



Corporate Governance Report - 2019

DECISION NO. (7 R.M) OF 2016

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ORIENT UNB TAKAFUL (PJSC)

Corporate Governance Report

2019

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ORIENT UNB TAKAFUL PJSC – Corporate Governance Report 2019

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An Associate of Orient Insurance & UNB

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Approval and signature of the report

Board declaration of liability for the company's internal control system is attached



1- A statement of procedures taken to complete the Corporate Governance System during 2019 and how they are applied

- 1- Orient UNB Takaful (Public Joint Stock Company) was established in 2016 and registered with the Securities and Commodities Authority on 02/06/2017. It was listed on the Dubai Financial Market on 22/06/2017 and issued the registration certificate from the Insurance Authority on 16/07/2017.
- 2- The Company has been keen to meet all the requirements specified in the decision issued by the Board of Directors of the Securities and Commodities Authority No. 7/2016 on the standards of corporate discipline and corporate governance. The company has implemented the requirements of governance as follows:
 - 1) Direct the committees emanating from the Board of Directors to carry out their work.
 - 2) The Internal Control Department shall carry out the role entrusted to it during the year ended 31/12/2019.
 - 3) Work in accordance with internal policies approved by the Board of Directors.
 - Subscription policy and risk management policy
 - Reinsurance policy
 - The Company's credit policy and the policy of making provisions for doubtful debts
 - Anti-money laundering and combating the financing of terrorism policy
 - Guide to the rules and procedures of governance
 - Political organization of relationship with stakeholders.
 - Disclosure and transparency policy
 - Rules for the transactions of insiders
 - Guide to internal control procedures.
- 3- The Board of Directors has followed the performance and work of the Director of Investor Relations Department in accordance with the regulations and laws.
- 4- The Board of Directors has followed up the performance and work of each of its committees, including the Internal Audit and Audit Committees, the Nomination and Remuneration Committee and ensuring that their work is consistent with the general rules of governance.
- 5- During 2019, a number of the company's employees attended several workshops to explain all matters related to the rules of corporate governance and institutional discipline.
- 6- The company is keen to exercise its transparency with respect to the dates and methods of disclosure of financial statements with compliance with all provisions and decisions of the Securities and Commodities Authority.
- 7- Commitment to complete the governance report including a detailed picture of the steps of applying the rules of governance as well as the annual report and all the financial statements and presenting them to the members of the general assembly before they are held long enough to enable the general assembly to review them and make their decisions.



2- A statement of ownership and transaction of the members of Board Directors and spouse and children thereof in the company's securities during 2019

No	Name	Title / Relationship	Own shares as on 31/12/2019	Total Sale	Total Purchase
1	Mr. Yousuf Ali Ahmad Obaid Binzayed Al Falasi	Chairman	None	None	None
2	Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Director	None	None	None
3	Mr. Mohammad Rami Safouh Raslan	Director	None	None	None
4	Mr. Syed Muhammad Asim Syed Mujtaba	Director	None	None	None

**Since the members of the board of Orient UNB Takaful (public shareholding) and their spouses and children do not own any of the shares of the company, there is no trading transactions on the company's shares from the members of the board of directors during the year 2019, whether from the members of the board of directors, their relatives or others.

3- Composition of the board

1) A statement of current Board of Directors (BOD)

No	Name	Category	Experience/Qualifications
1	Mr. Yousuf Ali Ahmad Obaid Binzayed Al Falasi	Non-Executive/ Independent	General Manager Facilities Management, Al-Futtaim Engineering Company
2	Mr. Mohamed Ali Mohamed Yousif Al Khawajah	Non-Executive/ Independent	-Deputy Chief Executive Officer -UNB -Board Member UNB Egypt
3	Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Non-Executive/ Independent	General Manager Government Relations Al-Futtaim Motors
4	Mr. Mohamed Zein Alabdein Abdul Hadi Mohamed	Non-Executive/ Independent	- Head of Corporate Finance Group for Dubai and Northern Emirates UNB - Head of Commercial, Real Estate and Lending Group Union National Bank
5	Mr. Eslam Hassan Abdelhamed Nafie	Non-Executive/ Independent	SVP & Group Head – Corporate & Commercial Business Union National Bank
6	Mr. Mohammad Rami Safouh Raslan	Non-Executive/ Independent	Legal & Board Secretariat Department Abu Dhabi Commercial Bank
7	Mr. Syed Muhammad Asim Syed Mujtaba	Executive/ Non-Independent	Executive Vice President of Sales and Branches at Orient Insurance Company from 2005 to 2017

No	Name	Period served as BOD member of the company since his first election	Membership of other joint-stock companies	Positions in important control, governmental or trade positions	Remarks
1	Mr. Yousuf Ali Ahmad Obaid Binzayed AlFalasi	3 Years	None	None	
2	Mr. Mohamed Ali Mohamed Yousif Al Khawajah	3 Years	None	None	Resigned from the board on 31/12/2019



3	Mr. Yousuf Ali Shahdad Rahma Al Raeesi	2 Years	None	None	
4	Mr. Mohamed Zein Alabdein Abdul Hadi Mohamed	3 Years	None	None	Resigned from the board on 28/02/2019
5	Mr. Eslam Hassan Abdelhamed Nafie	4 Months	None	None	Resigned from the board on 06/08/2019
6	Mr. Mohammad Rami Safouh Raslan	2 Months	None	None	Joined the board on 06/11/2019
7	Mr. Syed Muhammad Asim Syed Mujtaba	3 Years	None	None	

2) **A statement of women's representation in the board in 2019**

There is no representation of the female component.

