conflicts of interest or adherence to standards of conduct.
- Resolve any disagreements between Senior Management and Audit (Internal and External) regarding audit findings, financial reporting, and investigations.
- Review any other matters referred to by the Chairman or the Board.

c. Number of the Audit Committee meetings held during the year 2023.

During the year 2023, RAKINSURANCE held four (4) Audit meetings. The details of attendance are as follows:

SN	Name	Meetings dates - 2023				Total number of attendance
		15-Feb				
1	Jasem Ahmed Al Nuaimi	✓	-	-	-	1
2	Aarefa Saleh Al Falahi	✓	-	-	-	1
3	Raheel Ahmed	✓	-	-	-	1
SN	Name	Meetings dates - 2023				Total number of attendance
			10-May	25-July	24-Oct	
1	Aarefa Saleh Al Falahi	-	✓	✓	✓	3
2	Raheel Ahmed	-	✓	✓	✓	3
3	Bernhard U. Schluep	-	✓	✓	✓	3

✓ Attended; - Not attended;

- Risk Committee

The Board Risk Committee has been established by the Board of Directors of the Ras Al Khaimah National Insurance Company (P.S.C.) to assist the Board of Directors in the oversight of risk appetite and risk profile in relation to capital position, capital liquidity, Company's solvency, stress tests and the effectiveness of the Company's risk management framework. In addition, to the review and monitor of the Company's financial crime risk appetites, monitoring and overseeing the brand and reputation of the Company ensuring reputation risk is consistent with Company's risk appetite. The Committee covers the following material risks as a minimum but not limited to Insurance Risk, Credit Risk, Liquidity Risk, Operational Risk, Fraud Risk, Information Technology and Cyber Risk, Market Risks (i.e. Interest Rate Risk), Business Continuity Risk, Outsourcing Risk, the Company's compliance framework specifically relating Compliance Risks, Anti Money Laundering, Sanctions, Regulatory Compliance, Corporate Governance and Legal including approval of policies (as relevant) relating to these areas, and the Committee's role is one of oversight, recognizing that management is responsible for executing the Company's risk management. The Committee is composed of three (3) non-executives directors in which two (2) of the members including the Chairlady are Independent.

a. The Risk Committee Chairlady's acknowledgment of her responsibility for the Committee system at the company

Mrs. Futooh Al Zayani, the Risk Committee Chairlady acknowledges her 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 Risk Committee members

The Risk Committee was merged with the Audit Committee till 12th April. After the approval of the AGM, the two committees were segregated.

From 12th April 2023 up to 31st December 2023

Member's Name	Position	Designation
Futooh Al Zayani	Chairlady	Independent
Safwan Ghaleb	Member	Non-Independent
Bernhard U. Schluep	Member	Independent

Risk Committee functions and duties assigned thereto.

The responsibilities of the Risk Committee are in line with SCA Corporate Governance Guide Decision 3/RM 2020 and the CBUAE Regulation and Standards for Insurance Companies. The Risk Committee undertakes the following duties and responsibilities:

Risk

- Review and monitor the Company's future risk strategy, its risk appetite, in particular, in relation to capital, liquidity and operational risk and make recommendations on risk appetite to the Board.
- Review of the design, completeness, and effectiveness of the risk management framework relative to the Company's activities that would threaten its business model, future performance, solvency or liquidity.
- Ensure the Company has a comprehensive risk management strategy, risk governance framework and policies that are consistent with the nature and volume of the Company's activities, monitor its implementation, review and update it, based on the Company's internal and external changing factors.
- Review and approve risk policies and any material changes made to these to be recommended to the Board for approval (if applicable)
- Responsible for implementation of an effective risk culture and compliance culture and internal controls across the Company.
- Review emerging risks and stress tests which could impact the adequacy of economic and regulatory capital and liquidity and provide challenge and proposed actions where relevant.
- Oversee and ensure Company's risks are at acceptable level as per the risk appetite and that the Company's risks do not exceed such level.
- Supervise the risk management framework of the Company and evaluate the effectiveness of the framework and mechanisms of identifying and monitoring the risks that threaten the Company, in order to identify areas of inadequacy and adequacy.

- Review and recommend to the Board for approval and material regulatory filings including the Own Risk and Solvency Assessment (ORSA) methodology and its Report.
- The Committee shall have effective communication and coordination between the Board Audit Committee and the Board Risk Committee to facilitate the exchange of information and effective coverage of all risks, including emerging risks, and any needed adjustments to the Company's Risk Governance Framework.
- Any other matter delegated by the Board of Directors.

Compliance

- Supervise the compliance management framework of the Company and evaluate the effectiveness of the framework and mechanisms to ensure compliance with Anti Money Laundering, Sanctions and Regulatory compliance requirements stipulated by Central Bank of UAE and such other regulatory authorities.
- Ensure Compliance, Corporate Governance and Legal functions have a comprehensive strategy, governance framework and policies (as relevant) that are consistent with the nature and volume of the Company's activities.
- Review effective implementation and on-going management of the Central Bank regulations and standards related to insurance companies as prescribed from time to time. And review periodic reports received from Central Bank of UAE and other regulators and approve management responses submitted in response to these reports.
- Review significant breaches, or potential breaches of regulation and steps taken to ensure that the underlying root causes of any regulatory control failures are being addressed.
- Approve the Company's corporate governance policies and make recommendations to the Board on matters relating to Compliance, Corporate Governance and Legal functions. And ensure the availability of adequate resources and systems for those respective functions.

Control Environment

- Obtain assurance from the executive management and internal audit that the risk, compliance, corporate governance and legal processes and systems operate effectively with appropriate controls, in addition to compliance with approved policies.
- Assist the Audit Committee in its review of the adequacy and effectiveness of the Company's internal controls, including financial reporting and financial controls.
- Provide guidance to management, as needed, to assist them in improving their risk management practices and / or mitigating certain risks, including the presence of qualified management personnel to carry out risk management activities effectively.
- Approve the Committee's Terms of Reference.

Actuarial

- The Committee shall review and approve the Company's Technical Provisions as assessed and certified by the appointed Actuary and authenticated by the External Auditor.

