

**Governance Report Form for 2020**

**1. Statement of procedures taken to complete the corporate governance system, during 2020, and method of implementing thereof:**

The Board of Directors of Takaful Emarat Insurance PSC, in cooperation with the Audit Committee, the Nomination and Remuneration Committee of the Board, the External Auditor of the Company and the Compliance and Internal Audit Departments, have applied the rules of the corporate governance and standards of corporate discipline under Federal Law No. (2) of 2015 concerning the Commercial Companies and the Decision of the Authority's Chairman of the Board of Directors No. (3) regarding the standards of institutional discipline and corporate governance guide which was issued subsequently, in order to find an integrated system of financial and non-financial control through which the Company's management and control .

The Board of Directors encouraged the Company's team to participate in the training programs and workshops organized by the regulatory bodies such as the Securities and Commodities Authority and the Dubai Financial Market in order to raise the level of compliance and transparency by protecting the rights of shareholders.

The Board Secretary has attended Online Certified Board Secretary Workshop from 01 June 2020 to 04 June 2020 provided by HAWKAMAH.

The Board of Directors works throughout the year to review and adopt the policies and procedures followed in the Company.

The Management has committed itself to providing the Board of Directors and its committees with sufficient information in a timely and complete manner to enable it to make decisions on the basis of proper performance of its duties and responsibilities. The Board of Directors were provided all the information that enables it to take its decisions on a sound basis.

The Company's management presents the business updates to the Board to be discussed at its regular meeting and taking the appropriate decisions. The Company is committed to implementing the SCA Decision (3) for the year 2020 regarding Corporate Governance guide in addition to the laws and legislation in force in the United Arab Emirates.

**2. Statement of ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2020, according to the following schedule:**

Ser.	Name	Position / Kinship	Owned shares as on 31/12/2020	Total sale	Total purchase
1	Mr. Abdulla Bakheet Saif Murshed Almarar	Chairman of the Board	-	-	-
2	Dr. Nooraldeen Subhi Ahmed Atatreh	Deputy Chairman	-	-	-
3	Mr. Omar Saeed Abdulla Brouk Al Hameiri	Board Member	-	-	-
4	H.E Mohamed Haji Al Khoori	Board Member	-	-	-
5	Mr. Fahim Mohamed Ahmed Alkouk Alshehhi	Board Member	-	-	-
6	Mr. Ajit Vijay Joshi	Board Member	-	-	-
7	Mr. Khalifa Yousif Abdulla Husain ALKhoori	Board Member	500,000	-	-

**3. Board Formation:**

A. Statement of the current Board formation (along with the names of both the resigned and appointed Board members) according to the following schedule:

Ser.	Name	Category (executive, non-executive, and independent)	Experiences and qualifications	The period he spent as a Board member from the date of his first election	Their membership and positions at any other joint-stock companies	Their positions in any other important regulatory, government or
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						<b>commercial positions.</b>
1	H.E. Abdulla Bakheet Saif Murshed Almarar	Non- Executive Non- Independent	Holds a bachelor's and master's degree in Business Administration (Finance and Banking)	From 15/04/2015	-	Ministry of Presidential Affairs
2	Dr. Nooraldeen Subhi Ahmed Atatreh	Non- Executive Non- Independent	Holds a PhD degree in Pharmacy from the University of Manchester, UK MSc in Drug Chemistry from Newcastle, University, UK  He has fourteen years of research and publications experience He is a member of British Association of Cancer Research Member of the American Association of Cancer Research in the USA	From 14/12/2017		Board Member at Tabarak Investments  Chancellor of Al Ain university  Member of the Board of Trustees of Al Falah University

			Member of Royal Society of Chemistry (RSC) UK			
3	Mr. Fahim Mohamed Ahmed Alkouk Alshehhi	Non-Executive Independent	<i>He holds a BA in International Business from Eckerd College of Florida in the US, and an MBA from Abu Dhabi University. He has more than 14 years of experience in Business Support and Commercial Development.</i>	From 27/01/2019	Abu Dhabi National Energy Company PJSC	Board Member at Masar solo chains
4	Mr. Omar Saeed Abdulla Brouk Al Hameiri	Non-Executive Independent	Holds a bachelor's degree in Finance from the American University in Dubai. He has 9 years of experience in Finance in several organizations.	From 14/12/2017	-	Ministry of Presidential Affairs
5	HE Mohamed Haji Al Khoori	Non-Executive Independent	B.A in Economics – B.A in Economics - California State University – San Bernardino. More than 30	From 09/01/2020	-	International Emirates Driving Company

			years of experience includes Executive Management, Organization Development, Financial Management, Business Investments and Project Management.			
6	Mr. Ajit Vijay Joshi	Non-Executive Non-Independent	Holds a Bachelor of Engineering degree in Computer Science and holds an MBA. He has over 12 years of professional experience in technology consulting and investment management.	From 19/03/2019	Board member - Eshraq Investment Company  Head of Public and Private Markets – Shuaa Capital PSC	-
7	Mr. Khalifa Yousif Abdulla Husain ALKhoori	Non-Executive Independent	Holds Master's degree in Business Administration. Well known businessmen. He is founder of Arte Casa	From 15/04/2015	Board Member at Ras Al Khaimah Cement Company  Board Member at Abu Dhabi Aviation.	