3) **A statement of the reasons why no women nominated for the membership of the Board of Directors**

During the year 2019, there were Elections for Directors of the Board and a few nominations were received from women candidates, however, the final list of elected directors did not include such candidates

4) **Directors remunerations and sitting fees**

• **The remunerations paid to the members of Board of Directors for 2018:**

Concerning the year 2018, all directors dispensed their remunerations and no remunerations were released.

• **Total remunerations proposed to be paid to the members of the Board of Directors for the year 2019, which shall be presented in the annual General Assembly for approval:**

Concerning the year 2019, the matter regarding the distribution of remunerations will be presented in the Annual General Assembly Meeting.

• **A Statement of the details of attendance allowances for attending the sessions of and committees derived from the BOD, which were paid to the BOD members for the fiscal year 2019:**

All directors, including the members of board derived committees, dispensed all allowances of attendance of board meeting or board committees meeting, and no allowances were released to them.

No	Name	Allowances of attending the board committees		
		Committee	Allowance	Number of Meetings
1	Mr. Mohamed Ali Mohamed Yousif Al Khawajah	Audit Committee	None	1/3
		Nomination & Remuneration	None	1/1
2	Mr. Mohamed Zeinelabdin Abdelhadi Mohamed	Audit Committee	None	1/3
		Nomination & Remuneration	None	0/1
3	Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Audit Committee	None	3/3
		Nomination & Remuneration	None	1/1
4	Mr. Eslam Hassan Abdelhamed Nafie	Audit Committee	None	1/3

		Nomination & Remuneration	None	0/3
5	Mr. Mohammad Rami Safouh Raslan	Audit Committee	None	0/3
		Nomination & Remuneration	None	0/3

** There are no additional allowances, salaries, or fees that members of the board of directors' charge, including those attending committees.

A Statement of Attendance of Board Members to Board Committees:

<u>Name</u>	<u>Audit Committee</u>	<u>Nomination & remuneration</u>	<u>Investment Committee</u>	<u>Insiders' Trader</u>
Mr. Mohamed Ali Mohamed Yousif Al Khawajah	1/3 Meetings	1/1 Meeting	0/1 Meeting	Not a Member
Mr. Mohamed Zeinelabdin Abdelhadi Mohamed	1/3 Meetings	0/1 Meeting	Not a Member	0/1 Meeting
Mr. Yousuf Ali Shahdad Rahma Al Raesi	3/3 Meetings	1/1 Meeting	1/1 Meeting	Not a Member
Mr. Syed Muhammad Asim Syed Mujtaba	Not a Member	Not a Member	1/1 Meeting	1/1 Meeting
Mr. Eslam Hassan Abdelhamed Nafie	1/3 Meetings	0/1 Meeting	Not a Member	0/1 Meeting
Mr. Meenachi Sundaram (Board secretary and Committee Member)	Not a Member	Not a Member	Not a Member	1/1 Meeting

5) The numbers and dates of BOD meeting held during the FY 2019 as well as the attendance frequency by all the members, in person and by proxy

Board of Orient UNB Takaful (PJSC) held (4) meetings during the year 2019 according to the following details:

<u>Meeting</u>	<u>Date of Meeting</u>	<u>No. of Attendance</u>	<u>No. of Attendance by Proxy</u>	<u>No. of Absent Members</u>
First Meeting	11/02/2019	4	1	-----
Second Meeting	12/05/2019	4	1	-----
Third Meeting	06/08/2019	3	None	1
Fourth Meeting	06/11/2019	3	None	1

A Statement of Attendance of Board Members to Board Meetings:

<u>Name</u>	<u>Meeting/Meeting Date</u>			
	<u>First Meeting 11/02/2019</u>	<u>Second Meeting 12/05/2019</u>	<u>Third meeting 06/08/2019</u>	<u>Fourth Meeting 06/11/2019</u>
Mr. Yousuf Ali Ahmad Obaid Binzayed Al Falasi	Attended	Attended	Attended	Attended
Mr. Mohamed Ali Mohamed Yousif Al Khawajah	Proxy to Mr. Mohamed Zein Al-Abdei	Proxy to Mr. Eslam Nafie	Not Attended	Not Attended
Mr. Mohamed Zeinelabdin Abdelhadi Mohamed	Attended	Not a Member	Not a Member	Not a Member
Mr. Yousuf Ali Shahdad Rahma Al Raesi	Attended	Attended	Attended	Attended



