

National General Insurance Co. (PJSC)

Corporate Governance Report of The year ended in 31.12.2019

In order to make this report available to all shareholders of the company, regulatory and supervising bodies in the United Arab Emirates, we have published this report on the company website at: www.ngi.ae

Table of Contents

1. Statement of procedures taken to complete the corporate governance system, during 2019, and method of implementing thereof.
2. Statement of Ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2019.....
3. Board of Directors Formation.....
 - a. Formation of the current Board of Directors.....
 - b. Statement of woman representation in Board of Directors of 2019.....
 - c. Statement of the reasons for the absence of any female candidate for the Board Membership.....
 - d. Statement of the following:
 1. Total remuneration paid to the Board members for 2018.....
 2. Total remuneration of Board members, which are proposed for 2019, and will be presented in the Annual General Meeting for approval.....

3. Statement of attendance allowances received by the Board members for committees of the Board of the Directors for the financial year of 2019.....
4. The additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees and their reasons.....
- e. Numbers of Board of Directors' meetings held during the financial year of 2019.....
- f. Number of the Board resolutions passed by circulation during 2019.....
- g. Duties and powers exercised by the Board of Directors or the Executive Management members during 2019.....
- h. Statement of transactions details done with the related parties and (stakeholders) during 2019.....
- i. Organizational structure of the company
- j. Detailed statement of senior executive employees in the company
4. External Auditor:
 - a. Overview of the Company Auditor to the shareholder.....
 - b. Statement of fees and costs for the audit or service provided by the external auditor.....

- c. Statement clarifying the reservation included by the company auditor included in the interim and annual financial statement for 2019.....

5. Audit Committee

- a. The audit committee chairman's acknowledgment of his responsibility for the committee system at the company, review its work mechanism and ensuring its effectiveness.....
- b. Names of members of Audit Committee and clarifying their competences and tasks assigned to them.....
- c. Number of meetings held during 2019 and their date, Statement of member personal attendance.....

6. Bonus and Nomination Committee:

- a. The BNRC committee chairman's acknowledgment of his responsibility for the committee system at the company, review its work mechanism and ensuring its effectiveness.....
- b. Names of Bonus and Remuneration Committee's members, their competences and tasks assigned to them

- c. Number of meetings held during 2019 and their dates, Statement of member personal attendance...
- 7. **The supervision and follow-up committee of insiders' transactions**.....
 - a. Acknowledgment by the committee chairman or the authorized person of his responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.....
 - b. Names of members of the supervision and follow-up committee of insiders' transaction and their duties and tasks.....
 - c. Summary of the committee's work report during 2019
- 8. **Investment Committee:**
 - a. The investment committee chairman's acknowledgment of his responsibility for the committee system at the company, review its work mechanism and ensuring its effectiveness.....
 - d. Names of Investment Committee's members, their competences and tasks assigned to them
 - b. Statement of number and dates of meetings held during 2019 and their dates, and number of personal attendance

9. Internal Control System

- a. Acknowledgment by the board of its responsibility for the company internal control system, review its work mechanism and ensuring its effectiveness.....
 - b. Name, qualification and appointment date of department director.....
 - c. Name of compliance officer, his qualifications and date of appointment.....
 - d. How the Internal Control Department dealt with any major problems at the company or those that were disclosed in the annual reports and accounts.....
 - e. Number of reports issued by the Internal Control Department to the company's board of Directors...
10. Details of the violations committed during 2019 and their causes, how to address them and avoid their recurrence in the future.....
11. Statement of the company's contribution in the development of local community and environment during 2019.....
12. General Information.....
- a. Statement of the company's share price in the market.....

- b. Statement of the comparative performance of the company with the general market index and sector index during 2019.....
- c. Statement of shareholding distribution as of 31/12/2019.....
- d. Statement of shareholders owning 5% or more of the company capital as on 31/12/2019.....
- e. Statement of shareholder distribution according to the ownership volume as of 31/12/2019.....
- f. Statement of the procedures taken regarding the controls of investor relationships.....
- g. Statement of special resolutions presented in the General Assembly held during 2019.....
- h. The rapporteur of the Board Meetings.....
- i. Detailed statement of major events and important disclosures that the company encountered during 2019.....
- j. Statement of Emiratization percentage in the company at the end of 2017, 2018 and 2019.....
- k. Statement of innovation projects and initiatives carried out by the company or being developed during 2019.....