- Mr. Mohammad Ziad Tariq ALHawari resigned from his position as Board Member of the Company on 06/01/2020 and Mr. Haji Al Khoori was appointed as member of the Board of Directors on 09/01/2020.
- Mr. Khalifa Al Khoori submitted his resignation from his position as Board member of Takaful Emarat Insurance Company effective 27/10/2020.
- Mr. Fahim Al Shehi submitted his resignation from his position as Board member of Takaful Emarat Insurance Company effective 10/01/2021.

**B. Statement of the percentage of female representation in the Board for 2020:**

No Female representation in the Board of Directors in 2020.

**C. Statement of the reasons for the absence of any female candidate for the Board membership:**

The Board of Directors of Takaful Emarat Insurance has opened the door for elections for a period from 15/03/2018 to 25/03/2018 to elect new Board of Directors (seven members) as stipulated in the Companies Law. The Company received Some applications from females, but none of them had the opportunity to win the membership at the time of the elections on 29/03/2018.

**D. Statement of the following:**

**1- The total remunerations paid to the Board members for 2020.**

There was no remuneration paid to the Board members for 2020.

**2- The total remunerations of the Board members, which are proposed for 2020, and will be presented in the annual general assembly meeting for approval.**

The Board didn't propose any remuneration to be paid to the Board Members for the year 2020.

**3- Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for 2020 fiscal year.**

There were no allowances paid to Board members for attending session of committees for 2020.

**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.

**E. Number of the Board meetings held during 2020 fiscal year along with their convention dates, personal attendance times of all members, and members attending by proxy:**

Ser.	Date of meeting	Number of attendees	Number of attendees by proxy	Names of absent members
1	09/01/2020	Seven Members	-	-
2	13/02/2020	Seven Members	-	-
3	08/03/2020	Six Members	-	H.E. Abdulla Bakheet Saif Murshed Almarar
4	04/06/2020	Seven Members	-	-
5	12/08/2020	Seven Members	-	-
6	02/09/2020	Four Members	H.E. Abdulla Bakheet Saif Murshed Almarar	H.E. Abdulla Bakheet Saif Murshed Almarar H.E. Mohamed Haji Al Khoori Mr. Khalifa Yousif Abdulla Husain ALKhoori
7	11/11/2020	Five Members	-	H.E. Abdulla Bakheet Saif Murshed Almarar

Mr. Khalifa Khouri submitted his resignation from his position as Board member of Takaful Emarat Insurance Company on 27/10/2020.

**F. Number of the Board resolutions passed during the 2020 fiscal year by circulation, along with its meeting convention dates.**

2	09/01/2020
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7	13/02/2020
3	04/06/2020
2	12/08/2020

**G. Statement of Board duties and powers exercised by Board members or the executive management members during 2020 based on an authorization from the Board, specifying the duration and validity of the authorization according to the following schedule:**

#	Name of the authorized person	Delegation authority	Duration of Delegation
	Mr. Wael Al Sharif - Chief Executive Officer effective 26/09/2019	<p>The Board delegated to the executive management as per the following:</p> <ul style="list-style-type: none"> <li>- Conducting day to day commercial and internal affairs of the company</li> <li>- Representing the company before the government departments, ministries.</li> <li>- Representing the company and signing agreements inside and outside the country</li> <li>- Representing the company before courts and arbitration boards</li> </ul>	Until 08/03/2023