Mr. Eslam Hassan Abdelhamed Nafie	Was not Nominated at that date	Attended	Not a Member	Not Attended
Mr. Syed Muhammad Asim Syed Mujtaba	Attended	Attended	Attended	Attended

Number of times of personal attendance of board members:

Mr. Yousuf Ali Ahmad Obaid Binzayed Al Falasi	4 times
Mr. Mohamed Ali Mohamed Yousif Al Khawajah	-
Mr. Mohamed Zeinelabdin Abdelhadi Mohamed	1 time
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	4 times
Mr. Eslam Hassan Abdelhamed Nafie	1 time
Mr. Syed Muhammad Asim Syed Mujtaba	4 times

- Mr. Mohamed Ali Mohamed Yousif Al Khawajah attended two meetings by proxy dated: 11/02/2019, 12/05/2019.
- Mr. Mohamed Zeinelabdin Abdelhadi Mohamed has completed his term on the board until directors' elections for a fresh term were conducted on 20/03/2019

The numbers and dates of BOD meeting PASSED during the FY 2019 as well as the meeting convention dates:

2 Meetings were held by Circulation as follows:

- 1- First Meeting Dated: 27/03/2019
- 2- Second Meeting Dated: 22/09/2019

6) A statement of the BOD` tasks and functions which were performed by the Executive Management pursuant to an authorization by the BOD to the management, stating the period and validity of the delegation

The Company's board assigned the company's executive management to assume the following duties and competences:

Name of authorized person	Delegation authority	Duration of Delegation
Syed Muhammad Asim Chief Executive Officer "Managing Director"	All the necessary powers to carry out the administrative and technical requirements of the company, including for example: -Daily management of the company. -Annual budget arrangement. -Put the necessary insurance for the company. -Appointing and isolating employees, consultants and contractors and determining their duties and rewards inside and outside the country. -Representing the company in all natural and legal entities, ministries, committees, committees, boards, references, civil departments, companies and private entities. Signing all contracts, transactions, correspondence and documents related to the company's business.	The executive management of the company shall carry out the functions and responsibilities entrusted to it under a delegated authority from the Board of Directors, subject to continuous review by the Board. These powers shall remain in force unless they are canceled or undermined by the Board of Directors.



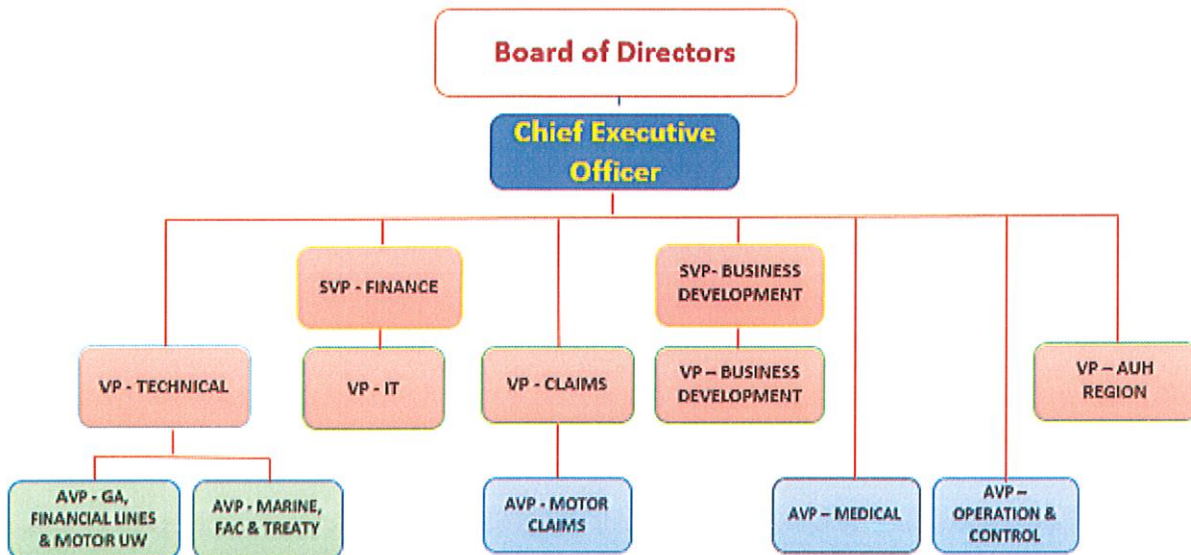
	<p>-Follow up the establishment, processing and operation of new branches and premises and take the procedures of its establishment.</p> <p>In general, the Company is represented in all the activities required for the conduct of its business and activities or related to and related to its practice within the United Arab Emirates and other countries.</p>	
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7) **Statement of the details of transactions made with related parties (stakeholders)**

Related parties comprise of shareholders, associate companies, and directors and key management personnel of the Company, together with entities controlled, jointly controlled or significantly influenced by those parties. Pricing policies and terms of these transactions are approved by the Company's shareholders.