Appointments

- In line with Board delegation, review appointment, performance and replacement of the Chief Risk Officer and monitor the effectiveness of the risk management unit in general.
- The Board Risk Committee shall approve and recommend to the Board the appointment of an Actuary who is registered by the Authority, and to inform the Central Bank of the Actuary appointment.

c. Number of the Risk Committee meetings held during the year 2023.

During the year 2023, RAKINSURANCE held four (4) Risk meetings. The details of attendance are as follows:

SN	Name	Meetings dates - 2023				Total number of attendance
		10-May	27-July	29-August	30-Oct	
1	Futooh Al Zayani	✓	✓	✓	✓	4
2	Safwan Ghaleb	✓	✓	✓	✓	4
3	Bernhard U. Schluep	✓	✓	✓	✓	4

✓ : Attended; - Not attended;

- Nomination & Remuneration Committee (BNRC)

The Board Nominations & Remunerations Committee is a permanent committee of RAK National Insurance Company P.S.C. that reports to the Board of Directors. The BNRC is established to ensure that nomination and remuneration arrangements support the strategic aims of the business and enable the nomination and election of Board of Directors members who have technical skills and experience required to serve the interests of the Company and recruitment, motivation and retention of senior executives while complying with the requirements of regulatory and governance bodies, satisfying the expectations of shareholders and remaining consistent with the expectations of the wider employee population. In its nomination role, BNRC is tasked with nominating appropriate directors and executives as and when required by the Board of Directors. This Terms of Reference outlines the purpose, composition, organisation and responsibilities of the Remuneration Committee. The Committee is composed of three (3) non-executives directors in which two (2) of the members including the Chairman are Independent.

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

Mr. Bernhard Urs. Schluep, 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.

b. Names of the Committee members,

From 1st January 2023 up to 12th April 2023.

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

From 13th April 2023 up to 31st December 2023

Member's Name	Position	Designation
Bernhard Urs. Schluep	Chairman	Independent
Raheel Ahmed	Member	Non-Independent
Futooh Al Zayani	Member	Independent

Nomination & Remuneration Committee functions and duties assigned thereto.

The responsibilities of the Nomination & Remuneration Committee are in line with SCA Corporate Governance Guide Decision 3/RM 2020 and the CBUAE Regulation and Standards for Insurance Companies. The Nomination & Remuneration Committee undertakes the following duties and responsibilities:

The duties of the Committee under Nomination and Remuneration shall be as follows:

- Review the composition and diversity at the Board and Board committees' levels to ensure an appropriate balance of skills, diversity, expertise, independence and meet regulatory requirements and recommend to the Board changes if and when required. The Committee shall ensure that the Board Members and Committee members remain individually and collectively qualified for their positions.
- Review and oversee the implementation of the process for identifying and selecting the candidates of the Board.
- Establish, assess and recommend to the Board the Selection and Appointment policy, including the Fit and Proper process, for the Board membership while considering diversity, in particular gender diversity requiring at least 20% of candidates for consideration for the Board to be female. and submitting a copy of such policy to the Securities & Commodities Authority and any amendments thereof.
- The Committee shall have an ex-ante review and approval process in place to be completed before a member on the Board accepts nomination to serve on another Board as permitted by CBUAE regulations and to avoid conflict of interest.
- Regulate and follow 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. (3 R.M) of 2020 Concerning the Approval of Joint Stock Companies Guide and the Corporate Governance Regulation for Insurance Companies stipulated by the Central Bank of United Arab Emirates (CBUAE).
- Review and maintain succession plans for the Board and Senior Management members.
- Constantly verifying independence of independent Board members and recommend necessary actions in compliance with the laws and regulations if the minimum percentage of independent Board members has been affected.
- Review and secure the semi-annual Director's Declaration that the Board Members have sufficient time to manage the time commitments, and they do not have any conflict of interest that may impede their ability to perform their duties objectively.
- 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 and recommend to the Board of the Directors annual Training and Development policy that supports the directors' ongoing training to ensure that the Board members acquire, maintain, and enhance knowledge and skills relevant to their responsibilities.
- Conducting an annual evaluation to the Board members supported by the Board Secretary and recommended by the Board of Directors, or by appointing an external independent consultant.
- Setting and recommending to the Board of Directors and to the AGM for approval the Board Remuneration Policy.

Duties and Responsibilities under HR

- Review and recommend to the Board the Human Resource Plan and Budget.
- 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; and to oversight and monitor the implementation of the Emiratization Program.
- Review and recommend to the Board the Compensation Policy that supports sound Corporate Governance and risk management, including appropriate incentives that are taking into consideration risk, capital, liquidity and the likelihood and timing of earnings. Performance standards must be consistent with the long-term sustainability and financial soundness of the Company.
- Review and recommend to the Board of Directors the Board Secretary's job description and duties.
- 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.
- 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 motive 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 Compensation Policy.
- Review the compensation plans, processes and outcomes at least annually. The Committee must arrange for an independent assessment by an external third party at least once every 5 years.
- 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.
- 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.
- Approve the overall budget for annual performance / retention payments for all staff.
- 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.

c. Number of the Nominations & Remunerations Committee meetings held during 2023.

During 2023, RAKINSURANCE held three (3) Nominations & Remunerations Committee meetings. The details of attendance are as follows:

SN	Name	Meetings dates – 2023			Total numbers of attendance
		6-February			
1	Jasem Ahmed Al Nuaimi	✓	-	-	1
2	Raheel Ahmed	✓	-	-	1
3	Aarefa Saleh Al Falahi	✓	-	-	1
SN	Name	Meetings dates – 2023			Total numbers of attendance
			16-October	8-December	
1	Bernhard Urs. Schluep	-	✓	✓	2
2	Raheel Ahmed	-	✓	✓	2
3	Futooh Al Zayani	-	✓	✓	2

✓ : Attended; - Not attended.

- 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.

a. 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. Sanjeev Badyal, the Supervision and Follow-up Committee of insider's transactions 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 Supervision and Follow-up Committee of insider's transactions:

Member's Name	Position	Designation
Sanjeev Badyal	Chairman	Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer
Renuka Padmanabhan	Member	Head of Compliance
Amjad Al Hayek	Member	Head of Legal

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

The duties of the Committee are in accordance with Article (33) of SCA Corporate Governance Guide Decision 3/RM 2020. The Committee undertakes the following duties:

- Manage, follow-up and supervise Insiders' trading/transactions and their ownerships.
- Prepare and maintain a special and comprehensive register for all the insiders within the Company and the Group, 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 statements and reports to the Board of Directors and to Abu Dhabi Securities Exchange whenever is needed.
- 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 the Group company, or any sister company (if available).
- Consider any other issues determined by the Board of Directors.

c. Number of Supervision and Follow-up Committee of insider's meetings held during the year 2023.

