



Corporate Governance Report 2021

Introduction

In accordance with Decision No. 3/R.M of the year 2020 of the Securities and Commodities Authority board in regards of the standards of institutional Discipline and Corporate Governance of public shareholding companies and in the interest of Al-Buhaira National Insurance Company which has applied for the year 2021 the provisions of the Guiding Regulations issued by the Authority in order to assist the Board of Directors in fulfilling its obligations and improving the practical efficiency of the Board and its committees, so as to ensure compliance with best governance practices that guarantee the protection of shareholders' rights and the rights of stakeholders, complying with the requirements and taking advantage of new opportunities to work effectively and to respond to the expectations of shareholders and other parties of stakeholders.

1. Application of Principles of Governance

In view of what shall have been provided herein above, the company has carried out the following:

- Implementing the policies and procedures of corporate governance, which include all policies and procedures related to the Board of Directors and its committees, the internal control system and its functions, and the external auditor.
- The Executive Management has regularly met with the Internal Control Manager and followed up the committees emanating from the Board of Directors in order to discuss the company risk management policy, its effectiveness and how to develop it so that the company and its shareholders benefit and develop performance.
- The Board of Directors has followed up the Audit Committee and the Remuneration and Nominations Committee in accordance with the requirements of governance and clarifying the functions and powers of each.
- The company has held workshops and training courses for employees and disseminated corporate governance policies on the company internal website.
- The company has been keen to practice its work transparently, especially the dates and methods of disclosure of financial statements with compliance with all the laws and regulations of the Securities and Commodities Authority.
- Commitment to finish and end up the corporate governance report as well as the annual report and other financial statements and distribute it to the shareholders before the General Assembly in sufficient time to allow shareholders access to them and to take appropriate decisions.
- The company has then followed up the performance of the Investor Relations Officer for his duties .

Shareholders' general rights:

Shall prove to the shareholders all the rights related to the shares, and in particular the right to:

- Share of profits which shall be distributed.
- The right to receive a share from the company assets upon liquidation.
- The right to attend the general assemblies of the company, participate in its deliberations and vote on its decisions and each shareholder shall have the votes equivalent to his shares.
- The right to disposing of the shares.
- The right of surveillance onto the affairs of the Board of Directors in order to achieve greater efficiency in the performance of the company and its board members and hence bring the case of liability to the members if necessary.
- The right to inquire and request information of the company in a timely manner so as not to harm the interests of the company and which shall not contradict with the regulations issued by the Securities and Commodities Authority and the executive regulations of the listed companies.

Statement of the company implementation of the provisions contained in decision No. (3/R.M) for the year 2020 Chairman of the Board of Directors of the Authority in regards of the standards of the institutional discipline and governance of public shareholding companies:

The company shall carry out and implement the provisions contained in the Authority decision as follows:

- The Board of Directors shall abide by holding of its meetings, recording the minutes of its meetings and keep them accessible for easy perusal. (Four sessions)
- Holding of the Audit, Nomination and Remuneration Committees and hence validate and conduction of the tasks assigned to them by the Board of Directors.
- The commitment of the Executive Management towards the implementation of the recommendations of the Board of Directors.
- Commitment to the principles of disclosure and transparency as provided for in the resolutions in force.

2. A statement of the transactions of the members of the Board of Directors, and spouses and children thereof in the Company' securities during 2021 using the table below:

The company shall abide by that contained in the article No. (14) of the decision of the Board of Directors of the Securities and Commodities Authority No. (2) for the year 2001 concerning the special system of trading, clearing, settlement, conveyance and custody of securities. The transactions of the Board of Directors and their first-class relatives have been as follows:

| Name | Position | Total Sale & Purchase Transactions | Total Sale & Purchase Transactions of the spouse | Total Sale & Purchase Transactions of the children |
|--|-------------------|------------------------------------|--|--|
| Sheikh Faisal bin Khalid Sultan Al-Qasimi | Chairman | NA | NA | NA |
| Sheikh Abdullah bin Mohamed Ali Al Thani | Deputy Chairman | NA | NA | NA |
| Sheikh Khalid bin Abdullah Sultan Al-Qasimi | Managing Director | NA | NA | NA |
| Mr. Abdullah Juma Al-Sari | Member | NA | NA | NA |
| Mr. Rashid Ali Rashid Dimas Al-Suwaidi | Member | 2,292,484 (Purchase) | NA | NA |
| Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi | Member | NA | NA | NA |
| Mr. Ali Mohammed Kayed | Member | NA | NA | NA |

3. Board of Directors

The Board of Directors shall enjoy highest power of taking decisions necessary to cover the profitability of the shareholders and maintaining their rights, further, to setting up strategic plans, the general surveillance and the financial status of the company, as well as other matters.