Significant transactions with related parties included in the statement of profit or loss and other comprehensive income are as follows:

Related Parties	Nature of Relationship	Type of Transactions	Value of the Transactions
Due From related parties			
Orient Insurance PJSC	Shareholder	Insurance & Reinsurance	-
Al Futtaim Motors	Part of same group as Orient Insurance PJSC	Insurance	1,314,302
Other Related Parties	Part of same group as Orient Insurance PJSC	Insurance	473,373
Due To related parties			
Orient Insurance PJSC	Shareholder	Insurance & Reinsurance	6,675
Al Futtaim Motors	Part of same group as Orient Insurance PJSC	Insurance	3,605,524
Other Related Parties	Part of same group as Orient Insurance PJSC	Insurance	491,771

8) The company's organizational structure of the company:9) A detailed statement of the senior executives as the company's organizational structure and their positions and appointment dates and the total salaries and benefits paid thereto

No	Name	Title	Date of appointment	Total salaries and allowances paid in 2019 (AED)	Total bonuses paid in 2019 (AED)	Any other Bonuses paid in the year 2019 or due in the future
1	Syed Muhammad Asim	Chief Executive officer	01/04/2017	969,084	208,408	None
2	Meenachi Sundaram	Senior Vice president Finance	09/04/2017	450,000	20,250	None
3	Gayathri Vasan	Senior Vice President Business Development	13/08/2017	403,200	19,801	None
4	Rehman Saeed	Vice president Technical	18/04/2017	282,000	14,095	None
5	Fady Aziz	Vice president Abu Dhabi Branch	29/04/2018	249,600	None	None
Total				2,353,884	262,554	

**No Bonuses were paid for 2019, and the expected time of release of the Bonuses is 30/04/2020.

4- External auditor

A. Brief of the external auditor of the companies to the shareholders

KPMG assumes the external auditing works of the company. It is one of the international auditing companies that has branches in most countries of the world and is trusted by many leading international companies. It is auditing company approved in the state and assumes auditing of the company's account since 2018. According to the follow up of auditing works of the company during those years, the external auditor performed his works honestly, independently and neutrally, and appointment was made in accordance with the company's general meeting dated 20/03/2019

B. Statement of the fees or costs of auditing or services provided by the external auditor

During the year 2019, the Company paid AED 190,000 as fees to the external auditor. This amount was paid against the quarterly audit of the Company's accounts, the final annual review and the verification of the financial statements of the Company and whether there is a violation of the provisions of the Articles of Association of the Company and/or the Corporate Law, During the financial year ended 2019, as part of the fees, the auditor shall attend the Annual General Meeting of the Company, as well as express his opinion on the budget during that meeting and verify the procedures followed for the announcing/holding of this meeting.

Name of Auditing Company and Partners' Name	KPMG Partner Name: Adil Abid
Number of years spent as external auditor of the company	2
Total auditing fees of financial statements for 2019 (AED)	120,000
The fees and costs of special services other than auditing of financial statement in 2019	70,000
Details and nature of other services provided	Authority Supervision Requirements
Statement of the other special services submitted by another external auditor than the company's auditor during 2019	None

C. Indication of the company's auditor reservations included in the interim and annual financial statements for the year 2019

As per quarterly, half yearly and annual reports, we did not recognize any reservation from external auditors.





5- Audit Committee

I Chairman of the Board of Directors, acknowledge my responsibility for the Audit committee system at the company, review of its work mechanism ad ensures its effectiveness.

A. The names of members of the audit committee, and a statement of its functions and duties assigned thereto

The nominations and remunerations committee consist of the following board members:

Mr. Zuhair Ishaq Sulaiman Mohamed Abushousha	Head of Committee	Independent / Non-Executive
Mr. Mohammad Rami Safouh Raslan	Member	Independent / Non-Executive
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Member	Independent / Non-Executive

Functions and duties of audit committee:

- To set and implement the policy of entering into contract with the external auditor and refer the board report that defines the matters it finds necessary to take measure in their respect and to present recommendations of the steps to be taken.
- To follow up and control the independence and objectivity of external auditor, and to discuss him about the nature, scope and effectiveness of auditing in accordance with the approved auditing standards.
- To control the safety of the company's (Annual, semi-annual and quarterly) financial statements and reports and to audit them as part of its normal work during the year, after closure of accounts in any quarter, and shall focus on the following:
 - Any changes to the accounting policies and practices.
 - Highlighting the sides which are subject to the management's assessment
 - Material amendments that result from auditing.
 - Assuming continuity of the company's work.
 - Compliance with the accounting standards to be decided by the Authority.
 - Comply with the rules of listing, disclosure and other legal requirements related to preparation of financial reports.
- Coordinating with the company's board, executive department, financial manager or manager in charge of the same duties in the company for performance of its duties. The committee shall meet with the company's auditors at least once per year.
- Consider any important and extraordinary items that are contained or may be contained in those reports and accounts and draw the due attention to any matters to be raised by the company's financial manager or the manager who assumes the same duties, compliance officer or auditors.
- Review the financial control and internal control systems and risk management of the company.