During the year 2023, the Committee of follow-up and supervision of insiders' trading held one (1) meeting. The meeting details of attendance is as follows;

No.	Name	Meetings date - 2023	Total numbers of attendance
		7 - September	
1	Sanjeev Badyal	✓	1
2	Abeer Hilwenji	✓	1
3	Shehreyar Salim	✓	1
4	Amjad Al Hayek	✓	1
5	Renuka Padmanabhan	✓	1

✓ : Attended; - Not attended.

Summary report on the Committee's activities during 2023

The Committee held one meeting during 2023. And the results of this meeting was as follows:

- Approved the minutes from the previous Insiders Committee meeting held on 19th December 2022.
- Reviewed the Board Risk Committee for approval the Share Dealing Policy.
- Reviewed the Board Risk Committee for approval the revised declaration form of the insiders.
- Reviewed the Insiders register for the H1 2023.
- Reviewed the updated report on the Insiders transactions for H1 2023.
- Reviewed the Shareholders list for H1 2023.

- Investment Committee

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. Raheel Ahmed, 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 1st January 2023 up to 12th April 2023

Member's Name	Position	Designation
Raheel Ahmed	Chairman	Board Member
Sanjeev Badyal	Member	Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer
Rajesh Thaper	Member	Chief Risk & Compliance Officer

From 13th April 2023 up to 31st December 2023

Member's Name	Position	Designation
Raheel Ahmed	Chairman	Board Member
Sanjeev Badyal	Member	Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer

c. Statement of number of the Investment Committee for General Insurance meetings held in 2023.

During 2023, the Investment Committee for General Insurance held four (4) meetings. The details of attendance are as follows:

SN	Name	Meetings dates - 2023				Total number of attendance
		24-Mar	4-Sep			
1	Raheel Ahmed	✓	✓	-	-	2
2	Sanjeev Badyal	✓	✓	-	-	2
3	Shehreyar Azim	✓	✓	-	-	2
4	Rajesh Thaper	-	-	-	-	0
5	Bernhard Urs. Schluep	-	✓	-	-	1
6	Safwan Ghaleb	-	✓	-	-	1
SN	Name	Meetings dates - 2023				Total number of attendance
				11-Oct	27-Nov	
1	Raheel Ahmed	-	-	✓	✓	2
2	Bernhard Urs. Schluep	-	-	✓	✓	2
3	Safwan Ghaleb	-	-	-	✓	1
4	Sanjeev Badyal	-	-	-	✓	1

5	Shehreyar Azim	-	-	✓	✓	2
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✓ *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 RAKINSURANCE.
- 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 30 million per transaction.
 - Any single investment for a primary issuance of bonds up to a bid limit of AED30 million.
 - 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 of any investment that the Investment Committee deems to be appropriate. 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).

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. Raheel Ahmed, 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 1st January 2023 up to 12th April 2023

Member's Name	Position	Designation
Raheel Ahmed	Chairman	Board Member
Sanjeev Badyal	Member	Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer
Rajesh Thaper	Member	Chief Risk & Compliance Officer

From 13th April 2023 up to 31st December 2023

Member's Name	Position	Designation
Raheel Ahmed	Chairman	Board Member
Sanjeev Badyal	Member	Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer

c. Statement of number of the Investment Committee for Life and Medical Insurance meetings held by the during the year 2023

During 2023, the Investment Committee for Life and Medical Insurance held four (4) meetings. The details of attendance are as follows:

SN	Name	Meetings dates - 2023				Total number of attendance
		24-Mar	4-Sep			
1	Raheel Ahmed	✓	✓	-	-	2
2	Sanjeev Badyal	✓	✓	-	-	2
3	Shehreyar Azim	✓	✓	-	-	2
4	Rajesh Thaper	-	-	-	-	0
5	Bernhard Urs. Schluep	-	✓	-	-	1
6	Safwan Ghaleb	-	✓	-	-	1
SN	Name	Meetings dates - 2023				Total number of attendance
				11-Oct	27-Nov	
1	Raheel Ahmed	-	-	✓	✓	2
2	Bernhard Urs. Schluep	-	-	✓	✓	2
3	Safwan Ghaleb	-	-	-	✓	1
4	Sanjeev Badyal	-	-	-	✓	1

5	Shehreyar Azim	-	-	✓	✓	2
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✓ *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 RAKINSURANCE.
- 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 30 million per transaction.
 - Any single investment for a primary issuance of bonds up to a bid limit of AED 30 million.
 - 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 that the Investment Committee deems to be appropriate.
 - 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).

- Statement of Board duties and powers exercised by the Board members or the executives management members during 2023 based on Board authorisation

Name of the authorized person	Power of authorization	Duration of the authorization
Sanjeev Badyal	Power of Attorney	23 rd May 2024

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 Strategic 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 23rd May 2024.

- Statement of the details of transactions made with the related parties (stakeholders) in 2023.

