



**Union Insurance Company
Public Joint Stock Company**

Governance report 2018





Index

1. A statement of the procedures taken to complete the Corporate Governance System during 2018, and how they are applied.
2. A statement of the transactions of the members of the Board of Directors, and spouses and children thereof in the Company' securities during 2018.
3. Board of Directors:
 - a. Statement of composition of the Board of Directors.
 - b. Ratio of female representation of the year 2018.
 - c. The reasons why there are no nominated females at the Board of Directors.
 - d. Remunerations and Attendance Allowances:
 - i. Total remunerations paid to the Board of Directors members for the year 2017.
 - ii. Total remunerations proposed to be paid to the Board of Directors members for the year 2018.
 - iii. Attendance Allowances paid to the Board Members for the meetings of committees emanating from the Board for the fiscal year 2018.
 - e. Meetings of the Board of Directors.
 - f. Statement of duties and responsibilities of the Board of Directors delegated to the Executive Management.
 - g. Details of transactions with relevant parties.
 - h. Organization Chart of the Company.
 - i. A detailed statement of the Senior Executives.
4. External Auditor:
 - a. About External Auditor.
 - b. Statement of costs and fees of External Auditor.
 - c. Remarks of the External Auditor for the year 2018.
5. Audit Committee:
 - a. Members of Audit Committee and a statement of their responsibilities and duties.
 - b. Meetings of Audit Committee.
6. Candidacy & Bonuses Committee:
 - a. Members of Candidacy & Bonuses Committee and a statement of their responsibilities and duties.
 - b. Meetings of Candidacy & Bonuses Committee.
7. Committee of Follow-up and Supervision on the transactions of the Insiders:
 - a. Members of the Committee.
 - b. Summary of the report of the Committee's work during 2018.
8. Investment Committee:
 - a. Members of the investment Committee and a statement of their responsibilities and duties.
 - b. Meetings of the Investment Committee.
9. Internal Control System:
 - a. Acknowledgment by the Board of their responsibility for the Company's Internal Control System, the review of its working mechanism and the assurance of its effectiveness.
 - b. Name, qualifications and date of appointment of the Managing Director.
 - c. Name, qualifications and date of appointment of Compliance Officer.
 - d. How the Internal Control System handles any major problems in the Company.
10. Details of violations committed during the fiscal year 2018, a statement of their reasons and how to deal with them.
11. Statement of the cash and in-kind contributions made by the Company in the development of community and preservation of the environment during the year 2018.
12. General Information.



About the Company

Union Insurance is a national company licensed by the UAE Insurance Authority and listed on the Abu Dhabi Securities Exchange, and established in 1998 with paid capital of more than AED 330 Million. The Company provides a comprehensive range of insurance products to individual and corporate customers in the UAE and the Middle East, under the leadership of a number of well-known and experienced experts in the insurance sector, and provides an innovative insurance coverage and remarkable value to its customers.

This includes both standard and adjusted insurance policies that assist individuals, small and medium-sized enterprises and large government entities to obtain reliable and cost-effective insurance coverage. In addition, the Company provides insurance services such as risk assessment and gap analysis in insurance coverage under the supervision of specialists with decades of experience.

By providing better coverage in areas including, but not limited to, life, health, automotive, property, engineering, liability and marine, Union Insurance helps its clients focus on their core operations, confident that they have adequate insurance cover for various liabilities.

With a strong understanding of the ever-changing risk environment and insurance market, the Company employs a team of professionals who hold a fellowship certificate of the Insurance Institute of London (ACII). This team provides experience, knowledge and strong capabilities in structuring insurance covers to develop new and improved insurance products. As this team is of Company's employees, UIC can always offer its customers accurate price quotes.

Moreover, UIC has strong support from major global and local reinsurance companies, including Swiss Reinsurance Company, SCOR Reinsurance, Hannover Reinsurance, Lloyds, Generali and QBA Europe.

Distinguished by its focus on people, UIC sponsors an institutional culture that emphasizes teamwork and a cooperative environment that appreciates the contribution of each individual of the Company's Staff, which are more than 250 employees. This environment provides the best service with a personal flavor and puts the customer in mind. This is a high priority for the company, because generally when a customer makes a claim, due to he/she has suffered from material loss or from other unfortunate event. Therefore, providing a service with a personal flavor is truly most welcomed. In addition to this focus on customer care, UIC has developed its claims and paperwork processing to be as fast and simple as possible.

1) A statement of the procedures taken to complete the Corporate Governance System during 2018, and how they are applied.

The Federal Law N° 2 of 2015 regarding Commercial Companies and the Resolution of Chairman of the Board of Directors of the Securities & Commodities Authority N° (7/RM) of 2016 regarding the Standards of Institutional Discipline and Corporate Governance of Public Joint-stock Companies defined the concept of Governance as "the set of rules and regulations that achieve institutional discipline in the management of the company in accordance with global standards and methods, by defining the responsibilities and duties of the Board of Directors and the Executive Management of the company and taking into account the protection of the rights of shareholders and stakeholders".