- g- Discuss the internal control system with management and assure its performance of the duty of creating effective internal control system.
- h- Consider the key results of investigation of the internal control matters to be assigned by the board or initiated by the committee and management's approval.
- i- Assure coordination between the company's auditors and external auditor and assure availability of the necessary resources to the internal auditing staff and review and control the effectiveness of this staff.
- j- Review the financial and accounting policies and procedures of the company.
- k- Review the external auditor's letter and work plan and any essential inquiries to be raised by the auditor to the executive department in connection with the accounting records, financial accounts or control systems and recuse and approve them.
- l- Assure the board's timely response to the inquiries and essential matters raised in the external auditor's letter.
- m- Set the controls that enable the company's employees to report any potential violations in the financial reports, internal control or other matters confidentially and the steps that guarantee independent and fair investigations of those violations.
- n- Control the company's compliance with the rules of professional conduct.
- o- Guarantee application of the rules of work of its duties and the capacities assigned thereto by the board.
- p- Present report to the board on the matters contained in this item.
- q- Consider any other topics to be defined by the board.

B. The numbers and dates of the meetings held by the audit committee during the year 2019 to discuss issue related to financial statements and any other issues, and a statement of the attendance frequency in person by the committee's members

Meeting	Date of Meeting	Agenda
First Meeting	11/02/2019	Review the company's annual financial results for the year ended 31/12/2018
Second Meeting	12/05/2019	Review the Company's financial results for the first quarter ended 31/03/2019 and review and evaluate the internal control and risk management system
Third Meeting	20/11/2019	Review the Company's financial and accounting policies and procedures

** We could not conduct the meeting to review the second quarter ended 30/06/2019 results due to lack of quorum.

6- Nominations and Remunerations committee

I **Chairman of the Board of Directors**, acknowledge my responsibility for the Nominations and Remunerations committee system at the company, review of its work mechanism and ensures its effectiveness.

A. The names of members of the Nomination and Remunerations committee and a statement of its functions and duties assigned thereto

The nominations and remunerations committee consist of the following board members:

Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Head of Committee	Independent / Non-Executive
Mr. Zuhair Ishaq Sulaiman Mohamed Abushousha	Member	Independent / Non-Executive
Mr. Mohammad Rami Safouh Raslan	Member	Independent / Non-Executive

Functions and duties of nominations and remunerations committee:

- 1- To assure independence of the independent directors on continuous basis. If the committee found that a director missed the conditions of independence, the company shall refer the matter to the company's board.
- 2- Prepare the policy of remunerations, benefits, incentives and salaries of the company's board and annually reviewing it. The committee shall assure that the remunerations and benefits granted to the senior executive department of the company is reasonable and suitable to the company's performance.
- 3- Define the company's needs of competences on the level of senior executive department and employees and basis of choice of them.
- 4- Prepare the human resources and training policy of the company and control application and review of it on annual basis.
- 5- Organize and follow up the procedures of nomination to the board membership in accordance with the applicable laws and regulations and the provisions of the Securities and Commodities Authority Board Resolution No 7/R.M of 2016.

B. The numbers and dates of the meetings held by Nominations and remunerations committee during the year 2019, stating the frequency of attendance in person by the all the members of the committee

Meeting	Date of Meeting	Agenda
First Meeting	20/11/2019	<ul style="list-style-type: none"> • Review the functions of the Committee in accordance with Article 47 of the decision of the Board of Directors of the Securities and Commodities Authority No. 7/R.M of 2016 on the standards of corporate discipline and corporate governance • To verify the status of the independent members of the Board and the extent to which the members are independent. • Review the policy of candidacy for membership of the Board of Directors, as outlined in the previous corporate governance guide. • Annual review of the policy of granting bonuses and benefits to the Board members and employees of the company. • Annual review of the company's needs for the competencies of executive management and staff and the basis of their selection



- Annual review of HR policy and training.
- Annual review of the Board structure

7- Insiders' Trading Follow up and supervision Committee

I Chairman of the Board of Directors, acknowledge my responsibility for the Insiders' Trading Follow up and Supervision committee system at the company, review of its work mechanism and ensures its effectiveness.

A. Names of the members of the Insiders' Trading Follow up and supervision Committee and a statement of its functions and duties assigned thereto

The nominations and remunerations committee consist of the following board members:

Mr. Mohammad Rami Safouh Raslan	Head of Committee	Independent / Non-Executive
Mr. Syed Muhammad Asim Syed Mujtaba	Member	Independent / Executive
Mr. Meenachi Sundaram Raja Raman	Member	Independent / Non-Executive

B. A summary of the Committee's activities in 2019

First: Competences and duties of Insiders' Trading Follow Up and Supervision of the Committee

- 1- Review and control of the customer trading policies, including the periodic changes to be made thereto.
- 2- Receive and review the reports of trading operations done by customers.
- 3- Study and grant prior approval of the requests of trading of shares, bonds and securities (possession/ purchase/ and other authorized activities).