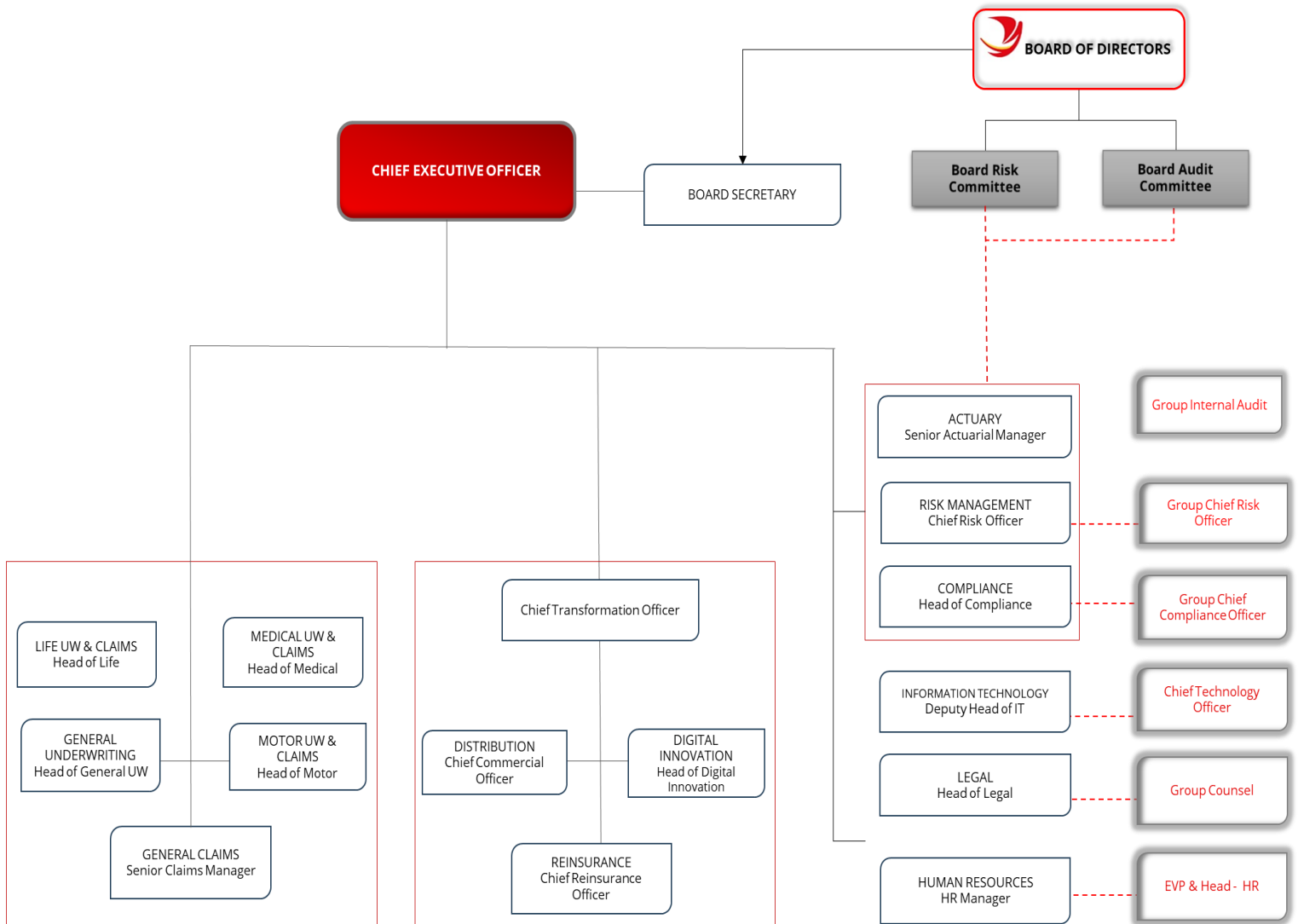
During the year 2023, the Company entered into the following transactions:

SN	The Related Party and the nature of relationship	Type of transaction	Total Value of all transactions
1	Board Members and Shareholders	Insurance revenue (other related parties)	16,366,368
2	Board Members and Shareholders	Insurance revenue (directors)	82,150
3	Board Members and Shareholders	Insurance service expenses (directors)	(384,294)
4	Board Members and Shareholders	Insurance service expenses (other related parties)	(44,090,114)
5	Board Members and Shareholders	Due from directors (insurance contract liabilities)	1,093

6	Board Members and Shareholders	Due from other related parties under common control (insurance contract liabilities)	10,160,171
7	Parent Company	Insurance revenue (parent company)	121,284,186
8	Parent Company	Insurance service expenses (parent company)	(63,570,845)
9	Parent Company	Fixed deposit placements	119,797,824
10	Parent Company	Bank balances	17,505,602
11	Parent Company	Due from parent company (insurance contract liabilities)	36,920,275
12	Parent Company	Due to parent company (Insurance contract liabilities)	18,640,376
13	Parent Company	Due to Parent company (other payables)	(4,113,407)
14	Parent Company	Other expenses (Parent company)	(3,929,816)
15	Parent Company	Interest income on fixed deposits	6,130,498

Attached a statement of the transactions that the company made during 2023, which equal 5% or more of the company's capital.

5- The Complete organizational structure of the company.



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

- **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 2023 (AED)	Total bonuses paid for 2023	Any other Bonuses in cash/in kind for 2023 or due to be paid in the future
1	Acting Chief Executive Officer	18-Aug-22	1,080,000.00	These bonuses will be determined after review and approval by the Board.	Not Applicable
2	Chief Financial Officer	01-Oct-20	752,320.00		
3	Chief Commercial Officer	02-Nov-96	693,920.00		
4	Head of Life	26-Jan-14	427,950.00		
5	Chief Reinsurance Officer	02-Feb-20	621,097.60		
6	Senior Actuarial Manager	25-Feb-20	651,000.00		
7	Head Of General Underwriting	04-Jul-22	463,950.00		
8	Head of Motor Underwriting and Claims	07-Nov-22	489,900.00		
9	Chief Operating Officer -Medical ⁽¹⁾	01 Aug- 21	419,109.68		
10	Chief Operating Officer- General ⁽²⁾	05-Jan-20	373,923.41		
11	Chief Risk and Compliance Officer ⁽³⁾	22-Mar-20	318,060.00		
12	Chief Information Officer ⁽⁴⁾	10-Oct-21	321,272.00		
13	Head of Medical - Underwriting & Operations ⁽⁵⁾	18-Jun-17	395,652.67		

⁽¹⁾ The Chief Operating Officer-Medical separated from the RAKINSURANCE on 21st July 2023

⁽²⁾ The Chief Operating Officer- General separated from RAKINSURANCE on 2nd August 2023

⁽³⁾ The Chief Risk and Compliance Officer separated from RAKINSURANCE on 1st July 2023

⁽⁴⁾ The Chief Information Officer separated from RAKINSURANCE on 1st September 2023

⁽⁵⁾ The Head of Medical Underwriting & Operations separated from RAKINSURANCE on 26th December 2023

6- External Auditor

a. An overview of the company auditor to shareholders

Grant Thornton (GT) is a global network with over 68,000 professionals in member firms in over 145 countries. They provide assurance services in Audit, Advisory and Tax. GT has been established in the UAE region for more than 55 years servicing public and private entities and with 3 offices across the UAE and over 500 employees, GT has become one of the leading professional services firms in the country.