Through the above concept, UIC is keen to adopt and execute the best standards of Governance through the Corporate Governance Guide adopted by the Board of Directors, which defines the responsibilities and duties of the Board of Directors and its Committees, and defines the duties and responsibilities of the Senior Executive Management, in addition UIC keen to update these standards in accordance with the instructions issued by the Securities & Commodities Authority. In order to consolidate the principles of Governance, the company has taken or updated many steps, including the following examples:



- In accordance with the provisions of Article 52 of Resolution N° (7/RM) of 2016 regarding the standards of institutional discipline and Corporate Governance of Public Joint-stock Companies, which obligates companies to submit an annual Governance Report and publish it on the website of the Securities & Commodities Authority. UIC has been keen to submit the annual Governance Report and make it available to shareholders, including all key financial and non-financial data and actions taken each year.
- The Board of Directors held its meetings of 2018, which reached four meetings in accordance with Article 5 of the provisions of Resolution N° (7/RM) of 2016.
- The Board of Directors administers the company effectively through the development of strategic objectives of the company and the supervision of their execution in cooperation with the Senior Executive Management, as well as the supervision of the work of the committees emanating from it in accordance with the controls of governance.
- To appoint the external auditor and to set his fees by a decision of the General Meeting in accordance with the laws and regulations.
- To update the Corporate Governance Guide and adopt it by the Board of Directors in line with Resolution N° (7/RM) of 2016 regarding the Standards of Institutional Discipline and Corporate Governance of Public Joint-stock Companies, as well as the rules of professional and ethical conduct.
- To comply with transparency and disclosure instructions in line with the laws and instructions issued by the Securities & Commodities Authority that include the disclosure of all reports including the interim and annual financial reports, the dates of the Board meetings and the decisions issued thereof and all the data and statistics required by the Authority or the market.
- Periodic review by the Board of Directors and in coordination with the Audit Committee of the Internal Control and Risk Management systems in the company to ensure its effectiveness and to verify the Company's and its employees' compliance with the provisions and decisions in force issued by the competent authorities.
- To update written rules regarding the transactions of insiders and approving them by the Board of Directors, preparing a register of required information about insiders and forming a committee to monitor, manage and supervise the transactions of insiders, and to submit periodic reports on these transactions to the Securities & Commodities Authority and the Abu Dhabi Securities Exchange.
- The Company's commitment to appoint an officer responsible for all the duties related to Investor Relations Management, where Ms. Riham Osama link on the Company's website that includes all necessary data, including financial reports and disclosures made to control and supervisory bodies.

2) A statement of the transactions of the members of the Board of Directors, and spouses and children thereof in the Company' securities during 2018

The Company shall comply with Resolution N° 2 of 2001 of the Authority Board regarding the system of trading, clearing, settlement, transfer of ownership and custody of securities, where Article 14 thereof stipulates the following:

"The Chairman and Members of the Board of Directors, of a company listed its securities on the market, its General Manager or any of the insiders who have access to material information are all banned to trade, by himself, for his account by third parties or in any other capacity for the account of others, in the securities of the same company, the parent company, subsidiary, affiliate or associate of that company, if any of these companies listed their securities in the market, during the following periods:

- Ten (10) business days prior the announcement of any material information that shall affect the price of the stock up or down, unless the information is a result of emergency or sudden events.
- Fifteen (15) days prior to the end of the quarterly, semi-annual or annual financial period, until disclosure of the financial statements".



The Company shall also commit to the Board of Directors Decision N° (3) of 2000 regarding the disclosure and transparency system, as well as the decisions and instructions issued by the Abu Dhabi Securities Exchange. The Board of Directors and their first class relatives are as follows:

Sr. N°	Name	Position/Kinship	Owned Shares as on 31/12/2018	Total Sale Transaction	Total Purchase Transaction
1	Al SALEM Co. Ltd, represented by Mr. MOHAMMED SALEM AL HOSSANY	Board Member	5.757.368		7.368

3) Board of Directors:

The Board of Directors is composed of seven members whose term of office reaches three years. The members whose term of office has been terminated may be re-elected for more than once; the General Meeting shall elect them by secret cumulative voting in accordance with the Articles of Association of Union Insurance Company. The Board shall exercise all the powers required to achieve the purposes and objectives of the Company, except as provided by the law or the statutes of the General Meeting. The Board is keen to carry out all the tasks assigned to it in order to ensure proper direction, guidance and management of the Company, which shall reflect positively on the overall performance of the Company and shareholders' rights.

3) (a) Statement of Composition of current Board of Directors:

The Board of Directors is composed of seven members elected at the shareholders' General Meeting held on 24/04/2016 AD, the term of office of the current Board expires on the date of the next Annual General Meeting, which will be held after obtaining the necessary approvals. The following is the composition of the current Board of Directors and the term they served as of the Board Members from the date of the first election:

Mr. MOHAMMED HAREB AL MAZROUEI	Chairman	Non-executive	Independent	Member since 2010
EMIRATES LUBRICANTS Co. Ltd, represented by Mr. BASHAR AL ZOUBI	Deputy Chairman	Non-executive	Independent	Member since 2018
HE Mr. MARWAN AHMED AL SAWALEH	Member	Non-executive	Independent	Member since 2014
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	Member	Executive	Non-independent	Member since 2012
AWTAD Co. represented by Mr. AHMED MAGED LOOTAH	Member	Non-executive	Independent	Member since 2015
Al SALEM Co. Ltd, represented by Mr. MOHAMMED SALEM AL HOSSANY	Member	Non-executive	Non-independent	Member since 2010
INVESTMENT GROUP PRIVATE Ltd., represented by Mr. MOHAMMED MORTADA AL DANDISHY	Member	Non-executive	Non-independent	Member since 2013

* The representative of EMIRATES LUBRICANTS COMPANY was changed; Mr. BASHAR AL ZOUBI was appointed as a representative of the company in the Board instead of Mr. ABDUL AZIZ AL SHEHHI, and was duly informed to the M/s Securities & Commodities Authority and M/s Abu Dhabi Securities Exchange.