Second: Duties of Insiders' Trading Follow Up and Supervision of the Committee shall undertake the following duties:

- 4- Meet at least twice per year to follow up and supervise the customer transactions.
- 5- Review and control the trading policy of customers on annual basis in accordance with the rules of transactions and transparency and carry out the periodic changes, if necessary, to be in line with the changes of governing laws and decisions.
- 6- Receive and review the trading reports prepared by customers (by the end of each quarter) and carry out periodic control of the customer transactions in Dubai Financial Market to guarantee customer compliance with the trading policy of the company and assure validity of the declarations submitted by customers.
- 7- Receive the previous requests of securities trading and evaluate them in terms of compliance with the governing legislation and procedures, and to grant approval and advise the specific decision whereby trading is allowed to customers and notify the official authorities with those requests.
- 8- Report to Dubai Financial Market and Securities and Commodities Authority the violations of trading policy requirements for customers to take the necessary decision and take the disciplinary measures against violators.
- 9- Draft the declarations of customers and supervise the contracts with external and temporary customers.



C. The numbers and dates of the meetings held by Insiders` Trading committee during the year 2019, stating the frequency of attendance in person by the all the members of the committee

Meeting	Date of Meeting	Agenda
First Meeting	20/11/2019	<p>The Committee reviewed the list of transactions on the company's shares during 2019 and noted that there was only one trading on the company shares on 08/04/2019 when 95 shares were traded on the DFM with the selling price per share AED 100.</p> <p>Accordingly, the Committee submitted its report that there were no transactions made by any of the related parties.</p>

8- Investment committee

I Chairman of the Board of Directors, acknowledge my responsibility for the Investment committee system at the company, review of its work mechanism ad ensures its effectiveness.

A- The names of members of the Investment committee and a statement of its functions and duties assigned thereto

The Investment committee consists of the following board members:

Mr. Zuhair Ishaq Sulaiman Mohamed Abushousha	Head of Committee	Independent / Non-Executive
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Member	Independent / Non-Executive
Mr. Syed Muhammad Asim Syed Mujtaba	Member	Independent / Executive

B- A summary of the Committee` activation in 2019

- Review, supervise and Approve the company's investments.
- Review, supervise and Approve the dates of benefits for the company's investments.
- Review, supervise and Approve the legal deposits and the Agency's deposits.
- Ensure that the company's investment officers follow the standards and controls contained in the decisions of the regulatory bodies and abide by them.

C- The numbers and dates of the meetings held by the Investment Committee during the year 2019

Meeting	Date of Meeting	Agenda
First Meeting	06/11/2019	Review of the company's investment portfolio



9- Internal control system

A- The BOD's acknowledgement of 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 internal control department of the company exercises its works in accordance with the provisions of article (8) of the Securities and Commodities Authority board resolution No 7/R.M of 2016 to be sufficiently independent to assume its duties and track the board directly, and he shall be responsible for the internal control system and its follow up, revision and effectiveness as provided in the attached declaration issued by the company's board.

Work mechanism of the company's internal control department

The company adopted application of the international standards for achievement of internal control to achieve the required purposes at the utmost efficiency and least economic cost. The company's internal control work mechanism includes the following:

- Reasonableness and consistency of information and data.
- Compliance of the policies plans and procedures with the regulations, laws and instructions.
- Protection of the company's assets.
- Compliance of activities, operations and programs with the specific strategic objectives and purposes, and assurance of the supervisory authority's compliance with the plans and objectives.
- Assurance of preventive control to prevent occurrence of any undesired occurrences and correct the improper acts and adoption of desired practices and encourage repetition of performance of them.
- Assure the safety and efficiency of internal control items represented in:
 - 1- Control authority
 - 2- Assessment of risks
 - 3- Internal control activities
 - 4- Information and communications
 - 5- Control and inspection
- Represented in the head of internal control department, the internal control department assumes the following:
 - Preparation of annual control plan in coordination with the auditing committee and heads of appropriate departments and heads of other departments of the company.
 - Implementation of the internal control plan which is set and approve in addition to implementation of any other duties or projects required by the board.
- The internal control manager shall refer detailed reports to the board on evaluation of the internal control system and shall highlight the notes and raise



suggestions to bridge any gap that may arise in the internal control system on regular periodic basis when necessary and at any time he decides in accordance with the requirements of the control best practices.

B- The name, qualifications and date of appointment of the directors of internal control department

Mr. Kamal Batcha Sowkath Ali is responsible for the internal control function of the company and was appointed by the company on 11/04/2017

Academic Qualifications:

- Bachelor of Accounting
- Higher Diploma in auditing companies
- Diploma in computer applications
- Diploma in Management Sciences
- Diploma of the Indian Institute of Insurance (AIII)

Work Experience:

21 years' experience in auditing insurance companies within the UAE.