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 ended 31 December 2023.

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

Name of the audit office	Grant Thornton Audit and Accounting Limited (Dubai Branch)	Name of the audit partner	Farouk Mohamed
Number of years served as the company's external auditor.	One year		
Number of years of the Engagement Partner auditing the financial statements	One year		
Total fees for auditing the (Interim and annual) financial statements of 2023.	IFRS Financial statements (3 quarterly review and one year end audit) under IFRS 17 Total Audit and Reviews – AED300,000		
Fees and costs of the special services other than the auditing of the financial statements in 2023 (in AED), if any, and in case there are no other fees, this shall be expressly stated.	Agreed upon procedures such as AML, E-forms, Separate Financials Life & Non-Life, ICFR Audit etc. along with a review of IFRS 17 accounting papers. AED 154,500		
Details and nature of other services provided (if any). If there are no other services, this shall be expressly stated.	No other services provided		
Statement of the other services that an External Auditor other than the Company's accounts auditor provided during 2023 (if any). In the absence of another external auditor, this matter is explicitly stated.	Name: N/A Details: There is no external auditor other than the Company's accounts auditor.		

c. The reservations that the company's external auditor included in the interim and annual financial statements for 2023. In case of the absence of any reservations, this matter must be mentioned explicitly.

There were no reservations mentioned by the auditors in their opinion on the financial statements for the year ended 31 December 2023.

7- Internal Control System

The Internal Control System of the Company is developed with a disciplined approach and designed to ensure integrity, ethical values and competence of its people and respond to changes in regulatory requirements as well as the market. It is based on the “three lines of defense” model where the second line contains the key control functions, Risk, Compliance, Finance and Legal. The second line provides oversight of material risks and is tasked with maintaining a robust control environment, including ensuring compliance and the reliability of financial and non-financial information.

Risk Based Approach: A detailed risk assessment methodology has been established as part of the risk management strategy which is set out in the Risk Management Strategy and Framework Document to assess the Internal Control environment of the Company and its business activities. Aligned to the organisational risk management processes, this methodology enables Risk & Compliance to be strategically and operationally aligned with the risks facing the organisation.

The Control Environment is driven by the “tone from the top” established by the Board and senior management which reflects the importance of integrity and ethical values and a commitment to reliable reporting. This is implemented through several policies such as the enforcement of the Company’s Code of Ethics and Conduct which every employee is expected to adhere to. It reflects the Company’s ethics and compliance standards and provides the Company with clarity and consistency that address specific requirements and laws.

There are also several operational policies such as the Credit Control policy and IT policy to strengthen governance and controls around these processes. Risk policies for all material risks are also in place. There are a number of control activities the Company performs such as segregation of duties and accountability and ownership of risks. For example, all significant approvals are required to adhere to the Delegation Authority Matrix. In addition, the Company is also working towards the ISO 27001 Standard accreditation to increase the robustness of its data and security framework.

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 in regard to the Internal Control, the Compliance, Risk and Internal Control/Audit function of the Company was established in 2010. However, the management is concentrating the efforts to update the respective policy on the Internal Controls in order to comply with the provisions pertaining to Article 68 of the SCA Corporate Governance Guide Decision 3/RM 2020 and Article 7 of the CBUAE Regulation and Standards for Insurance Companies. The Policy will be submitted to the Board of Directors to be acknowledged and approved as the Board is responsible for the application, review and efficiency of RAKINSURANCE’s internal control system. The Board Audit Committee & the Board Risk Committee in conjunction with the Internal Auditor, the Compliance Officer and the Risk Officer shall ensure the adequacy of the internal control framework within the Company.

Name of the Head of Compliance, her qualifications and date of appointment.

Mrs. Renuka Padmanabhan, the Head of Compliance was appointed on 19th September 2023. Renuka holds a Master's Degree in Commerce & Accounting from the University of Madras. Commencing her banking career at Citibank Dubai, Ms. Renuka transitioned to RAKBANK in 2002. Over the course of 21 years, she has navigated through various divisions including Compliance within RAKBANK.

Name of the Chief Internal Auditor, her qualifications and date of appointment.

Ms. Nicola Thompson, the Group Chief Audit Officer (GCAO) was appointed by the Board Audit Committee on 10th 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 financial services experience.

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

The Risk Function: is the second line of defense which includes Risk, Compliance, Finance and Legal functions. The key objectives of the Risk function are to implement, embed and maintain strong risk governance and controls. This is achieved through regular reviews of the most critical risks, reporting to the Board Risk Committee and the Board. The Risk Dashboard provides a comprehensive overview of top risks, including their associated mitigating actions and a risk scoring system (probability and impact scores) to determine their severity. Furthermore, emerging risks are closely monitored and reported. Currently, the Company is recruiting efforts are underway to enhance the risk framework, aiming to fortify the governance and control environment.

Internal Audit: Internal audits and control effectiveness reviews are conducted throughout the year as per the Audit Plan approved by the Board Audit Committee. Key audit observations are captured in audit reports that are issued periodically. These reports are presented to the Board Audit Committee on a quarterly basis and summarise audit observations and opportunities for process and control improvement, implications from a risk perspective as well as management responses and action plans.

All audit observations are logged and tracked via the Internal Audit system to completion. Regular follow-up is done with Management to ensure that remedial actions are completed and open risks identified by Internal Audit are adequately mitigated. Long outstanding audit observations are reported to the Board Audit Committee.

Whistleblowing: A whistleblowing policy is designed as a control to help safeguard the integrity of RAKINSURANCE financial reporting, its business dealings and to support adherence with its 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 Head of Compliance who evaluates the complaint in accordance with the policy and reports findings to Audit Committee as appropriate.

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

Internal Audit issued five auditing (5) reports to the Company's Board Audit Committee during 2023.

8- Details of the Violations committed during the year 2023.

Rakinsurance has no major violations during the fiscal year 2023.

9- Statement of the cash and in-kind contributions made by the Company during 2023 in developing the local community and preserving the environmental.

RAKINSURANCE acknowledges the significance of giving back to the community it serves and striving to create a meaningful impact on society as part of its corporate social responsibility.