** Mr. MARWAN AL SAWALEH resigned from the Board of Directors in 2018 and was duly informed to the M/s Securities & Commodities Authority and M/s Abu Dhabi Securities Exchange.

Experiences & Qualifications:

Mr. MOHAMMED HAREB AL MAZROUEI	Chairman	– Businessman, 17 years of experience in real estate investment where he was the head of the Real estate Appraisal Department at Dubai Land, Dubai.
Mr. BASHAR AL ZOUBI	Deputy Chairman	– Holding a Master of Financial Management from the University of Reading, UK.



Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	Member	<ul style="list-style-type: none"> - Bachelor of Commerce - Ain Shams University, ARE. - More than 40 years of experience in the field of insurance as a reference figure in the insurance sector, he has been distinguished by the provision of new insurance products and the development of standard services that have left a tangible impact on the reputation of the sector in general. - He was the CEO of Oman Insurance Company, which witnessed through his management remarkable development and became the first company in the country and one of the top three companies in the region.
HE Mr. MARWAN AL SAWALEH	Member	<ul style="list-style-type: none"> - Bachelor of Business Administration - Higher Colleges of Technology, UAE. - Holding several leadership positions, including membership in the Higher Committee of the Dubai Human Development Award, and the Chairman of the Dubai Quality Group.
Mr. AHMED MAGED LOOTAH	Member	<ul style="list-style-type: none"> - Executive Master in Business Administration with Distinction Level - University of Sharjah. - Bachelor of Business Administration in Finance - University of Miami. - More than 20 years of experience in the financial and banking fields, both traditional and Islamic, and is currently CEO of Al Hilal Capital.
Mr. MOHAMMED SALEM AL HOSSANY	Member	<ul style="list-style-type: none"> - Bachelor of Applied Science, E-Commerce - Higher Colleges of Technology, UAE. - Master of Science and Financial Administration, London. - Board Member of other companies and CEO of AL SAHEL SHARES CENTER since 2005.
Mr. MOHAMMED MORTADA AL DANDISHY	Member	<ul style="list-style-type: none"> - Bachelor of Economics - University of Aleppo. - 20 years of experience in the field of financial and real estate investments, and has led AL RAMZ CAPITAL Co. since its establishment to become one of the leading financial services in the UAE.

Statement of membership of Board Members in other joint-stock companies:

Member Name	Membership in other P.S.C	Supervisory, Governmental & Commercial Positions
Mr. MOHAMMED HAREB AL MAZROUEI	None	
Mr. BASHAR AL ZOUBI	None	
HE Mr. MARWAN AL SAWALEH	None	<ul style="list-style-type: none"> - Under Secretary- Ministry of Education. - Chairman of Executive Committee of Mohammed Bin Rashid Smart Learning Program. - Chairman of Emirates Award for Educational Excellence. - Secretary General of the Coordination & Educational Integration Council. - Board Member of Emirates Transport.
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	None	
Mr. AHMED MAGED LOOTAH	Board Member of Commercial International Bank	



Mr. MOHAMMED SALEM AL HOSSANY	- Board Member of Gulf Medical Projects Co. - Board Member of Umm Al Qaiwain General Investments.	
Mr. MOHAMMED MORTADA AL DANDISHY	Board Member of Al Ramz Corporation for investment & Development P.S.C	

3) (b) Ratio of female representation of the year 2018:

There are no female members at the current Board of Directors.

3) (c) The reasons why there are no nominated females at the Board of Directors:

There are no reasons to prevent the candidacy of any female to the Board of Directors and the reason why there is no representation of females in the Board of Directors is limited to the lack of candidacy by any female for the Board of Directors.

3) (d) Remunerations and Attendance Allowances:

Bonuses of Board Members are set by the Articles of Association pursuant to the provisions of Article N° (169) of the Federal Law N° 2 of 2015 regarding Commercial Companies, Article N° (21) of Resolution N° (7/RM) regarding the Standards of Institutional Discipline and Corporate Governance of Public Joint-stock Companies. Whereas, the bonuses of the Board Members consist of a percentage of the net profit, which shall not exceed 10% of the net profit after the deduction of depreciation and reserve. In addition, the Company may pay fees, additional bonuses or monthly salary to the extent set by the Board of Directors for any of its members, if such member works on any committee, exerts great efforts or performs additional work, beyond his normal duties as a Board Member, to serve the Company. Moreover, Article 21 of the aforementioned resolution stipulates that it is not permissible to pay an attendance allowance to the Chairman or a Board Member for the Board Meetings.