- The board of directors shall be consisting of seven members, and the board shall appoint from amongst its members a chairman and a deputy chairman as well as a managing director. The membership term shall be for three years commencing as from the date of commencing the Board authorities; and it may also re-elect the member, and then the deputy chairman may act in place of the chairman in the event of being absent.
- Tenure of each of the chairman, the deputy chairman and the managing director shall not be in excess of their term of being members in the board of directors; and they may be re-elected or appointed. Board membership term shall lapse upon the end of its term, or death or if he or she shall be incompetent pursuant to any system, order or instructions in effect in the United Arab Emirates.
- If the position of a board member shall become vacant, the Board of Directors may temporarily appoint another member to the vacant position, provided that such appointment shall be submitted to the Ordinary General Assembly at its first meeting. The new member shall complete the term of his predecessor. If the number of members of the Council shall be less than the quorum required for the validity of its meetings, then the General Assembly shall be convened as soon as possible in order to appoint the necessary number of members.
- Majority of the board members are non-executive.
- It shall be prohibited to combine the position of the Chairman of the Board of Directors with any executive position in the Company such as the Managing Director, the Chief Executive Officer or the Director General.

Chairman and members of the board of directors:

| Name | Position | Category | Category |
|--|-------------------|-----------------|---------------|
| Sheikh Faisal bin Khalid Sultan Al-Qasimi | Chairman | Non-independent | Non-executive |
| Sheikh Abdullah bin Mohamed Ali Al Thani | Deputy Chairman, | Non-independent | Non-executive |
| Sheikh Khalid bin Abdullah Sultan Al-Qasimi | Managing Director | Non-independent | executive |
| Mr. Abdullah Juma Al-Sari | Board Member | independent | Non-executive |
| Mr. Rashid Ali Rashid Dimas Al-Suwaiddi | Board Member | independent | Non-executive |
| Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi | Board Member | independent | Non-executive |
| Mr. Ali Mohammed Kayed | Board Member | independent | Non-executive |

- **Experience and qualifications of the members of the Board of Directors**

| Name | Experiences | Qualifications | Term of being as a Board member from the date of his first election |
|---|--|---|---|
| Sheikh Faisal bin Khalid Sultan Al-Qasimi | <ul style="list-style-type: none"> - Chairman of Al-Qassimi Group in Sharjah - Chairman of Travel Agents Society. - Board Member of Invest Bank. - Chairman of Al-Buhairah National Insurance Co. - (Former) President of Amiri Court in Sharjah. - (Former) Chief Commander of Amiri Guard in Sharjah - (Former) President of Sharjah Ruler's Office. - (Former) Chairman of Emirates Insurance Society. - Executive Council Board Member of Insurance and Reinsurance Coordinating Body. - (Former) Member of the Board of Directors of the Insurance Authority. | BA Degree in Business Administration from California State University | Since the year 1986. |
| Sheikh Abdullah bin Mohamed Ali Al Thani | <ul style="list-style-type: none"> - Chairman of Air Arabia in Sharjah - Chairman of Sharjah Golf & Shooting Club - (Former) Head of Civil Aviation in Sharjah - Deputy Chairman of Al-Buhaira National Insurance Company. | MA Degree in Business Administration from USA | Since the year 1995 |
| Sheikh Khalid bin Abdullah Sultan Al-Qasimi | <ul style="list-style-type: none"> - Member of the executive council - Sharjah - Chairman of the Department of Ports, Customs and Free Zones - Managing Director Al-Buhaira National Insurance Company. | B.Sc. in Industrial Engineering Environment from Arizona University | Since the year 2004 |
| Mr. Abdullah Juma Al-Sari | <ul style="list-style-type: none"> - Deputy Chairman of the Board of Directors of Al-Saqr Saudi Cooperative Insurance Company - Chairman of the Board of Directors of Gulf General Investment Company - Chairman of Horizon Group. - Chairman of the Investment Group - Board Member of Al-Buhaira National Insurance Company - (Former) Chief Commander of Police and Security in Sharjah. - (Former) Deputy Chairman of the Economic Advisory Committee of the Ruler of Sharjah. - (Former) Deputy Mayor of Sharjah Municipality. | BA Degree from Military Police College. | Since the year 1982 |

| | | | |
|--|--|------------------------|---------------------|
| | <ul style="list-style-type: none"> - (Former) Chairman of Al Sagr National Insurance Company - (Former) Chairman of the Board of Directors of Arab Resources for Development. | | |
| Mr. Rashid Ali Rashid Dimas Al-Suwaidi | <ul style="list-style-type: none"> - Owner & Chairman Of The Board Of Directors Of Deemas Contracting, Trading, Ready Mix Concrete And Brick Company. - General Manager & Commissioner Of The Friends Of Patients Committee - Sharjah - Former Member Of The Board Of Arbitrators Of Sharjah Courts. - Member Of The Board Of Contractors Association - Board Member Of Al-Buhaira National Insurance Company - Former Member Of The Federal National Council - Former Board Member Of The Emirates Insurance Association - Founder And Former Board Member Of Federal Commercial Bank (Currently ADCB) - Former Member Of The Municipal Council Of Sharjah Municipality - Former Board Member Of Sharjah Chamber Of Commerce & Industry. - Former Managing Director at Al Buhaira National Insurance Company. - Chairman of the parents & teachers council – Sharjah - Vice president of the Zakat Fund – Abu Dhabi. | GSCE | Since the year 1978 |
| Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi | <ul style="list-style-type: none"> - Chairman of Shattaf Jewelry - Chairman of the Board of Directors of Emirates and India Exchange - Chairman of Shattaf Commercial Board - Dubai - Chairman of Shattaf Steel Industry - Board Member of Al-Buhaira National Insurance Company - Former) First lieutenant at the Ministry of the Interior. | Bachelor Degree in Law | Since the year 2004 |
| Mr. Ali Mohammed Kayed | <ul style="list-style-type: none"> - Merchant & Businessman - Companies Agent - Owner of Dubai Fertilizers Factory | GSCE | Since the year 2016 |