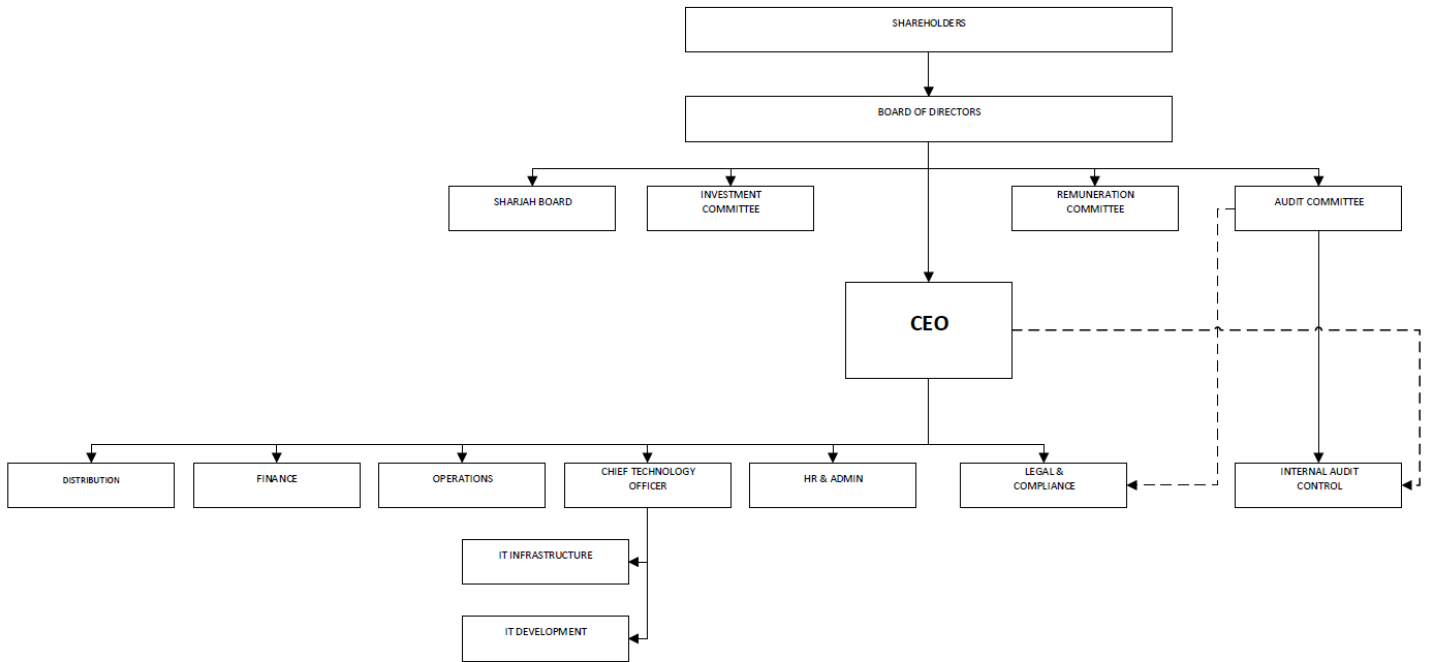
**H. Statement of the details of transactions made with the related parties (Stakeholders) during 2020:**



I. Statement of the details of transactions made with the related parties (Stakeholders) during 2020:

As per the Chairman of the SCA Board of Directors' Decision (3 RM) of 2020 on Joint Stock Companies Governance Guide related parties are defined as the Chairman and members of the Company Board, members of the Senior Executive Management of the Company, employees of the Company, and the companies in which any of such persons holds 30% or more of its capital, as well as subsidiaries or sister companies or affiliate companies. The Company was not a party to any related party transaction during the year 2020.

J. The complete organizational structure of the company:



K. A detailed statement of the senior executives in the first and second grade according to the company organizational structure (according to 3-J), their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:

Position	Date of Appointment	Total Salaries and Allowances	Total Bonuses paid in 2020	Any other Cash/in-kind benefits for 2020 or payable in the
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		paid in 2020 (AED)	(AED)	future (AED)
Chief Executive Officer	29/09/2019	1,560,000	TBD	-
Chief Operating Officer (Operations)	16/12/2010	783,009	65,250	-
Senior Manager Finance (Finance)	28/08/2016	387,600	32,300	-
Director – Human Resource & Administration	25/08/2013	378,958	-	-
Senior Compliance Manager	16/12/2013	351,000	29,250	-
Head of IT	Vacant	-	-	-
Head of Distribution	Vacant	-	-	-

**4. External Auditor:**

**A. Submit an overview of the company auditor to shareholders.**

Deloitte is a multinational professional services firm headquartered in London, England.

Deloitte is one of the Big Four accounting firms. It provides assurance, tax, consulting and advisory services to companies.

Deloitte in the UAE has over 1,100 professionals based within five practice offices in Dubai, Abu Dhabi, Fujairah, Ras Al Khaimah, and Sharjah.