- i. Total remunerations paid to the Board of Directors members for the year 2017:
No remunerations have been paid to the Board of Directors for the year 2017.
- ii. Total remunerations proposed to be paid to the Board of Directors members for the year 2018, which shall be presented to the Annual General Assembly for approval:
No proposed remunerations of the Board of Directors for the year 2018.
- iii. Attendance Allowances for the meetings of committees emanating from the Board for the fiscal year 2018:

Sr · N°	Name	Attendance Allowances for the meetings of committees of the Board		
		Committee	Allowance Value (AED)	Number of Meetings
1	Mr. AHMED MAGED LOOTAH	Audit Committee	None	4
2	Mr. MOHAMMED SALEM ABDULLAH AL HOSSANY		None	4
3	Mr. BASHAR AL ZOUBI		None	3

1	Mr. ABDUL AZIZ AL SHEHHI	Candidacy & Bonuses Committee	None	0
2	Mr. MARWAN AL SAWALEH		None	0
3	Mr. MOHAMMED SALEM AL HOSSANY		None	0

1	Mr. MOHAMMED HAREB AL MAZROUEI		None	0
---	--------------------------------	--	------	---



2	Mr. MOHAMMED AL DANDISHY	Investment Committee	None	0
3	Mr. ABDULMUTALLAB MUSTAFA AL JAEDI		None	0

3) (e) Meetings of Board of Directors during fiscal year of 2018:

The Board of Directors held (5) meetings during 2018, one of which was by passing as shown below:

Meeting Date	Number of Attenders	Number of Attenders by Proxy	Name of Absent Members
18/03/2018	6		Mr. ABDUL AZIZ AL SHEHHI
14/05/2018	6		Apology by Mr. BASHAR AL ZOUBI
26/07/2018	Passing		
12/11/2018	6		
23/12/2018	4		Apology by Mr. Mr. MOHAMMED HAREB AL MAZROUEI & Mr. MOHAMMED MORTADA AL DANDISHY

3) (f) Duties and Responsibilities of the Board of Directors delegated to the Executive Management:

Subject to the provisions of the Companies Law N° 2 of 2015 and Article (9) of Resolution N° (7/RM) regarding the Standards of Institutional Discipline and Governance of Public Joint-stock Companies, the executive management, upon the authorization of the Board, shall exercise the powers required to conduct the Company's business, including:

- Daily management of the Company.
- Arrangements for the annual budget.
- To make the necessary insurance for the Company.
- Appointment and dismissal of employees, any other consultants or contractors; shall set their duties and enumeration inside and outside the country.
- Representation of the Company in all works, all required and necessary things, or in any other manner related to or in connection with the business and affairs of the Company in the UAE and other countries.

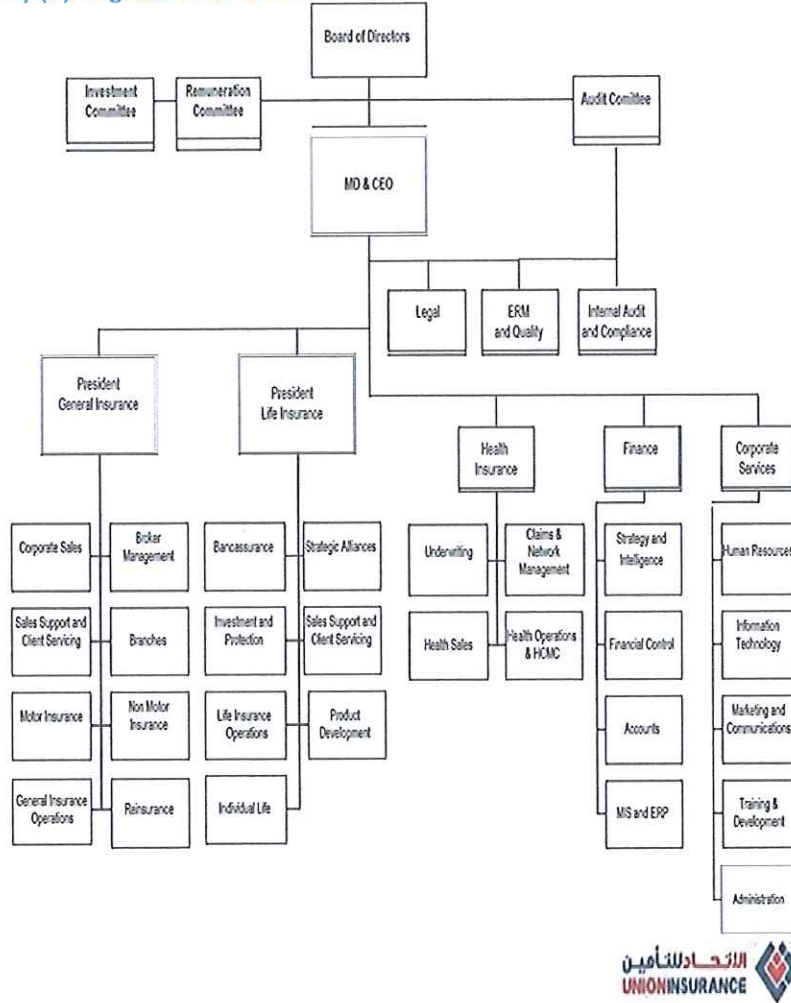
3) (g) Details of transactions with relevant parties:

The details of transactions with relevant parties include joint-stock companies in Union Insurance Company and within the scope of insurance operations, including general insurance, vehicles and other insurance, as follows:

Transactions of Relevant Parties	AED
Receivables	25,914.472
Held shares	0
Total claims under settlement	751,732
Investment properties	79,195,000
Development work under completion	82,045,000
Transactions	
Underwritten Premiums	
	1,864.980
Paid claims	1,592,210



3) (h) Organization Chart:



3) (i) A detailed Statement of the Senior Executives:

Position	Date of Appointment	Total Paid Salaries & Allowances of 2018 (AED)	Total Paid Bonuses of 2018 (AED)	Other in cash/in kind Bonuses of 2018 or due in the future
CEO	01/09/2012	2,400,000	None	None
President of General Insurance	16/10/2011	1,020,000	None	None
President of Life Insurance	16/09/2013	1,020,000	None	None
CFO	20/06/2012	852,720	None	None
Head of Health Insurance Department	01/08/2012	689,880	None	None
CIO	27/12/2015	714,300	None	None
Head of Human Resources	18/03/2013	448,380	None	None
Head of Legal Department	01/05/2013	720,000	None	None
Head of Risk Management, Quality & Internal Audit	10/11/2013	345,780	None	None

Governance Report for 2018 will be updated after the bonuses for the senior executives have been decided.



4) External Auditor:

4) (a) About the External Auditor:

Ernst & Young was appointed as an External Auditor of Union Insurance Company upon a resolution issued by the General Meeting. Ernst & Young has worked in the UAE since 1966 and has been one of the largest professional service companies; it has an office in the Emirate of Dubai of 565 experienced and qualified employees, and 12 partners. Moreover, the expansion around the world with a number of 700 offices, has about 250.000 employees, and provides services in many sectors of government and private sector, insurance, banking, industrial and commercial sectors.

4) (b) Statement of Costs & Fees of External Auditor:

The Annual General Meeting decided to appoint M/s Ernst & Young as the External Auditor of the Company for the year 2018. Their fees were set at AED 310.000; whereas their services included all professional services related to the review of interim and annual financial reports.

Name of Audit Office	Ernst & Young
Number of service years as an External Auditor of the Company	1
Total Fees Audit of Financial Statements of 2018	240,000
Fees & Charges for Special Services other than Audit of Financial Statements of 2018	70,000
Details & nature of other Services provided	Filling the electronic forms of the Insurance Authority, approving the Authority's supervision fees and approving the Abu Dhabi Health Authority forms
Other Services performed by another External Auditor during 2018	None

4) (c) Remarks included by the External Auditor on interim and annual financial lists for the year 2018:

No remarks by the External Auditor.

5) Audit Committee:

5) (a) Members of Audit Committee and a Statement of their Responsibilities & Duties:

Name	Position
Mr. AHMED MAGED LOOTAH	Head of the Committee
Mr. MOHAMMED SALEM ABDULLAH AL HOSSANY	Member
Mr. BASHAR NAYEL AL ZOUBI	Member

Responsibilities & Duties of Audit Committee:

1. To recommend an External Auditor to the Board of Directors, to examine and study the related aspects, including the fees and terms of use.
2. To monitor and follow-up the independence and objectivity of the External Auditor, and to discuss the nature, scope of the audit process and its effectiveness in accordance with the approved auditing standards; including reviewing the quarterly and annual financial statements before issuance and to be reviewed as part of their normal work, during the year and before closing the accounts in any quarter. It shall particularly focus on the following:
 - a. Any changes in accounting policies and practices.
 - b. To highlight the areas of management discretion.



- c. Substantial adjustments resulting from auditing.
 - d. To assume the continuity of the Company's business.
 - e. To comply with the accounting standards set by the Securities and Commodities Authority.
 - f. To comply with the rules of incorporation, disclosure and other legal requirements related to the preparation of financial reports.
3. To coordinate with the Board of Directors of the Company, the Executive Management and the CFO, or the acting manager, in order to perform its duties. The Committee shall meet with the auditors of the Company at least once a year.
 4. To study the strategic plan and objectives of the Company proposed by the Executive Management, and to ensure the compliance of the Company's Executive Management with the strategic plan, policies and procedures approved or required by the applicable laws, regulations and instructions.
 5. To consider any important and unusual clauses that are or should be set out in such reports and accounts, and shall give due attention to any matters raised by the Company's CFO, the acting manager, the Compliance Officer or the Auditors.
 6. To review the Company's risk management policies, examine the reasons for defaults of the Company's obligations, if any, to review the notes contained in the Insurance Authority's reports and the reports of the External Auditor and to follow up on the actions taken therein.
 7. To ensure the existence of coordination between the Company's Control Department and the External Auditor, to ensure that the necessary resources are available to the Internal Control Department and to review and monitor the effectiveness of that department.
 8. To consider the results of the main investigations in the internal control matters assigned to it by the Board of Directors, or to be initiated by the Committee and approved by the Board of Directors.
 9. To review the financial and accounting policies and procedures of the company.
 10. To review the External Auditor's letter of business, its business plan and any material inquiries that the Auditor may submit to the Executive Management regarding accounting records, financial accounts or control systems, and their response thereto.
 11. To ensure that the Board of Directors shall respond in a timely manner to the clarifications and material issues raised in the report of the External Auditor.
 12. To ensure the application of the work rules on its duties and the powers delegated to it by the Board of Directors.
 13. To monitor the extent to which the Company complies with the rules of professional conduct and report to the Board of Directors on the issues mentioned herein.
 14. To consider any other subjects set by the Board of Directors.