Positions of Members of Board of Directors in other companies

| Name | Position & Company Name |
|--|---|
| Sheikh Faisal bin Khalid Sultan Al-Qasimi | <ul style="list-style-type: none"> - Chairman of Al-Qassimi Group in Sharjah - Chairman of Travel Agents Society. |
| Sheikh Abdullah bin Mohamed Ali Al Thani | <ul style="list-style-type: none"> - Chairman of Air Arabia in Sharjah - Chairman of Sharjah Golf & Shooting Club |
| Sheikh Khalid bin Abdullah Sultan Al-Qasimi | N/A |
| Mr. Abdullah Juma Al-Sari | <ul style="list-style-type: none"> - Deputy Chairman of the Board of Directors of Al-Saqr Saudi Cooperative Insurance Company - Chairman of the Board of Directors of Gulf General Investment Company - Chairman of the Investment Group |
| Mr. Rashid Ali Rashid Dimas Al-Suwaiddi | <ul style="list-style-type: none"> - Chairman of Demas Group for Trading, Ready Mix Concrete and concrete products factory. - General Manager and authorized person for the Friends of Patients Committee |
| Mr. Humaid Mohammed Humaid Al-Onrani Al-Shamsi | <ul style="list-style-type: none"> - Chairman of Shattaf Jewelry - Chairman of the Board of Directors of Emirates and India Exchange - Chairman of Shattaf Commercial Board - Dubai - Chairman of Shattaf Steel Industry |
| Mr. Ali Mohammed Kayed | N/A |

Statement of representation percentage of women in the Board of Directors for 2021:

There is no female presentation in the Board of Directors.

A statement of reasons for not nominating any female element of the board of directors:

There is no female representation within the Board of Directors since there was no board elections carried out during 2021 according to the procedures prescribed in the Corporate Governance Procedures.

Determination of Members of Board of Directors' Remunerations

- A proposal will be submitted to the company's general assembly to pay to the chairman and other board members an amount of Dhs. 150,000/- each for there efforts during the year 2021.
- The board also decided to pay of an amount of AED 50,000/- to the Chairman and members of the Audit, and the Nomination & Remuneration Committees in lieu of attending sessions during 2021 totaling Dhs, 250,000/- .

- The Company distributed AED 150,000.00 for the Chairman and each member of the board for their extra efforts made by them individuals or groups during 2020 also the company distributed an amount of AED.50,000/- to the chairman and members of the audit and nomination & remuneration committees.
- The Board of Directors recommended in their meeting held on 09.03.2022 to pay dividends for the year 2021 to the shareholders amounting AED 25 Million equals to 10 % of the company's share capital.

The Company will be paying a monthly amount of AED 25,000 to the Managing Director, Sheikh Khalid Bin Abdullah Bin Sultan Al Qasimi.

Board of Directors' Meetings

- During the year 2021, the Board of Directors has held four meetings as per the following distribution:

| Meeting Date | Attendees from amongst Board Members |
|--------------|--|
| 03.03.2021 | Sheikh Faisal bin Khalid Sultan Al-Qasimi ,Sheikh Khalid bin Abdullah Sultan Al-Qasimi, Mr. Abdullah Juma Al-Sari, Mr. Rashid Ali Rashid Dimas Al-Suwaidi, Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi & Mr. Ali Mohammed Kayed. |
| 09.06.2021 | Sheikh Faisal bin Khalid Sultan Al-Qasimi, Sheikh Abdullah bin Mohammed Ali Al Thani, Sheikh Khalid bin Abdullah Sultan Al-Qasimi, Mr. Abdullah Juma Al-Sari, Mr. Rashid Ali Rashid Dimas Al-Suwaidi & Mr. Ali Mohammed Kayed. |
| 09.08.2021 | Sheikh Faisal bin Khalid Sultan Al-Qasimi, Sheikh Abdullah bin Mohammed Ali Al Thani, Sheikh Khalid bin Abdullah Sultan Al-Qasimi, Mr. Abdullah Juma Al-Sari, Mr. Rashid Ali Rashid Dimas Al-Suwaidi & Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi . |
| 14.11.2021 | Sheikh Faisal bin Khalid Sultan Al-Qasimi, Sheikh Abdullah bin Mohammed Ali Al Thani (POA to Sheikh Khalid Al Qasimi) Sheikh Khalid bin Abdullah Sultan Al-Qasimi, Mr. Abdullah Juma Al-Sari, Mr. Rashid Ali Rashid Dimas Al-Suwaidi, Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi & Mr. Ali Mohammed Kayed. |