Throughout 2023, RAKINSURANCE made noteworthy contributions with a focus on fostering environmentally conscious practices in business, prioritizing the health and wellness of its employees, and supporting the UAE government's initiatives to aid families affected by natural calamities.

Internally, RAKINSURANCE consistently reminded all employees about the company's 'paperless' initiative. This endeavour aims to raise awareness about the value of paper conservation by encouraging employees to reconsider before printing. Moreover, RAKINSURANCE partnered with Endoshred, a company specializing in proper paper disposal and recycling. To date, RAKINSURANCE has allocated AED 3780 towards this cause, thereby saving a total of 7 trees from destruction.

In February 2023, a devastating earthquake struck major parts of Turkey and Syria, resulting in numerous casualties and displacing thousands of families. The UAE government promptly responded by providing humanitarian aid to affected families. A circular was issued urging companies and organizations to extend assistance through the Red Crescent, the authorized agency for donation drives. RAKINSURANCE proactively supported this initiative by donating AED 1428 worth of groceries and essentials. The company communicated this effort across the organization, encouraging staff to contribute in kind. RAKINSURANCE employees responded generously by donating old clothes, blankets, and groceries. In total, 31 boxes were collected and handed over to the Red Crescent.

During the holy month of Ramadan, RAKINSURANCE launched the 'Sharing is giving' campaign. A total of 845 food packs, amounting to AED 8754, were prepared and distributed to RAKINSURANCE's chosen

partners in their labour camps across Ras Al Khaimah. The recipients for 2023 included ElectroRak, FabCon Industrial Services, Al-Jawahir Engineering, and RAK Packaging.

In November 2023, RAKINSURANCE actively participated in the RAK Terry Fox Run, with 60 staff members and their families joining the cause. An amount of AED 5100 was donated for the registration and t-shirts of RAKINSURANCE participants. The Terry Fox Run for Cancer Research is endorsed by HH Sheikh Saud Bin Saqr Al Qasimi, Supreme Council Member and Ruler of Ras Al Khaimah, in collaboration with the Saqr Bin Mohammed Al Qasimi Charity and Humanitarian Foundation. All proceeds from this event were contributed to the UAE University in Al Ain to support ongoing cancer research projects funded by Terry Fox.

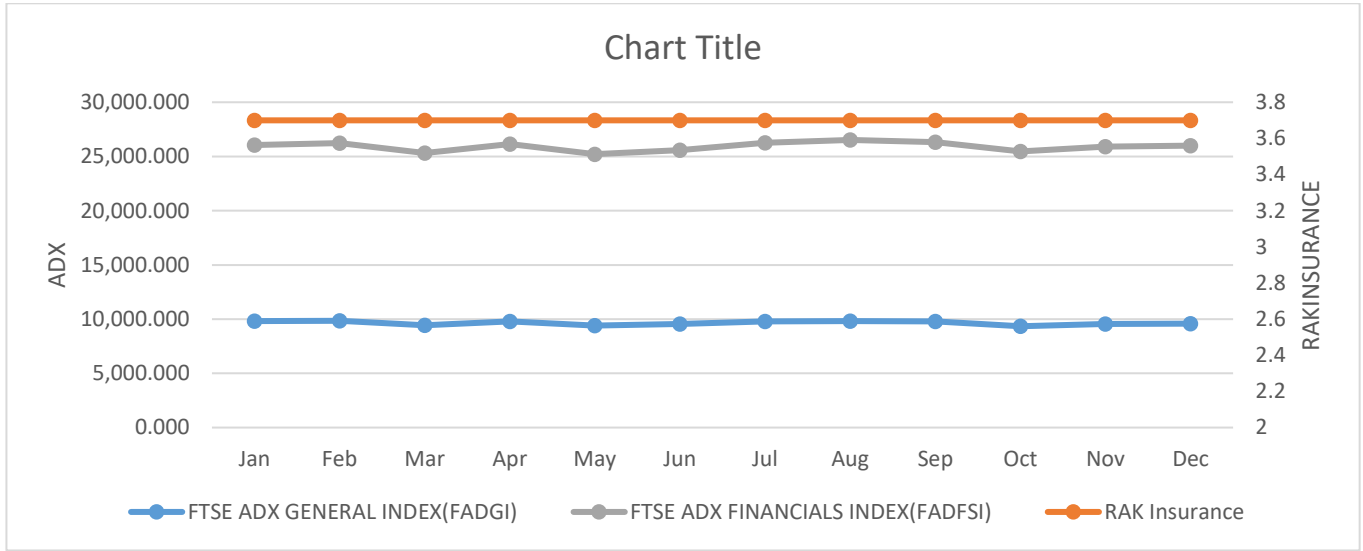
To prioritize the health and well-being of its employees, RAKINSURANCE, in collaboration with RAK Hospital and NAS, Neuron, recently concluded its 'RAKINSURANCE Wellness Day.' Various activities were organised for employees, including blood pressure and blood sugar testing, BMI checks, dental and optical screenings with doctor consultations, and a 45-minute Yoga session (incorporating standing and sitting exercises). An expenditure of AED 1000 was allocated for this event.

10-General Information

a. Statement of the company's market share price (closing price, high, low) at the end of each month during the fiscal year 2023:

Month	High	Low	Close
31-Jan	4.1	3.7	3.7
28-Feb	4.1	3.7	3.7
31-Mar	4.1	3.7	3.7
30-Apr	4.1	3.7	3.7
31-May	4.1	3.7	3.7
30-Jun	4.1	3.7	3.7
31-Jul	4.1	3.7	3.7
31-Aug	4.1	3.7	3.7
30-Sep	4.1	3.7	3.7
31-Oct	4.1	3.7	3.7
30-Nov	4.1	3.7	3.7
31-Dec	4.1	3.7	3.7

b. Statement of the comparative performance of the company's shares with the general market index and the financials index for year 2023.



Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ADGI	9,811.56	9,844.81	9,430.25	9,789.17	9,406.57	9,550.40	9,787.13	9,810.21	9,785.32	9,343.88	9,559.57	9,577.85
RAKNIC	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
FTSE ADX	16,240.47	16,387.18	15,876.34	16,344.75	15,807.93	16,047.01	16,486.21	16,713.77	16,547.83	16,135.24	16,347.35	16,415.43

c. Statement of Shareholders distribution as of 31st December 2023 (Individuals, companies, governments) classified as follows: Local, GCC, Arab or Foreign.