- 1 - From 2003 till 2016 - Director of the Internal Control Department of Orient Insurance.
- 2 - From 1996 till 2003 - Accountant of Dubai Branch - United Insurance Company - Dubai.

C- The name, qualifications and date of appointment of Compliance officer

The Director of the Internal Control Department, Mr. Kamal Batch Sowkath Ali, acts as Compliance Officer, commissioned by the Board of Directors to ascertain the extent to which the Company and its employees comply with the laws, regulations and regulations issued.

D- How the Internal Control department handle any significant issues in the company, or issues disclosed in the annual report and accounts

The internal control department works for a specific mechanism, which is the direct dependency of the board of directors. In the event of a major problem, the company will be referred to the chairman to take the necessary steps to prevent the problem from escalating. For 2019, didn't encounter any problems in the company because the company deals in accordance with the generally acceptable bases and practices in accordance with the provisions of law.

E- Number of Reports issued by the Internal Control Department to the Company's Board of Directors

Two Reports have been issued by the Internal Control Department to the Company's Board of Directors.



- Compliance Officer Report on AML & CFT for the Year 2019 as at 31/12/2019
- Suspicious Transactions Reporting for the Year ended 2018 on 29/04/2019

10- Details of the violations committed during the year 2019, ant a statement of reasons thereof, and how they addressed and how they will avoid in the future

Through the data that was submitted and continuous follow up by the board committees and internal control department, and the external auditor, it was found that there are no financial or administrative violations of 2019.

11- A statement of the cash and in-kind contributions made by the company during the year 2019 towards the local community development and environmental conservation

Orient UNB Takaful (Public Shareholding) follows an environmental and social policy that stems from its interest in maintaining the integrity of the local environment by reducing the use of pollution-friendly tools, reducing the amount of waste recycled and reusing, and optimizing the use of resources. In addition to this, Orient UNB Takaful (Public Shareholding) is actively practicing its social role by joining a number of governmental and private associations to enhance the external communication elements and to comply with the general development plans of the State.

As for the company's contribution during the year 2019, due to the recent establishment, the company has not disbursed any amounts.

12- General Information

A. A statement of the Company share price in the market by the end of each month during the year 2019

During the year 2019 there was only one trading on the company shares on 08/04/2019 when 95 shares of the company traded in the Dubai Financial Market with the sale price per share AED 100 as the share price remain fixed from the listing date 22/06/2017 till 31/12/2019 at AED 100.

Table that indicates the stock price during the fiscal year 2019 that indicates the maximum and minimum price by the end of each month:

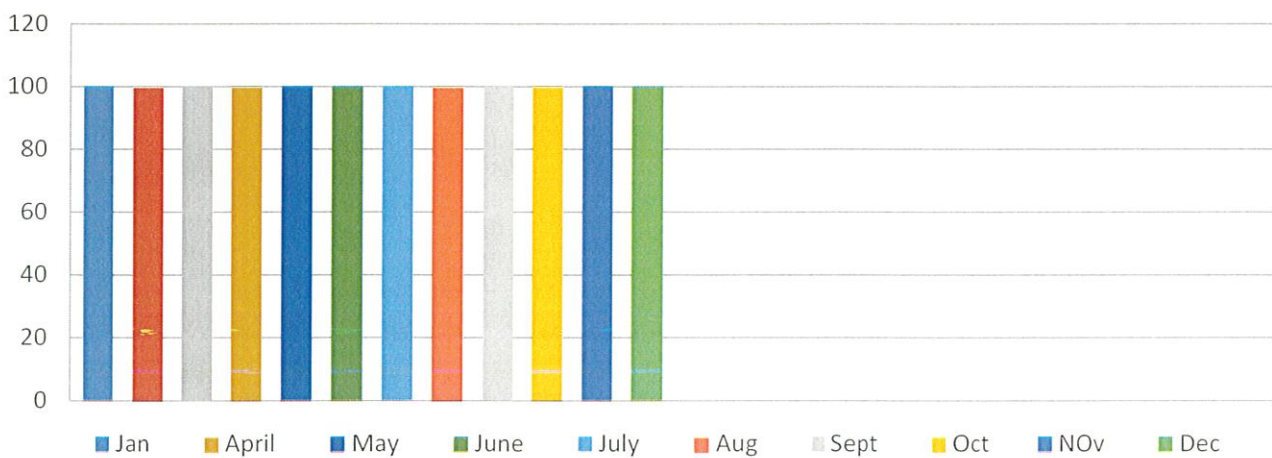
Month	Highest price		Lowest price	
January	AED	100	AED	100
February	AED	100	AED	100
March	AED	100	AED	100
April	AED	100	AED	100
May	AED	100	AED	100
June	AED	100	AED	100

Month	Highest price		Lowest price	
July	AED	100	AED	100
August	AED	100	AED	100
September	AED	100	AED	100
October	AED	100	AED	100
November	AED	100	AED	100
December	AED	100	AED	100

B. A statement of comparative performance of the company's share with the market index and sector index to which the company belongs during year 2019

During the year 2019 there was only one trading on the company shares on 08/04/2019 when 95 shares of the company traded in the Dubai Financial Market with the sale price per share AED 100, and therefore the share price remained constant without any interaction with the general market index or with sector index.