▪ **No. of attendance times of members of Board of Directors**

- | | | |
|----|--|-----|
| 1- | Sheikh Faisal bin Khalid Sultan Al-Qasimi | (4) |
| 2- | Sheikh Abdullah bin Mohamed Ali Al Thani | (3) |
| 3- | Sheikh Khalid bin Abdullah Sultan Al-Qasimi | (4) |
| 4- | Mr. Abdullah Juma Al-Sari | (4) |
| 5- | Mr. Rashid Ali Rashid Dimas Al-Suwaidi | (4) |
| 6- | Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi | (3) |
| 7- | Mr. Ali Mohammed Kayed | (3) |

▪ **The number of board decisions issued by passing during the fiscal year 2021 along with an indication of their date.**

Not applicable.

▪ **Tasks delegated by the Board of Directors to the Executive Management**

- The company board of directors has authorized the executive management to carry out all affairs related to the nature of the company basic business as stipulated in the Articles of Association of the Company of insurance and reinsurance business, the disbursement of accident compensation and taking decisions that shall have reflected into the benefit of the company.
- The Executive Management shall revert to the Board of Directors in the event of decisions regarding the Company strategic policies. The Board may authorize the Managing Director to do so.
- Appointment of staff, Salary determination, Staff performance evaluation and termination.
- Follow-up and issuance of periodic financial reports to be submitted to the Board of Directors.
- Signing on behalf of the company as per the authorization of the Chairman of the Board of Directors on all formal transactions relating to the company business activity and signing all kinds of contracts.

▪ **Statement of details of transactions made by related parties (stakeholders)**

There are no any contractual transactions or supply chain contracts in order to supply the company with services or commodities from related parties.

▪ **The complete organizational structure of the company, provided that the managing director, the general manager and / or CEO and the deputy general manager and the directors working in the company make it clear as the financial manager.**

Attached.

▪ **Detailed statement of names of Top Management in the Company, date of their appointment and their total salaries:**

Report will be updated in the event of determining top Management for the year 2021:

| No. | Name of Employee | Position | Date of Appointment | Total Salaries & Allowances for the year 2021 | Total Bonuses paid for the year 2020 AED | Any other Bonuses Cash/Corporate for the year 2020 or due in the future |
|-----|----------------------|---|---------------------|---|--|---|
| 1 | Mr. Nader T. Qaddumi | General Manager | 19-08-1986 | 450,000 | 142,800/- | As per labor contract |
| 2 | Mr. Issam M. Mehdawi | Assistant General Manager - Fire & General Accident | 01-10-1995 | 489,398 | 32,424/- | As per board approval |
| 3 | Mr. Salah Daou | Assistant General Manager - Finance | 11-06-1988 | 360,135 | 27,158/- | As per board approval |
| 4 | Mr. Ayed Saleh | Assistant General Manager - Reinsurance | 12-09-1998 | 358,501 | 25,338/- | As per board approval |
| 5 | Mr. Mahmoud Shalab | Manager - Marine Dept. | 12-02-2012 | 404,604 | 22,610/- | As per board approval |

4. External Auditor

About the External Auditor

Grant Thornton undertakes the company's external auditing work, which is one of the leading international auditing firms accredited in the country, and the company audits the company's accounts commissioned by the general assembly.

Grant Thornton is one of the leading companies in the world in the field of auditing as it ranges between the fifth and sixth ranks at the level of auditing companies in the world. It has 800 offices located in more than 130 countries around the world and has more than 50,000 employees.

Grant Thornton company in the United Arab Emirates has three offices distributed in each of Abu Dhabi, Sharjah and Dubai, where the number of its employees within the state is about 450 employees distributed over several activities, including auditing, taxes and various financial consultations

External Auditor's Fees

It was approved by the general assembly of the Company on 29.03.2021 to appoint Grant Thornton as the company's external auditor for the year 2021 as he performs the standard audit in the public joint stock companies. The name of the partner auditor, Farouk Mohamed.

The auditor's fees are set at an amount of 345,000 dirhams annually by the company's general assembly.

| Name Of Audit Firm And Name Of The Partner Auditor | Grant Thornton. (Mohamed Farouk) |
|--|--|
| No. of years spent as company external auditor | 3 |
| Number of years the partner auditor has spent auditing the company's accounts | 3 |
| Total fees for auditing and reviewing the financial statements (interim and annual) for the year 2021 (AED) | AED 345,000 |
| Fees and costs of other special services other than auditing the financial statements for the year 2021 (AED), if any, and in the absence of any other fees, this is expressly stated | None |
| Details and nature of other services provided (if any) and in the absence of other services, this shall be expressly stated | None |
| A statement of other services that <u>an external auditor other</u> than the company's auditor provided during 2021 (if any). In the absence of another external auditor, this is explicitly mentioned | No other external auditor has provided other services to the company during the year 2021. |

Reservations of the external auditor that he included in the interim and annual financial statement for the year 2021:

There were no reservations from the external auditor during the year 2021.