**B. Statement of fees and costs for the audit or services provided by the external auditor, according to the following schedule:**

<b>Name of the audit office and partner auditor</b>	Deloitte - Mr. Sunder Nurani
<b>Number of years he served as the company external auditor</b>	One year - 2020

<b>Total audit fees for 2020 in (AED)</b>	AED 380,000
<b>Fees and costs of other private services other than auditing the financial statements for 2020 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.</b>	AED 41,700
<b>Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.</b>	<ul style="list-style-type: none"> <li>• Certifications related to periodic Insurance Authority reports</li> <li>• Actuarial certifications for medical and life products</li> </ul>
<b>Statement of other services that <u>an external auditor other than the company accounts auditor provided during 2020 (if any)</u>. In the absence of another external auditor, this matter is explicitly stated.</b>	<ul style="list-style-type: none"> <li>• Property valuation</li> <li>• Agreed Upon Procedures (AUP) for unpaid dividend.</li> </ul>

**C. Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2020**

The external auditor issued an un-qualified opinion on the interim and annual financial statements for 2020.

**5. Audit Committee:**

**A. The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.**

Mr. Omar Saeed Abdulla Brouk Al Hameiri, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

**B. Names of the Audit Committee members and clarifying their competences and tasks assigned to them.**

Audit Committee Members until 13/02/2020:

Mr. Omar Saeed Abdulla Brouk Al Hameiri - Chairman  
 Dr. Nooraldeen Subhi Ahmed Atatreh - Member  
 Mr. Ajit Vijay Joshi - Member

Audit Committee Members from 13/02/2020:

Mr. Omar Saeed Abdulla Brouk Al Hameiri -Chairman

Mr. Ajit Vijay Joshi - Member

HE Mohamed Haji Al Khoori - Member

Tasks assigned to Audit Committee:

1. Review Company's financial and accounting policies and procedures.
2. It shall oversee the integrity of and review the Company's financial statements and annual, semiannual and quarterly reports in the course of its operations during the year and shall, in particular, focus on:
  - Any changes of accounting policies and practices
  - Highlighting matters that are subject to the management's judgment
  - Material amendments emerging out of auditing
  - Assumption of the Company's going concern
  - Adherence to the accounting criteria set by the Authority, and
  - Adherence to listing and disclosure rules as well as other financial reporting legal requirements
3. It shall coordinate with the board of directors, the executive management and the financial manager or the manager assuming the same duties in the company in order to duly fulfill its duties. The Committee shall hold a meeting with the company's external auditor at least once per annum.
4. It shall consider any outstanding unconventional issues that are or have to be reflected in these reports and accounts and shall pay necessary attention to any issues raised by the financial manager of the Company, the manager assuming the same duties, the compliance officer or the external auditor.
5. Submit recommendations to the Board of Directors regarding the selection, resignation or removal of the auditor. In the event that the Board of Directors does not agree with the recommendations of the Audit Committee in this regard the Board of Directors must include in the Corporate Governance Report an statement explaining the recommendations of the Audit Committee and reasons that prompted the Board of Directors not to adopt the recommendations.
6. Setting and implementing an external audit policy and recommending to the Board of Directors by identifying the issues where actions are required to be taken.
7. Ensure that the auditors meet the requirements of laws and regulations and monitor their independence.
8. Meet the auditors without the presence of company's senior executive management once in a year and discuss nature, scope and effectiveness of audit in accordance with the international audit standards.
9. Discuss the work conducted by the auditor, communication with the Company, observations, recommendations and inquiries raised by the auditor to the senior management regarding accounting and internal control system and the management response and follow-up.

10. Ensure that the Board of Directors respond in timely manner to the issues raised in the audit report.
11. Review the Company's financial control, internal control and risk management systems.
12. It shall discuss the internal control system with management and make sure that it fulfills its duty to develop an effective internal control system.
13. It shall consider findings of main investigations into internal control issues to be assigned thereto by the board of directors or at the initiative of the Committee upon the approval of the board of directors.
14. Review auditor's evaluation of internal control procedures and ensure coordination between internal and external auditor.
15. Ensure that necessary resources are available to internal control department and review and monitor the effectiveness of the department.
16. Review internal control reports and follow-up on the implementation of recommendations in the report.
17. It shall develop rules that enable the employees of the Company to secretly report any potential violations in financial reports, internal control or other issues and adequate steps to conduct independent, fair investigations into these violations.
18. It shall oversee the scope of the Company's compliance with its code of conduct.
19. Review dealings with the related party and ensure there is no conflict of interest and recommend those to the Board of Directors before concluding the transaction.
20. It shall ensure application of rules of operation in connection with their duties and powers assigned thereto by the board of directors.
21. It shall make a report to the board of directors on the issues set in this clause, and
22. It shall consider any other issues as the board of directors may determine.