A chart showing the stability of the stock price and its non-interaction with the general market index and the sector index during the year 2019



C. A statement of shareholding distribution as of 31/12/2019

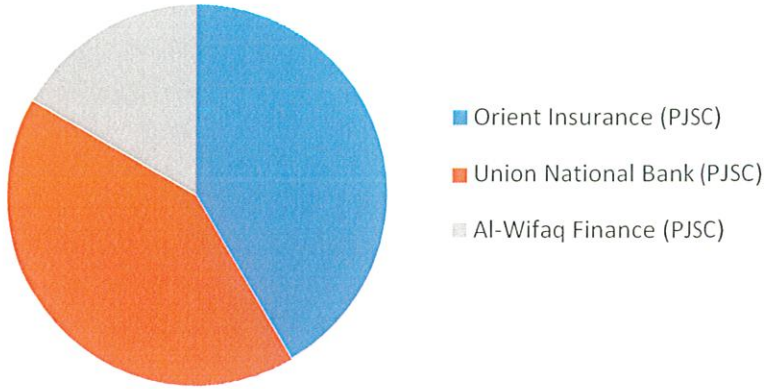
No	Shareholder's classification	Percentage of own shares			
		Individuals	Companies	Government	Total
	Local	15.95%	83.90%	None	99.85%
	Arab	0.10%	None	None	0.10%
	Foreign	0.05%	None	None	0.05%
	Total	16.10%	83.90%	None	100%

D. A statement of shareholders who hold 5% or more of the company's capital as of 31/12/2019

No	Name	Number of own shares	Percentage of own capital shares
1	Orient Insurance (PJSC)	697,000	34.85%
2	Union National Bank (PJSC)	700,000	35%
3	Al-Wifaq Finance (PJSC)	281,124	14%



An illustration of shareholders holding 5% or more of the company's shares



E. A statement of shareholder's distribution by the size of equity as of 31/12/2019

No	Shareholding (share)	Number of shareholders	Number of own shares	Percentage of own capital shares
1	Less than 50,000	16	321,876	16.10%
2	50,000 to less than 500,000	1	281,124	14.05%
3	500,000 to less than 5,000,000	2	1,397,000	69.85%
4	Over 5,000,000	None	None	None
TOTAL		19	2,000,000	100%

F. A statement of the procedures taken with respect to control of investor's relation taken on the controls of investors' relations

In compliance with the decisions issued in this regard, the Senior Vice-president Finance has been appointed as an Investor Relations Officer due to the availability of the required conditions of familiarity with the regulations and laws and the ability to communicate with investors.



The name and contact information of Investors' Relations Manager

Mr. Meenachi Sundaram Raja Raman is the Investors Relation Officer

Phone: +97146017585 Mobile No: +971582162212
Fax: +97146017555 Email: Sundaram.rajaraman@orientunbtakaful.ae

Link of the investor's relations webpage on the website of the company:
www.orientunbtakaful.ae

G. A statement of the special resolution during the General Assembly held in 2019 and the procedures taken with respect thereto

There are no special resolutions that were referred to the general assembly meeting during 2019.

H. Name and date of appointment for Board Secretary

Board Secretary Mr. Meenachi Sundaram Raja Raman

Date of Appointment: 13/11/2017

Qualifications and Experiences: Senior Vice President - Finance
CMA, AICWA, AIII, CAIIB, PGDCS, B.Sc

Statement of Board Secretary duties:

- Ensuring effective Corporate Governance.
- Ensure meeting attendance, effective communication and execution of meetings inputs/outputs and accurate maintenance of relating documentation and records.
- Call-out for agenda items and agenda preparation for Board and Committee meetings as well as the Annual General Assembly meeting with adequate notice.
- Discreet handling of confidential information.
- Represent the organization in a professional manner

I. A statement of the significant events that take place in the company in 2019

No Significant events to mention, happened in the year 2019.

J. A statement of the Emiratization percentage in the company as of 2019

- The Emiratization rate at the end of **2017** was 12%. The company has achieved the required points according to the points system approved by the Insurance Authority.
- The Emiratization rate at the end of **2018** was 12%. The company has achieved the required points according to the points system approved by the Insurance Authority.
- The Emiratization rate at the end of **2019** was 12%. The company has achieved the required points according to the points system approved by the Insurance Authority.



- K. A statement of innovative projects and initiatives implemented by the company or which were under development during 2019:** Due to the recent establishment of the company, there are no innovative projects or initiatives.

Yousuf Ali Ahmad Obaid Binzayed Al Falasi

Chairman of the Board

Date: 08/03/2020

Kamal Batcha Sowkath Ali

Internal Control Department Head

Date: 08/03/2020