5. Audit Committee

Audit Committee Members:

| | | |
|---------------------------|----------|-------------|
| Mr. Abdullah Juma Al-Sari | Chairman | Independent |
| Mr. Ali Mohammed Kayed | Member | Independent |
| Mr. Ali Shalabi | Member | Outsider |

Functions of Audit Committee:

- Development and application of the contracting policy with the external auditor, submit a report to the Board of Directors specifying issues that it considers important in order to take action with them and submitting the recommendation of the steps to be taken.
- Monitoring and surveillance of the independence and objectivity of the external auditor, discussion of the nature and scope of the audit and its effectiveness in accordance with the approved auditing standards.
- Monitoring the integrity of the company financial statements, reports (annual, semi-annual and quarterly), and reviewing them as part of its normal work during the year, and hence shall focus in particular onto the following:
 - Compliance with the accounting standards determined by the Authority.
 - Adherence to the rules of incorporation, disclosure and other legal requirements related to the preparation of financial reports.
 - Highlighting the areas of management discretion.
 - Significant and substantial revisions resulting from the audit.
 - Any changes in the Company financial and accounting policy.
- Coordination with the Board of Directors of the Company, the Executive Management, the Financial Manager or the Manager acting the same functions in the company in order to perform its duties, and meet with the external auditor of the company at least once a year.

- Reviewing the financial control, internal control and risk management rules of the company.
- Discussion of the internal control system with management, ensuring that it fulfills its duty to establish an effective internal control system.
- Considering the results of the main investigations in internal control matters assigned to them by the Board of Directors or are initiated by the Committee and approved by the Board of Directors.
- Ensuring that there is coordination between the internal auditor and the external auditor, ensuring the necessary resources are available to the internal audit body, reviewing and monitoring the effectiveness of that body.
- Reviewing the financial and accounting policies and procedures of the company.
- Reviewing the External Auditor's letter of work, its work plan and any material queries raised by the auditor on the executive management regarding accounting records, financial accounts or control systems and their response and approval.
- Ensuring that the Board of Directors responds in a timely manner to the clarifications and questions raised.
- Ensuring the application of the rules of work for the functions and powers entrusted to by the Board of Directors.
- Reporting to the Board of Directors on the issues listed herein.
- The Committee shall be the linking ring (interface) between the Board of Directors and the internal auditors.
- Ensuring that the company does not violate the laws and regulations in force in the United Arab Emirates.
- Seeking assistance, whenever necessary, of the independent consultants in order to carry out specialized studies to assist the Committee in carrying out its tasks and determining their fees.

Audit Committee Meetings:

The auditing committee has held four meetings during the year 2021 on the following dates:

| Meeting Date | Attendees |
|--------------|--|
| 02.03.2021 | Mr. Abdullah Juma Al-Sari, Mr. Ali Mohammed Abdullah Kayed & Mr. Ali Shalabi. |
| 08.06.2021 | Mr. Abdullah Juma Al-Sari, Mr. Ali Mohammed Abdullah Kayed & Mr. Ali Shalabi. |
| 09.08.2021 | Mr. Abdullah Juma Al-Sari, Mr. Ali Mohammed Abdullah Kayed. & Mr. Ali Shalabi. |
| 27.12.2021 | Mr. Abdullah Juma Al-Sari, Mr. Ali Mohammed Abdullah Kayed. & Mr. Ali Shalabi. |

"Mr. Abdullah Juma Al-Sari, Chairman of the Audit Committee, acknowledges his responsibility for the committee system in the company and for his review of its work mechanism and ensuring its effectiveness."

Signature: _____

6. Nomination and Remuneration Committee

| | | |
|--|----------|-------------|
| Mr. Abdullah Juma Al-Sari | Chairman | Independent |
| Mr. Rashid Ali Rashid Dimas Al-Suwaidi | Member | Independent |
| Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi | Member | Independent |

Functions of Nomination and Remuneration Committee

- Ensuring the independence of independent members.
- Preparing the policy for the granting bonuses, benefits, incentives and salaries to the members of the company Board of Directors and its employees, and reviewing them on an annual basis. The Committee shall also verify that the remuneration and benefits granted to the Company Executive Management are reasonable and proportionate.
- Identifying the company need of competencies at the level of senior executive management and employees and the bases for their selection.

- Preparing, reviewing the Human Resources policy and training the company and reviewing it annually.
- Organizing and following up the procedures for the nomination to the Board of Directors in accordance with the applicable laws and regulations based on the decision of the Chairman of the Board of Directors No. (7/R.M) for the year 2016 in regards of the standards of institutional discipline and governance of public shareholding companies.
- Reviewing the structure of the Board and making recommendations regarding possible changes to the Board structure for the next session of the Board.

Meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has held one meeting during the year 2021 on the following date:

| Meeting Date | Attendees |
|--------------|--|
| 02.03.2021 | Mr. Abdullah Juma Al-Sari & Mr. Humaid Mohammed Humaid Al-Omrani Al-Shamsi |

The following topics and matters have been discussed:

1. The annual remuneration of the staff.
2. Company business affairs and expanding their scope of business.
3. Ensuring the independence of independent members.

"Mr. Abdullah Juma Al-Sari, Chairman of the Nomination & Remuneration Committee, acknowledges his responsibility for the committee system in the company and for his review of its work mechanism and ensuring its effectiveness."

Signature: _____

7. Insiders' Trading Follow-Up and Supervision Committee

A follow-up committee shall have been set up for the supervision of the insider transactions in accordance with the decision of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) for the year 2016. This committee shall be consisting of two employees with knowledge onto the stock trading, whose task shall be monitoring and supervising the transactions of insiders after having obtained the necessary information about the nature of the committee and its functions through the forum of governance held on 30-01-2018. This function to be done periodically and especially during the period which shall prohibit insiders peruse the shares trading of the company.

Committee Members:

- Mr. Khalid Attieh - In-charge of Investment
- Mr. Bilal Nafee - Chief Accountant

Competences and Functions of the Insiders' Trading Follow-Up and Supervision Committee

- Revision & surveillance of the trading policies of insiders.
- Revision of the reports of the transactions carried out by the insiders.
- Studying and giving prior approval of applications for trading in shares and securities.

Functions of Insiders' Trading Follow-Up and Supervision Committee

- Holding meeting at least twice per annum.
- Formulation of declarations of insiders and supervision of their contracts
- Informing the Dubai Financial Market and the Securities and Commodities Authority in case of violation of the trading policy requirements of insiders.
- Reviewing the trading reports of insiders at the end of each quarter of the fiscal year.
- Monitor the trading policy of insiders annually in accordance with the rules of disclosure, transparency and governance requirements.

Summary of the committee report during 2021:

- It was noticed that one of the board of directors' members made a shares purchase transaction during the financial year 2021. Beside that, there were no purchases or sales of insiders during the year 2021
- Monitor the trading policy of knowledgeable people annually in compliance with the rules of disclosure, transparency and governance requirements.

Mr. Khaled Attieh acknowledges his responsibility for the system of monitoring and supervising the transactions of insider people in the Company and for his review of his work mechanism and ensuring its effectiveness."

Signature: _____


8. Any other committee or committees approved by the Board of Directors

Not Applicable.

9. Internal Control System

The Board of Directors shall determine the objectives, functions and powers of the Internal Control Department, so that it shall enjoy sufficient independence for carrying out its duties. The Board of Directors shall be directly responsible for the internal control system and its revision and effectiveness, in accordance with the provisions of article (8) of the Securities & Commodities Authority No. (7/R.M) for the year 2016 in regards of the standards of institutional discipline and the governance of the public shareholding companies.

Internal Control Department Work Mechanism:

1. Coincidence and accuracy of financial and accounting information and data.
2. The extent of protection of the Company assets.
3. The extent of consistency and compliance of the control mechanism with the policies and plans that are set by the company management.
4. Developing the preventive control in order to avoid the occurrence of undesirable events and setting up policies to address the unsafe situations.
5. Ensuring the efficiency of internal control staff.
6. Supervision and inspection.

Internal Control Manager shall carry out the following:

1. Preparation of the annual internal control plans in coordination with the Audit Committee and the Supreme Executive Management.
2. Submission of detailed reports to the Board of Directors on the internal control system and setting up proposals for the development of performance periodically and regularly.
3. Implementation of the control plans being set up and in line with the company strategy.
4. Communication with the company employees via e-mail and memos in order to raise awareness of internal controls.

Experience and qualifications of Internal Control Dept. Manager: Mr. Javid Saleh Khateeb – Date of Appointment: 01-03-1993

- Holder of BA in Business Sciences from Bombay University – Year 1984.
- Participated in large number of courses and conferences relevant to the financial internal control.
- Diversified expertise in business companies in Bombay.
- Specialized experience in financial control and management in insurance sector for more than 25 years.

10. Compliance Officer:

The Compliance Officer shall upon commission from the Board of Directors verify the scope of company and staff observation with the rules, laws and regulations issued.

Experience and qualifications of Compliance Officer:

Mr. Yusuf Al-Otaibi - Date of Appointment: 13-03-2019

- Long experience in accounting, auditing and financial matters.
- He holds a CPA certificate from UK.
- BA in Accounting from India.

11. Internal Audit Manager:

A new department, the Internal Audit Department, was established during the second half of the year 2020, and a director was appointed to the Internal Audit Department in order to create the infrastructure for the management, where he initially prepared the company's internal audit charter, which was approved by the Board of Directors, and the director and the internal audit team A number of the company's departments have been audited to date, and detailed internal audit reports have been issued to these departments and sent to review the notes and recommendations of the Internal Audit Department to take the necessary measures.