SN	Shareholder Classification	Number of Shares			
		Individuals	Companies	Governments	Total
1	Local	20.6%	79.40%	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	20.6%	79.40%	0.00%	100.00%

d. Statement of shareholders owning 5% or more of the Company's capital as at 31 December 2023.

SN	Name	Number of Shares	Percentage % of shares
1	National Bank of Ras Al Khaimah PSC	96,088,366	79.23%
2	Ahmed Issa Ahmed Al Naeem	19,283,312	15.90%

e. Statement of shareholders distribution by the size of equity as 31 December 2023, as per the following.

SN	Share Ownership	Shareholders number	Owned Shares	Percentage % of Shares
1	Less than 50,000	28	220743	0.18%
2	From 50,000 to less than 500,000	8	1,230,836	1.02%
3	From 500,000 to less than 5,000,000	7	4,451,743	3.67%
4	More than 5,000,000	2	115,371,678	95.13%

f. 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. Sanjeev Badyal
 Email : investorrelations@rakinsurance.com
 Mobile/WhatsApp No. : +971 508844746

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

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

g. Statement of the special resolutions presented to the Annual General Meeting held in 2023 and the procedures taken with respect thereto.

There were two Special Resolution in the Agenda of the Annual General meeting held in 2023 as below;

- Approve, by virtue of a special resolution, amending Article (19) of the Company's Article of Association so that the company is managed by a Board of Directors composed by seven (7) members elected by the General Assembly through secret ballot instead of five (5) members.
- Approve amending the Company's Article of Association to comply with the provisions of the CBUAE Corporate Governance Regulations for Insurance Companies and any other regulations issued in this respect, subject to obtain the necessary approvals from the relevant regulatory authorities.

h. Secretary of the Board of Directors

The Board of Directors appointed Mrs. Abeer Hilwenji as the Secretary of the Board of Directors by a resolution by circulation dated 13th May 2020 to be effective on 15th June 2020. The appointment was ratified at the Board meeting held on 4th June 2020.

Qualifications and experiences

Abeer Hilwenji has five years competent and practical experience in Board and Board Committees meetings, and highly experienced in paralegal services and providing secretarial and administrative

services to the Board of directors. Abeer has significant exposure to the Board members, stakeholders, shareholders and the management team while performing her role and managing the challenges as a result to ensure adherence to internal and external regulatory stakeholders.

In September 2020, Abeer obtained a recognized certificate in Board Secretarial Practice issued from Informa Connect Institution certified by CPD.

In 2022, Abeer successfully achieved certification as A Certified Board of Director Secretary from the Hawkamah Institute for Corporate Governance and DFM.

Statement of her 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.

i. Statement of the significant events that took place in the Company in 2023.

In 2023, RAKINSURANCE orchestrated two significant town hall meetings for its staff. The initial gathering centered around the RAKINSURANCE Yearend Review 2022, followed by the Half-year 2023 Report.

The inaugural town hall took place on January 23, 2023, at the ROC 9/F RAKBANK Auditorium, with all RAK-based employees in attendance. A separate session was arranged two days later to accommodate the Dubai and Abu Dhabi staff. Mr. Sanjeev Badyal led both sessions, presenting updates on RAKINSURANCE's 2022 Yearend and engaging in a brief Q&A session.

In May 2023, another town hall meeting convened to discuss the RAKINSURANCE Half-year 2023 Report. Mr. Raheel Ahmed, RAKBANK Group CEO, and Mr. Sanjeev Badyal jointly presented and deliberated on the RAKINSURANCE Way Forward for 2023. The presentation shed light on the company's mid-year position in 2023, its current status, and provided insights into upcoming plans. An open forum allowed staff to voice concerns and queries, all of which were graciously addressed by the presenters.

In April 2023, RAKINSURANCE hosted its Iftar Staff event at the Intercontinental Hotel's garden in Ras Al Khaimah. All employees gathered for a delightful feast after Iftar. Mrs. Aarefa Saleh Al Falahi, one of RAKINSURANCE's Board members, graced the occasion alongside some partners.

In November 2023, RAKINSURANCE organised its inaugural Partners Meet 2023 at TopGolf Dubai. Esteemed brokers and partners from the insurance and reinsurance industries came together for a lively event. Partners were grouped into teams of six per bay, engaging in a friendly mini-golf competition among peers. It proved to be a refreshing break from the usual office routine for everyone in attendance. Subsequently, dinner was served at the Toad in the Hole restaurant adjacent to the golf bays.

j. Statement of the transactions that the company made during 2023, which equal 5% or more of the company's capital.

Name of the party	Type of transaction	Amount
Commercial Bank International	Fixed Deposit placements	20,585,598
National Bank of Fujairah	Fixed Deposit placements	40,904,156
National Bank of Ras Al Khaimah	Fixed Deposit placements	73,729,706
United Arab Bank	Fixed Deposit placements	15,519,527
Commercial Bank International	Fixed Deposit maturities	20,037,084
National Bank of Fujairah	Fixed Deposit maturities	30,065,861
National Bank of Ras Al Khaimah	Fixed Deposit maturities	66,153,736
United Arab Bank	Fixed Deposit maturities	44,311,256
National Bank of Ras Al Khaimah	Premium collection	35,861,039
S.S.L Consolidation Services (L.L.C)	Claim Reserve	12,099,999

k. Statement of Emiratisation in the Company at the end of 2021,2022,2023

Reference to Notice No.2705/2022, Central Bank of the UAE has allocated the new target below. The target points are segregated into operational target points and recruitment target points.

The Company has fully completed the Emiratisation targeted points for the year 2023.