**C. Number of meetings held by the Audit Committee during 2020 and their dates to discuss the matters related to financial statements and any other matters and demonstrating the members' personal attendance times in the held meetings.**

<b>Name</b>	<b>First Meeting 08/03/2020</b>	<b>Second Meeting 14/05/2020</b>	<b>Third Meeting 11/08/2020</b>	<b>Fourth Meeting 11/11/2020</b>
Mr. Omar Saeed Abdulla Brouk Al Hameiri	√	√	√	√

HE Mohamed Haji Al Khoori	√	√	-	√
Mr. Ajit Vijay Joshi	√	√	√	√

HE Mohamed Haji Al Khoori appointed member of committee on 13/02/2020 in place of Dr. Nooraldeen Subhi Ahmed Atatreh .

**6. Nomination and Remuneration Committee:**

**A.The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, his review of its work mechanism and ensuring its effectiveness.**

Mr. Fahim Mohamed Ahmed Alkouk Alshehhi, Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness.

**B.Names of the Nomination and Remuneration Committee members and clarifying their competences and tasks assigned to them.**

Nomination and Remuneration Committee members:

- Mr. Fahim Mohamed Ahmed Alkouk Alshehhi - Chairman
- Mr. Ajit Vijay Joshi -Member
- Mr. Omar Saeed Abdulla Brouk Al Hameiri -Member

Tasks assigned to the Nomination and Remuneration Committee:

1. Setting policy for candidate for membership for Board of Directors and executive management taking into account diversification in the gender, encouraging women participation by providing incentives, training and programs and provide to Authority the copy of the policy and any amendments.
2. Organization and follow-up of procedures of nomination to the membership of the board of directors in line with applicable laws and regulations as well as this Resolution.
3. Verification of ongoing independence of independent board members.
4. Formulation and annual review of the policy on granting remunerations, benefits, incentives and salaries to board members and employees of the Company and the committee shall verify that

remunerations and benefits granted to the senior executive management of the Company are reasonable and in line with the Company's performance.

5. Annual review of required skills for the membership of the Board of Directors and preparing competencies and qualification required for the membership of the Board including specifying the time a member needs to allocate to work for the Board.
6. Review structure of Board of Directors and make recommendations, if any changes are required.
7. Determination of the Company's needs for qualified staff at the level of the senior executive management and employees and the basis of their selection.
8. Formulation, supervision of application and annual review of the Company's human resources and training policy; and
9. Handle any other matters specified by the Board of Directors.

**C. Statement of number of meetings held by the Committee during 2020 and their dates, and statement of all Committee members' personal attendance of times.**

Name	First Meeting 2020 12/01/2020	Second Meeting 08/03/2020	Third Meeting 02/06/2020	Forth Meeting 30/08/2020
Mr. Fahim Mohamed Ahmed Alkouk Alshehhi	√	√	√	√
Mr. Omar Saeed Abdulla Brouk Al Hameiri	√	√	√	√
Mr. Ajit Vijay Joshi	√	√	√	√

**7. The Supervision and Follow-up Committee of insiders' transactions.**

**A. Acknowledgment by the Committee Chairman or the authorized person of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.**

The Chairman of the Committee Mr. Salman Qureshi acknowledges his responsibility for the follow-up and supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness.

**B. Names of members of the Supervision and Follow-up Committee of insiders' transactions and clarifying their competences and tasks assigned to them.**

Salman Qureshi – Senior Compliance Manager -Chairman

Mahmoud Rahhal - Director – HR Department - Member

**C. A summary of the committee's work report during 2020.**

- For 2020, the Committee met on 12 August 2020. The Committee reviewed compliance with the new Corporate Governance Guide as per SCA Decision 3RM of 2020. The Committee also reviewed the trading reports and periodic reports submitted to DFM on the insiders list. The Committee reviewed the procedures and contractual agreements with other parties who could have access to non-public information on temporary basis.

**8. Any other committee (s) approved by the Board.**

**A. The Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.**

Dr. Nooraldeen Subhi Ahmed Atatreh, the Investment Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

**B. Name of Committee (s).**

The Investment Committee

**C. Names of each committee members, clarifying its competences and tasks assigned thereto.**

The Investment Committee members until 13/02/2020:

Dr. Nooraldeen Subhi Ahmed Atatreh - Chairman

Mr. Mohammad Ziad Tariq ALHawari -Member

Mr. Ajit Vijay Joshi - Member

The Investment Committee members from 13/02/2020:

Dr. Nooraldeen Subhi Ahmed Atatreh - Chairman

HE Mohamed Haji Al Khoori - Member

Mr. Ajit Vijay Joshi - Member



Mr. Mohammad Ziad Tariq ALHawari has resigned from his position as member on 06 January 2020.