Experience and qualifications of Internal Audit Manager:**(Mr. Tarek Jabri - Date of Appointment 10/05/2020):**

- He has extensive experience in the field of Internal and External Auditing of more than 19 years.
- He previously worked for the Financial Audit Authority (FAA) – Dubai Government for more than 11 years.
- He worked as an Audit Manager for 8 years with two of the largest audit firms in the world (Ernst & Young and Deloitte (The Big 4)), where he specialized in auditing insurance companies and financial institutions.
- Member of the UAE Internal Auditors Association (UAE IAA)
- He holds a BA in Accounting from Alexandria University - Egypt.

Independence of the Internal Control Dept.

The components of the independence of the Internal Control Department shall include that the Internal Control Department must be directly linked to the Board of Directors.

How does the Department deal with the big problems in the company?

The Company has not encountered any problems that require Internal Control Department interference for their settlement.

12. Financial violations recorded by the company during the fiscal year ending 31.12.2021

N/A

13. The company's contribution during the year 2021 to the development of the local community and the preservation of the environment.

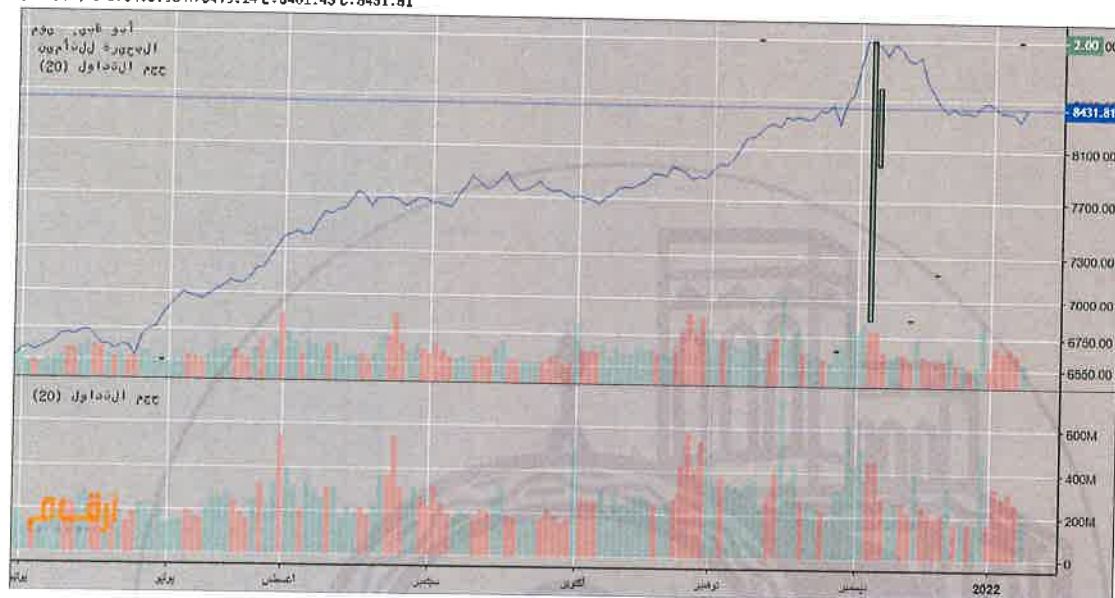
N/A

14. General Information

AL BUHAIRA NATIONAL INSURANCE CO.

ABNIC Share Price

Published on TradingView.com, January 19, 2022 10:49:40 +04
 أبو ظبي, D: 0:0406.96 H: 0479.14 L: 0401.43 C: 0431.81

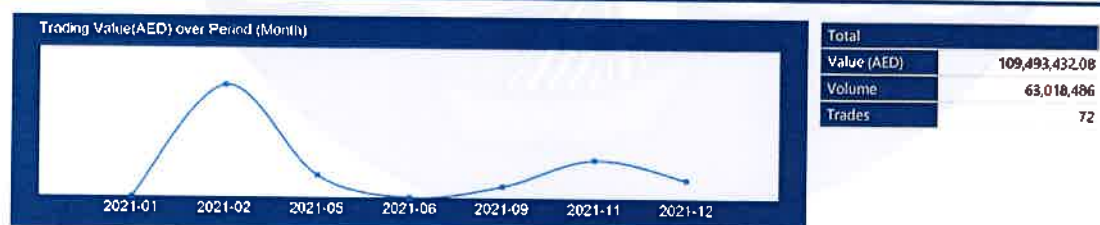


TradingView

A statement of the company comparative performance with the Abu Dhabi Securities Market Index and the Insurance Sector