5) (b) Number of Meetings of Audit Committee during the year, the dates and the attendances of the members in person:

The Audit Committee held four formal meetings during the year 2018 with the following dates:

Meetings of Audit Committee
March 18 th , 2018
May 14 th , 2018



November 12 th , 2018
December 23 rd , 2018

Attendances of Audit Committee Members in person:

Name	Position	Number of Attendances
Mr. AHMED MAGED LOOTAH	Head of the Committee	4
Mr. MOHAMMED SALEM AL HOSSANY	Member	4
Mr. BASHAR NAYEL AL ZOUBI	Member	3

6) Candidacy & Bonuses Committee:

Members of Candidacy & Bonuses Committee and a Statement of their Responsibilities & Duties:

Name	Position
Mr. BASHAR AL ZOUBI	Head of Committee
Mr. MARWAN AL SAWALEH	Member
Mr. MOHAMMED SALEM AL HOSSANY	Member

Responsibilities & Duties of Candidacy & Bonuses Committee:

1. To organize and follow up the procedures of candidacy to the Board of Directors in accordance with the applicable laws and regulations, and the provisions of Resolution N° (7/RM) of 2016.
2. To ensure the independence of independent members on a continuous basis, if the Committee finds that one of the members has lost the conditions of independence, it shall submit the matter to the Board of Directors of the Company, therefore, the Board shall serve a notice to the member, by a registered letter at his known address, of the reasons for the absence of his independence capacity and the member shall respond to the Board within fifteen days from the date of notice. The Board shall issue a decision to consider the member as independent or non-independent at the first meeting following the member's reply or the expiry of the period referred to in the previous paragraph without reply.

If the member lost this capacity, this shall not result in a violation of the minimum number of independent members of the Board, and this shall be considered in the formation of committees.

Without prejudice to the provisions of Article (145) of the Commercial Companies Law N° 2 of 2015, if the resolution of the Board is the absence of reasons or justifications of independence of the member which shall affect the minimum percentage of independent members within the Board, the Board shall appoint an independent member to replace this member, and shall submit the decision of appointment to the General Meeting of the Company to consider the adoption of the decision.

3. The Committee shall be responsible for preparing the policy bonuses, benefits, incentives and salaries of the Board Members of the Company and its employees, taking into account, upon preparing such policies, the use of performance-related criteria.
4. The Committee shall be responsible for preparing the human resources and training policy in the Company, shall supervise its application and identifying the Company's needs of competencies at the level of senior executive management and executive staff in small positions with high qualifications and the bases of their selection, and shall review periodically (including salaries and other benefits) in line with the bonuses/salaries granted by similar companies in the market to ensure that the bonuses/salaries are sufficient to attract qualified people to work in the Company at all sites and in high levels and competencies.



5. To ensure gender diversification within the composition of the Board of Directors in order to encourage women to run for membership in the Company's Board and to develop a policy for this purpose.

6) (b) Statement of the number of meetings held by the Committee during the fiscal year, the dates and the attendances of the members in person:

The Committee did not hold any meeting during 2018.

7) Committee of Follow-up and Supervision on the transactions of the Insiders:

7) (a) Names of Committee Members

The Committee of Follow-up and Supervision on the transactions of the Insiders was composed at the meeting of the Board of Directors held on 22/03/2017 AD in accordance with Resolution N° (7/RM) of 2016 of the Securities and Commodities Authority, where the members, responsibilities and duties of the Committee have been approved. The Committee consists of the following members:

1. Mr. AYMAN ABDEL RAZEK – Manager of Legal Department.
2. Mr. AMIT KATARIA – Manager of Internal Control Department & Compliance Officer.
3. Mr. MOHAMMAD RADI – Assistant of Vice President – Controller – Financial Department & Accounts.

Responsibilities & Duties of the Committee:

- The Committee shall be responsible for the managing, monitoring and supervising the transactions of Insiders and their property, maintaining their record and submitting the periodic reports and statements of the market.
- To maintain a record of all Insiders so that they include their statements and periodic declarations submitted by the Board of Members.
- To inform regulatory bodies of any changes that occur in the record.
- To inform anyone of their status as soon as they become an insider and to obtain their signature on the required forms.
- To inform Insiders of the periods of prohibition of trading specified by the market upon receipt, along with the other prohibitions periods approved by the instructions and circulars issued by the concerned authorities, as well as clarifying the permanent and temporary prohibition periods.
- To review and monitor the trading policies of Insiders, including periodic changes thereof, and to receive and review reports of trading made by Insiders.
- To inform the Board of any trading conducted by the Insider in case of violation of the laws, regulations and circulars issued in this regard and the actions taken and/or required in this regard.
- To maintain the confidentiality of information and data provided by the Board of Directors.

7) (b) Summary of the Committee's work during 2018:

The committee held a meeting on 17/12/2018 AD in the presence of all its members, where it reviewed the rules concerning the transactions of Insiders and approved by the Board, and their forms of declarations, and reviewed the record of Insiders.