The role of the Investment Committee:

- i) Develop investment strategy for the approval of the Board of Directors
- ii) Setting the investment guidelines
- iii) Reviewing / monitoring the investments
- iv) In conjunction with the Audit Committee, determining the scope of the rigorous audit procedures that include full coverage of the investment activities to ensure timely identification of internal control weaknesses and operating system deficiencies.
- v) Assisting the Board of Directors in its evaluation of the adequacy and efficiency of the investment policies, procedures, practices and controls applied in the day-to-day management of its business through an audit report (either independent internal or external) that is to be submitted to the Audit Committee.

**D.Statement of number of meetings held by the Committee during 2020 and their dates, and all Committee members' personal attendance times.**

Name	First Meeting 22/01/2020	Second Meeting - By circulation 27/04/2020	Third Meeting 09/07/2020	Fourth Meeting 20/07/2020	Fifth Meeting 18/10/2020	Sixth Meeting 11/11/2020
Dr. Nooraldeen Subhi Ahmed Atatreh	√	√	√	√	√	√
HE Mohamed Haji Al Khoori	-	√	√	√	√	√
Mr. Ajit Vijay Joshi	√	√	√	√	√	√

Note: All Investment Committee Meetings were held by circulation.

## **Risk Committee**

### **A. Names of each committee members, clarifying its competences and tasks assigned thereto.**

The Investment Committee members:

Mr. Wael Al Sharif – CEO - Chairman  
Mr. Lalitha Prasad – COO - Member  
Mr. Adnan Sabaalaish – Senior Manager Finance - Member  
Mr. Salman Khawaja – Actuarial Analyst - Member  
Mr. Ali Imran Memon – Senior Manager Internal Audit & Control - Member  
Mr. Salman Qureshi – Senior Compliance Manager - Member

- **Role of the Risk Committee:** Help to set the tone and develop risk management program
- Create awareness such that people at all levels own and manage risks related to
- their areas
- Monitor the organization's risk profile - its on-going and potential exposure to risks
- of various types
- Approve the risk management policy and plan. The risk management plan should
- include the company's risk management approach refers to tolerances, intervals,
- frequency etc.
- Discuss with the CEO and management the company's major risk exposures and
- review the steps management has taken to monitor and control such exposures Provide input to the board and audit committee regarding risks
- Perform any other activities that the board or risk committee determines are necessary

### **9. Internal Control System:**

#### **A. Acknowledgment by the Board of its responsibility for the Company's internal control system, review of its work mechanism and ensuring its effectiveness.**

The Board of Directors of the Company acknowledges its responsibility for the Internal Control System in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness. The Board also reviews the system to ensure that the Company and its employees are fully compliant with the provisions of the laws, regulations and decisions in force. The Board of Directors responsibilities further include the monitoring of internal policies, procedures and reviewing the financial data presented by the Company's Senior Management which is used in the preparation of Financial Statements.

**B. Name of the department director, his qualifications and date of appointment.**

Name: Ali Imran Memon – Senior Manager Internal Audit & Control

Date of appointment: 11/06/2017

Qualifications and educational background: MA Economics, B. Com, ,Certified Internal Auditor (CIA) & Certificate in Accounting & Finance (CAF) from ICAP.

Experience: 16+ years

**C. Name of compliance officer, his qualifications and date of appointment.**

Name: Salman Qureshi – Senior Compliance Manager

Date of Appointment: 16/12/2013

Qualifications and educational background: Associate Cost and Management Accountant

Experience: 22+ years

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

Note 19 of the audited financial statements for the year ended December 31st, 2020 refers to restatements for prior periods relating to deferred policy acquisition cost. Internal Audit & Control Department performs audit assignments as per the approved risk based annual internal audit plan. Observations noted during the audit are discussed with the Management, action plan and timeframe for rectification of agreed audit observations are obtained and documented in the final audit reports. Critical matter, if any, is immediately escalated to the Audit Committee. Regular follow up is performed with the Management on reported audit issues arising from internal / external audit. Internal Audit is also involved in investigations of any matter related to customer complaints or employee fraud /misconduct; the annual audit plan is accordingly adjusted.

Audit Committee is updated on quarterly basis on the issues identified in the internal audit reports and on the follow up status of audit observations. External Auditors also update the Audit Committee on matters arising out of external audit.

Internal Audit reports finalized in 2020 are attached containing detailed audit observations. Key audit matters, if any, arising out of external audit are disclosed in External Auditor's report.

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

Eight reports have been finalized and issued in 2020 by Internal Audit Department.

**10. Details of the violations committed during 2020:**

Delay in renewal PJSC registration certificate and submission of quarterly report to Dubai Health Authority. The Company took the corrective measures by automating the process and segregating the duties to ensure timely submission in future.