Statement of Company Share Rate

Symbol Trade Log - ABNIC-Al Buhaira National Insurance Company
 From Jan 1, 2021 To Dec 31, 2021 Generated 2022-Jan-20 12:51



| | |
|-------------|----------------|
| Total | |
| Value (AED) | 109,493,432.08 |
| Volume | 63,018,486 |
| Trades | 72 |

| Year | Month | OPEN (AED) | CLOSE (AED) | HIGH (AED) | LOW (AED) | Value (AED) | VOLUME | TRADES | Change | % Change |
|------|-------|------------|-------------|------------|-----------|----------------|------------|--------|---------|----------|
| 2021 | 01 | 1.630 | 1.630 | 1.630 | 1.630 | 59,121.73 | 36,271 | 2 | (0.080) | (4.68) |
| 2021 | 02 | 1.700 | 1.700 | 1.700 | 1.700 | 60,186,981.90 | 35,404,107 | 4 | 0.070 | 4.29 |
| 2021 | 05 | 1.700 | 1.560 | 1.700 | 1.560 | 12,067,275.04 | 7,287,484 | 5 | (0.140) | (8.24) |
| 2021 | 06 | 1.790 | 1.790 | 1.790 | 1.790 | 17,900.00 | 10,000 | 1 | 0.230 | 14.74 |
| 2021 | 09 | 1.850 | 1.850 | 1.850 | 1.850 | 6,166,666.05 | 3,333,333 | 1 | 0.060 | 3.35 |
| 2021 | 11 | 2.110 | 1.800 | 2.110 | 1.480 | 20,830,811.86 | 11,621,664 | 11 | (0.050) | (2.70) |
| 2021 | 12 | 1.800 | 1.900 | 2.000 | 1.800 | 10,164,675.50 | 5,325,627 | 48 | 0.100 | 5.56 |
| | | | | | | 109,493,432.08 | 63,018,486 | 72 | | |

- **Historical Trading**

There was no historical trading during the year 2021

- **Distribution of Shareholders as per the volume of ownership as of 31/12/2021**

| Shareholder's Classification | Individuals | Companies | Government | Total |
|------------------------------|--------------------|-------------------|------------|--------------------|
| Local | 137,035,888 | 62,704,237 | 0 | 199,740,125 |
| Arab | 25,259,865 | 0 | 0 | 25,259.865 |
| Foreign | 10 | 25,000,000 | 0 | 25,000,010 |
| Total | 162,295,763 | 87,704,237 | 0 | 250,000.000 |

- **Distribution of of shareholders' ownership as of: 31/12/2021**

| Ownership of Shares (share) | No. of Shareholders | No. of Shares owned | Percentage of shares owned in company capital |
|-----------------------------|---------------------|---------------------|---|
| < 50,000 | 33 | 512,818 | 0.20 % |
| From 50,000 to: 500,000 | 36 | 6,277,170 | 2.5 % |
| From: 500,00 to: 5,000,000 | 17 | 29,045,604 | 11.6 % |
| More than 5,000,000 | 11 | 214,164,408 | 85.7% |
| Total | 97 | 250,000,000 | 100% |

- **Shareholders who own 5% & More in Company Capital**

| Percentage of Shares owned in the Capital | No. of Shares | Shareholder's Name |
|---|---------------|---|
| 16.35% | 40,888,360 | Salem Abdullah Al Hosani |
| 13.47% | 33,671,426 | Sheikh Abdullah bin Mohammed Ali Al Thani |
| 12.34% | 30,843,626 | Sheikh Faisal bin Khalid bin Sultan Al-Qasimi |
| 10.00 % | 25,000,000 | FAB Private Bank(Suisse) SA |
| 9.8% | 24,500,000 | UAQ General Investment Co. |
| 9.29% | 23,229,905 | Suha Elmi F Nabulsi |

- **Name and contact details of the Investor Relations Officer:**

Mr. Salah Daou - Tel. 065174472 email salah@albhaira.com

Link to the Investor Relations page on the company website.

<https://www.albhaira.com/investor-relations> -

- **A statement of the special resolutions that have been presented in the General Assembly meeting held during the year 2021, and the actions taken in their regards:**

A decision to amend some articles of the company's articles of association "The procedures are followed up with the concerned authorities.

- **Name of rapporteur/ Determinant of the Board meetings and date of appointment:**

The name of the rapporteur for the meetings of the Board of Directors is Mr. / Mohamed Amin Al-Jazzar, and he was appointed as the meeting rapporteur on 03.03.2021.

- He holds a law degree from the Lebanese University.
- He has more than nineteen years of experience in the field of insurance companies in the legal departments

- **Substantial events during the year 2021**

There have been no major events during the year 2021.

- **A statement of the transactions carried out by the company with related parties during the year 2021, which are equal to 5% or more of the capital:**

No deals.

- **Statement of the percentage of Emiratization / localization within the company by the end of the year 2021:**

The percentage of localization in the company has been 7.3% in 2019 & 9 % for the year 2020 & 2021. The company is working to increase that percentage.

- **A statement of the projects and innovative initiatives which the company has undertaken or is under development during the year 2021**

The company innovation officer – Mrs. Ibtihaj Haidar (UAE National), and she is currently attending training courses in the field of innovation which will soon be translated into innovative initiatives.

Signatures:

Chairman of Board of
Directors



Date: -----

Auditing Committee
Chairman



Date: -----

Nomination and
Remuneration
Committee Chairman



Date: -----

Internal Control
Manager



Date: -----

Company's Official Seal