8) Investment Committee:

8) (a) Members of the Investment Committee and a statement of their Responsibilities & Duties:

Name	Position
Mr. MOHAMMED HAREB AL MAZROUEI	Head of Committee
Mr. MOHAMMED MORTADA AL DANDISHY	Member
Mr. ABDULMUTALLAB MUSTAFA AL JAEDI	Member

Responsibilities & Duties of Investment Committee:

1. To develop and monitor of investment strategy and policy.



2. To prepare investment plans, discuss them and review the fundamentals related to the nature of the investment activities, and to prepare a plan of action accordingly, in addition to making recommendations for the Board of Directors.
3. To review the investment financial results and make the necessary recommendations thereon.
4. To manage of the Company's investments in accordance with the interests of the Company and the directives of the Board of Directors.

8) (b) Number of meetings held by the Investment Committee during the year, the dates and attendances of the members in person:

The Investment Committee did not hold any meeting separately, but all the issues and investments of the Company were discussed through the Board meetings and in the presence of all its members.

9) Internal Control System:

The Company is keen on the application of an internal control system in accordance with the provisions of Article 50 of Resolution N° (7/RM) of 2016 regarding the Standards of Institutional Discipline and Governance of Public Joint-stock Companies, which replaces Article 8 of Resolution N° 518 of 2009. The Internal Control Department has sufficient independence to perform its duties properly and it follows the Board of Directors, which is responsible for the Internal Control System its application, and reviewing it to ensure its effectiveness. The role of the Internal Control Department is to do the following duties:

- To review the financial statements presented to Senior Management that are used in the preparation of the financial lists.
- To evaluate the methods and actions of risk management.
- The proper application of the rules of governance and verifying the compliance with the provisions of the applicable laws, regulations and decisions, as well as ensuring the application of internal procedures in the Company.
- Internal audit of the Company's departments and branches, monitoring their performance and submitting periodic reports to the Audit Committee and the Board of Directors.
- To prepare the necessary reports on the effectiveness of Internal Control Systems and submit them to the Board of Directors, including the necessary recommendations to improve these systems.

9) (a) Acknowledgment by the Board of their responsibility for the Company's Internal Control System, the review of its working mechanism and the assurance of its effectiveness:

The Board of Directors acknowledges its responsibility for the Company's Internal Control System and for its review and effectiveness in accordance with the relevant laws, regulations and resolutions of the Securities and Commodities Authority.

9) (b) Head of Department and his Qualifications:

A specialized department for internal control was established, headed by Mr. AMIT KATARIA who was appointed on 10/11/2013, who also takes the responsibility of Compliance Officer, holder of a Bachelor of Commerce degree from the University of Mumbai (Faculty of Commerce and Economics). He holds an ICAI certificate from the Indian Institute, an AICPA certificate from the American Institute of Certified Public Accountants in Colorado and has 12 years of experience in auditing, compliance and risk management, as he worked for several insurance companies such as TATA AIG and Universal Sompo Japan.

9) (c) Name, qualifications and date of appointment of Compliance Officer:

Mr. AMIT KATARIA takes the responsibility of Compliance Officer.

9) (d) How the Internal Audit Department handles any major problems in the Company:

The Internal Control Department shall prepare an annual plan to identify the risks and their seriousness and to review and audit the various sections, departments and branches of the Company. Periodic reports shall be submitted on the tasks performed to the Audit Committee, which are presented to the Board of Directors, as well as a plan that aims at handling or limiting



violations, if any. Noting that the Internal Control Department did not encounter any problems at the Company during 2018.

10) Details of violations committed during the fiscal year, a statement of their reasons and how to deal with them, and the way to avoid reoccurrence in the future:

There are no violations of the Company during the year 2018.

11) Statement of the cash and in-kind contributions made by the Company in the development of community and preservation of the environment during the year 2018:

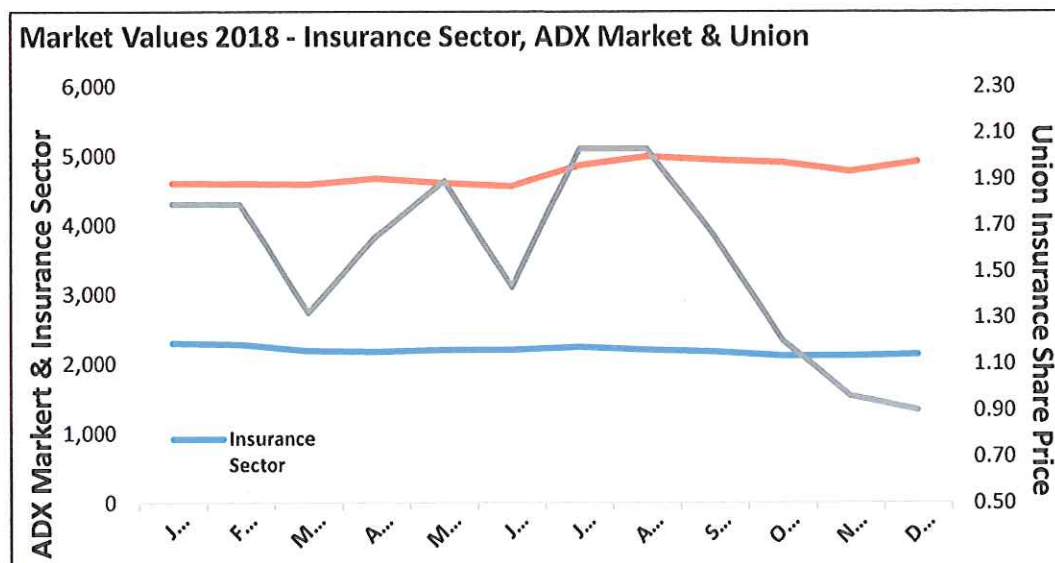
The company continues to recycle HP ink cartridges and paper in its office across the UAE to reduce the impact of its business on the environment. UIC has recycled over 3200 kgs of paper and 1870 of cartridges till the end of 2018.