Target Points	2023	Achieved Points
Operational	69	81
Recruitment	9	9

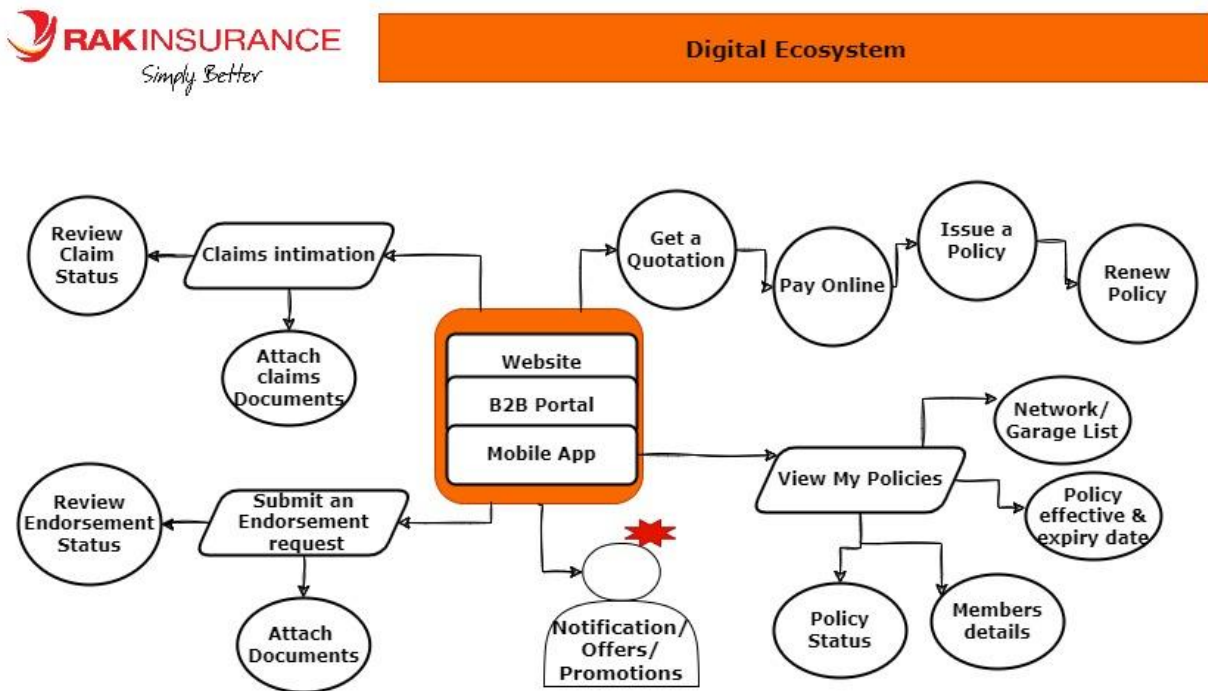
The Company's Emiratisation percentage for year 2023 is 20%. As for the previous years, the Company achieved Emiratisation percentages of 12% in 2022 and 9% in 2021.

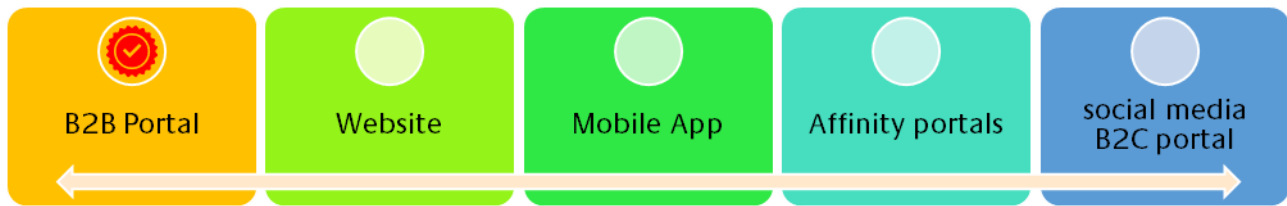
I. Statement of the innovative projects and initiatives implemented by the Company or are still under development in 2023.

Continuing our journey on transformation and process improvements initiatives, Year 2022 also witnessed great momentum in digital transformation and innovation. Among various initiatives, continuous improvement of our core system to improve efficiency and developing products & portal for our partners to empower them with an end-to-end solution to sell retail products were on top of the list.

- ✓ DIGITAL PORTAL FOR SALES & DISTRIBUTION: Our digital portal referred as “Vinyl plus” has empowered our sales partners to perform end to end process of generating a quotation, making online payment, and issuing an insurance policy within 2-3 minutes of turnaround time. Each product journey is specifically designed with minimal underwriting questions to reduce turnaround time and competitive pricing for better conversions of sales enquiries. The platform is equipped with document upload and KYC functionality in compliance to UAE central bank regulations. Additionally, we are using AI powered Optical character Recognition (OCR) to detect and scan cards (Emirates ID, Mulkiya, etc.) thus reducing the data entry time while on-boarding a customer. Vinyl Plus current offers pre underwritten products for;
 - Motor insurance
 - Travel insurance
 - Individual/Family medical insurance with instant e-cards.

Our digital ecosystem:





- ✓ SME PORTAL: SME pre-underwritten products for general and life insurance are under review. SME Products would include Property insurance, public liability, Engineering, Group life and workmen Compensation, Marine cargo.
- ✓ API integration with Aggregators & affinity partners: Using vinyl plus (digital portal) API's, we have successfully integrated our products with various aggregators and affinity partners in the UAE. API integration is a very common practice in the current digital market, and it has helped us with a quick turnaround time and minimal efforts to integrate with the other players in the market. These endeavors have been a very successful value stream for us to increase market penetration, thereby improve revenue.
- ✓ ONLINE COMPLAINTS/FEEDBACK OPTION RINGFENCED TO CUSTOMER SERVICES TEAM: An option was developed for our customers to submit their complaints of feedback online by visiting our website to ensure swift response from our customer services team. Online feedback/complaints workflow is developed with suitable options, enabling our customer services team to resolve any issues/complaints real-time and in adherence to UAECB regulations.
- ✓ BUSINESS DASHBOARD: Deployment of MIS software to create business dashboard to monitor business performance at various level (overall performance, at Business, at each line of business or product level). Business use this tool to evaluate customer profile for last 5 years loss ratio across all line of business to make an informed decision while offering renewal quotations to customers. Other real-time dashboard includes Broker dashboards, Renewal pipeline and many others.
- ✓ Other ongoing initiatives include.
 - GO DIGITAL GO GREEN, hashtag #Lets press for paperless, aimed to reduce printing paper and support digital solution.
 - LEAN & GREEN Initiative at Operations Dept. This project had also multi-faceted benefits, including reduction of carbon emissions, though transportation services.

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