**11. Statement of the cash and in-kind contributions made by the Company during 2020 in developing the local community and preserving the environment.**

- Free Personal Accident Insurance Policies to 500 doctors and 5000 nurses in UAE
- The Company offered a free flu vaccination for the staff and families.
- The Company appreciates the importance of contributing to the preservation of the environment and the development of the local community and does not require the staff to save paper files, but the electronic except for legal documents with a limited number of paper printers in the headquarters of the Company in addition to the Human Resources Department to spread awareness among employees to minimize of the paper consumption during the work and the use of e-mail in all correspondence, in addition to the Company renewed the contract with a specialized company to save files in electronic form instead of paper publications.
- Energy saving methods are used in the lighting of offices and workplaces.
- The Company's social media focuses on several topics related to health, lifestyle and fitness.

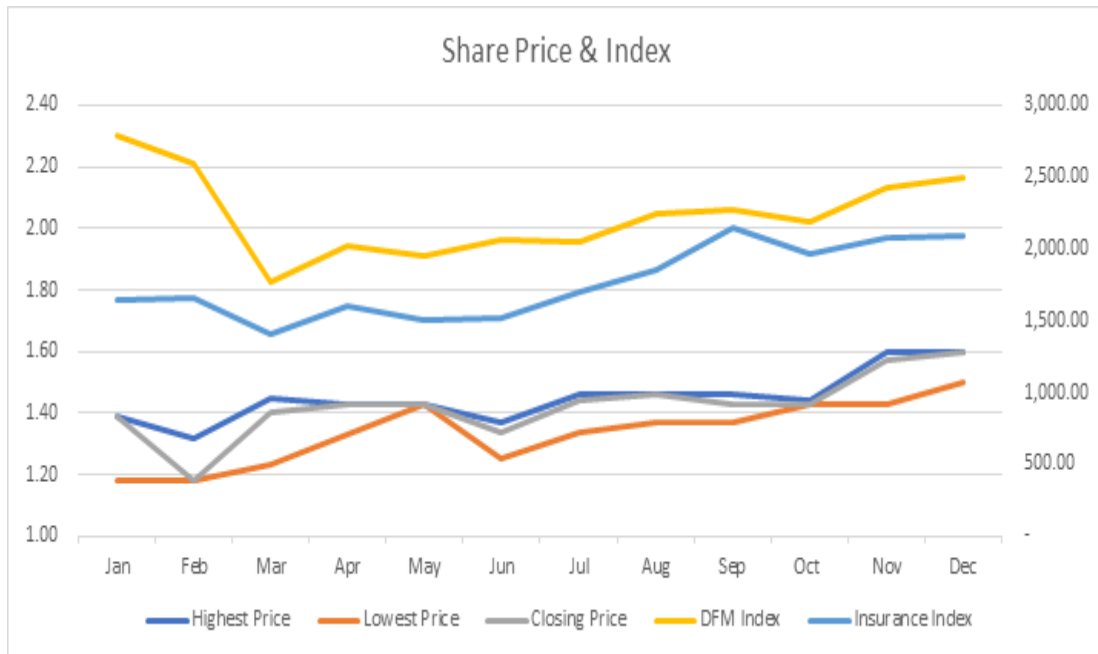
**12. General Information:**

**A. Statement of the company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2020.**

Month	Highest Price	Lowest Price	Closing Price	DFM Index	Insurance Index
Jan	1.39	1.18	1.39	2,790.42	1,644.27
Feb	1.32	1.18	1.18	2,590	1,662.52

Mar	1.45	1.23	1.40	1,771.31	1,400.06
Apr	1.43	1.33	1.43	2,026.61	1,598.79
May	1.43	1.43	1.43	1,945.09	1,503.30
Jun	1.37	1.25	1.34	2,065.28	1,518.90
Jul	1.46	1.34	1.44	2,050.77	1,695.58
Aug	1.46	1.37	1.46	2,245.29	1,850.08
Sep	1.46	1.37	1.43	2,273.48	2,148.47
Oct	1.44	1.43	1.43	2,187.86	1,965.48
Nov	1.60	1.43	1.57	2,419.60	2,074.03
Dec	1.60	1.50	1.60	2,491.97	2,086.42

**B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2020.**



**C. Statement of the shareholders ownership distribution as on 31/12/2020 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.**

Ser.	Shareholders classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
1	Local	26.42 %	70.93%	-	97.35 %
2	Arab	0.30%	0.04%	-	0.34 %
3	Foreign	2.30%	0.01	-	2.31 %
	Total	29.02%	70.98%	-	100%

**D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2020 according to the following schedule:**

Ser.	Name	Number of owned	Percentage of owned shares of the
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		shares	company's capital
1	GOLDILOCKS INVESTMENT COMPANY LIMITED	44,229,165	29.49%
2	AJMAN BANK	34,000,000	22.67%
3	ROCK ALOWLA GEN TRDG OWNER BY TABARAK INVESTMENT	28,000,234	18.67%