12) General Information:

12) (a) A statement of the Company share price in the Market (closing price, highest price, lowest price) in the end of each month during year 2018:

High	Low	Last Close	Month
1.85	1.52	1.79	Jan-18
1.85	1.52	1.79	Feb-18
1.85	1.20	1.32	Mar-18
1.85	1.20	1.65	Apr-18
1.89	1.20	1.89	May-18
1.89	1.20	1.43	Jun-18
2.03	1.20	2.03	Jul-18
2.03	1.20	2.03	Aug-18
2.03	1.20	1.65	Sep-18
2.03	1.20	1.20	Oct-18
2.03	0.96	0.96	Nov-18
2.03	0.71	0.90	Dec-18

12) (b) A statement of the comparative performance of the company's shares with the market index and the sector index to which the company belongs during year 2018:





12) (c) A statement of shareholding distribution as of 31/12/2018 (individuals, companies, governments) classified as follows: local, GCC, Arab, foreign:

Sr. N°	Classification of Shareholder	Percentage of Owned Shares			
		Individual	Companies	Government	Total
1	Local	99.703.784	231.004.332	0	330.708.116
2	Gulf	159.060	0	0	159.060
3	Arab	64.700	0	0	64.700
4	Foreign	7.304	0	0	7.304
5	Total	99.934.848	231.004.332	0	330.939.180

12) (d) A statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2018

Name	Number of Capital Shares	Percentage of Capital Shares
Invest AD UAE Focus Fund	72.670.444	21.96%
Investment Group Private Limited	52.443.833	15.85%
SALEM ABDULLAH SALEM AL HOSSANY	51.250.000	15.49%
SUQUR AL KHALIJ Co. for General Trading	47.400.000	14.32%
Gulf General Investments Company	29.089.334	8.79%

12) (e) A statement of shareholders distribution by the size of equity as of 31/12/2018:

Sr. N°	Equity (share)	Number of Shareholders	Number of Shares	Number of Capital Shares
1	less than 50.000	2.064	13.473.380	4.1%
2	from 50.000 to less than 500.000	47	5.442.123	1.6%
3	from 500.000 to less than 5.000.000	15	27.368.919	8.3%
4	more than 5.000.000	9	284.654.758	86.0%

12) (f) A statement of the procedures taken with respect to the controls of Investor Relations:

Ms. RIHAM OSAMA was appointed as Investor Relations Officer, who holds a Bachelor of Commerce, Accountancy Degree, from Ain Shams University, has a Master in Marketing from Liverpool University. You can contact her easily through the information posted on the Company's website (Riham Osama - riham.o@unioninsurance.ae - +971 4 378 7609).

An electronic link was also created on the Company's website https://www.unioninsurance.ae/ar/about_us/##/InvestorRelations, through which all financial reports, Company news, developments and related events can be viewed.

12) (g) A statement of special resolutions presented to the General Assembly held in 2018 and the procedures taken with respect thereto:

The General Meeting discussed no special resolutions on 24/04/2018 AD.

12) (h) Board secretary and the date of appointment:

Mr. EYAD HAMMAD shall be the Rapporteur of the Board, who was appointed on 13/05/2014 AD.



12) (i) A statement of the significant events that took place in the company in 2018:

- The Company signed an agreement with Dubai Electricity and Water Authority (DEWA) to provide exclusive discounts to its customers as part of DEWA store offers, therefore, this is the first insurance company to be located at the store.
- The Company launched a smart and integrated application for its customers, providing interactive and intelligent services.
- The Company launched a paperless system based on Block Chain technology to improve its services, enhance productivity, save costs and protect the environment.
- The Company has developed the first AI-empowered system for motor insurance to issue an insurance policy in less than one minute.
- The Company has collaborated with Clements International to launch the first comprehensive insurance solution for classic cars.

12) (j) A statement of the Emiratization percentage in the company as of 2018:

The Emiratization percentage at the Company reached (9.75%) until the end of 2018, with the Company's keenness and commitment to support the national competencies, in line with the government guidance in this regard as the Company is working to attract national competencies in all insurance jobs.

12) (k) A statement of the innovative projects and initiatives implemented by the company or which were under development during 2018.

The Company did not initiate projects or innovative initiatives during 2018, but it is worth mentioning that the Company supports creative ideas by encouraging its employees through a competition held every year since 2014 under the title "ALL IDEAS MATTER" that announces at the end of the competition the winning ideas.

Signature of the Chairman of the Board of Directors

Date: 31/03/ 2019