**E. Statement of how shareholders are distributed according to the volume of property as on 31/12/2019 according to the following schedule:**

Ser.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	4781	3,273,282	2.18%
2	From 50,000 to less than 500,000	48	6,009,240	4.01%
3	From 500,000 to less than 5,000,000	9	14,810,545	9.87%
4	More than 5,000,000	6	125,906,933	83.94%

**F. Statement of measures taken regarding the controls of investor relationships and an indication of the following: -**

Mr. Salman Qureshi has been responsible for managing investment relations. A special page has been created on the Company's website. The Company website has been updated with the information and data disclosed by the Company such as shareholder rights, governance reports, financial statements, ownership structure and percentage and contact information of investor relationship officer.

Email: [investor.relations@takafulemarat.com](mailto:investor.relations@takafulemarat.com)

Phone: +97142309346

Mobile: +971504638008

Fax: +97142309333

<https://takafulemarat.com/investors-information/>

**G. Statement of the special decisions presented in the General assembly held during 2020 and the procedures taken in their regard.**

- The General Assembly Meeting of Takaful Emarat Insurance (PSC) (TAKAFUL-EM) took place on 06 April 2020 remotely and passed the following **Special Resolutions**

- ❖ **Special resolution** - Amending Article 48 of the memorandum of association on the voting method in General Assembly meeting:

**Article 48 (before amendment)**

The Voting Process at General Assembly

The voting at the General Assembly shall be in accordance with such process as defined by the Chairman of the Assembly unless the General Assembly resolves to adopt a specific way of voting. Voting shall be through cumulative secret ballots on the election, dismissal, accountability, appointment of the members of the BOD to the extent permitted by the provisions of this AOA.

**Article 48 (after amendment)**

The Voting Process at General Assembly

The voting at the General Assembly shall be in accordance with such process as defined by the Chairman of the Assembly unless the General Assembly resolves to adopt a specific way of voting. Voting shall be through cumulative secret ballots on the election, dismissal, accountability, appointment of the members of the BOD to the extent permitted by the provisions of this AOA.

Subject to the provisions of Article 183 of the Companies Law, the shareholder may electronically vote for the Company's General Assembly meetings in accordance with the mechanism followed by the market in which the Company's shares are listed and approved by Authority.

- ❖ **Special resolution** - To approve Board of Director recommendation to allocate an amount towards Corporate Social Responsibility and to authorize the Board of Directors to determine the beneficiary of the contribution provided that the contributions shall not exceed 2% of the average net profit.

**H. Rapporteur of the Board meetings.**

Mr. Salman Qureshi took over the role of Board Secretary in March 2020 after the resignation of previous Board Secretary.

Mr. Salman Qureshi was appointed on 16 December 2013. He is an associate member of the Institute of Cost and Management Accountants of Pakistan with experience in Compliance and Internal Audit.

The Board secretary handled all the Board Meetings' arrangements including notices and disclosures, documentation of presentations and minutes of meetings.

**I. Detailed statement of major events and important disclosures that the Company encountered during 2020.**






- The Company recorded Total Comprehensive Income for the nine months ended in 30 September 2020 of AED 6,795,107 compared to a loss of AED 15,731,814 in 2019 for the same period.
- The Company continued to be one of the Participating Insurer to provide essential benefit plan in Dubai.

**J. Statement of Emiratisation percentage in the Company at the end of 2018, 2019 and 2020 (workers are excluded for companies working in the field of contracting).**

The emiratization percentage in the Company at the end of 2018 is 1.1%  
 The emiratization percentage in the Company at the end of 2019 is 2.2%  
 The emiratization percentage in the Company at the end of 2020 is 4.6%

**K. Statement of innovative projects and initiatives carried out by the company or being developed during 2020.**

In 2020 during challenging COVID times, Takaful Emarat's digital ecosystem helped to serve customer better by having 98% digital payments, 88% documents signed digitally, 97% attendance of all customer calls. Additionally, Takaful Emarat was one of the very first Agile companies to work remotely during lockdown phase (within a week), this exhibited a resilient Business Continuity planning. We launched 3 Digital Life Insurance products in 3 months despite of working remotely. Takaful Emarat honored the COVID -19 front line workers by launching a CSR initiative in the form of Free Personal Accident Plan.

Signature of the Board Chairman	Signature of Audit Committee Chairman and Nomination and Remuneration Committee	Signature of Internal Control Department Director
		
Abdulla Bakheet Saif Murshed Almarar	Omar Saeed Abdulla Brouk Al Hameiri	Ali Imran Memon

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Company Official Seal



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