Corporate governance practices

- 1) **The method in which the company applies the principles provided for in the Chairman of the Board of Directors' Decision No. (7 TM)/ 2016 concerning the Institutional Discipline Standards and the governance of the public joint stock companies: -**

The board of directors of National General Insurance Co. (PJSC) gives utmost priority to the practices of executing the governance controls and the Institutional Discipline Standards as a result of its compliance with the provisions of the Chairman of the Board of Directors' Decision No. (7 TM)/ 2016 concerning the Institutional Discipline Standards and the governance of the public joint stock companies.

The Board of Directors pays also more attention to transparency of the practices of corporate governance controls of the company pursuant to the provisions of the Chairman of the Board of Directors' Decision No. (7 TM)/ 2016 concerning the Institutional Discipline Standards and the governance of the public joint stock companies. The Board of Directors also adheres to the provisions of the Board of Directors of the Securities and Commodities Authority's Decision No (3) of 2000 on regulations of transparency and

disclosure. Therefore, the Board of Directors has continued to adopt the same techniques of approving and publishing the final and provisional accounts in the Dubai Financial Market to enable the shareholders and the concerned parties in reviewing the same as the final and provisional accounts of the company. The same shall be reported to the Board's committee for auditing, discussion and reviewing, then the committee shall provide the recommendations along with the financial statements to the Board of Directors who shall review and discuss and then approve the same before disclosure and publishing in Dubai Financial Market.

The National General Insurance Co. (PJSC) through members of the Board of Directors and members of executive management take responsibility for proper application of corporate governance principles to achieve the required discipline in the company according to international standards in such way achieving the interest of all concerned parties, including shareholders and clients as well.

The members of Board of Directors have discussed and passed the necessary decisions for supervision and management of the company activities. The following is a brief of activities and practices adopted by the Board of Directors at the meetings of the Board and its committees:

- Supervise activities of the company and review performance of insurance branches.
- Discuss and approve application of policies and procedures and give instructions if necessary.
- Review and approve the estimated budget and financial statements both provisional and final.
- Review investments and approve necessary investment decisions.
- Supervise the application of policies relating with human resources and verify the suitability of those policies to achieve the work strategy of the company.
- Approve auditing plans of 2019 as provided by the internal control department of the company.
- Abide by the transparency and make the shareholders acquainted with the performance statements of the company within the time schedules approved for this purpose. The Board of

Directors shall report its recommendations to the shareholders regarding the profit distribution for the financial year ended in 31.12.2019 during the Annual General Meeting to be held on 29.03.2020.

The company's Board of Director wants to get the confidence of the shareholders, customers, employees of the company and the associated Companies of National General Insurance Company. Therefore, the Board of Directors believes in the importance of stating responsibilities of the company internally and externally in order to ensure performance of business activities according to the provisions of the applicable laws and performance as per quality standards with the objective of maximizing, maintaining thereby and protecting the interests of the shareholders of the company. The company has been keen on strict compliance with the provisions of the Chairman of the Board of Directors' Decision No. (7 TM)/ 2016 concerning the Institutional Discipline Standards and the governance of the public joint stock companies by establishing the following practices:

- The Board is keen on holding five meetings during 2019 according to the provisions of the decision.

- The Board ensures that the majority of the Board's members have attended the meetings in order to assert the validity the required quorum.
- The Board is informed by the Securities and Commodities Authority's Decision issued during 2019 regarding the amendments of transparency and disclosure regulations and amendments of institutional governance system.
- The Board's committee for nominations and bonuses ensured fulfillment of the requirements of the corporate governance system which requires the number of the independent members must not be less than one-third of the Board's members and the independent member may not be an employee with any parties associated with the company during the last two years.
- The Board' committee for auditing held four meeting during 2019 i.e. one meeting per three months. The committee is keen on discussing all reports submitted by the internal control department. In 2019, the committee also discussed the financial statements of 2019 and the report of external auditors for the same year. The committee also discussed the provisional financial statements before

submitting them with the recommendations to approve the same by the Board of Directors, thus, making them available to the shareholders through distributing them at Dubai Financial Market.

- The Board's committee for nominations and bonuses held three meetings during 2019 while the Board's committee for Investment held nine meetings during 2019.

The members of Board of Directors has received the governance report of the company of 2019 and the members knew that the governance report of the company of 2019 is distributed on the website of the company on the internet in accordance with the requirements of Chairman of the Board of Directors' Decision No. (7 TM)/ 2016 that the annual report of governance of the company must be available to the shareholders and all concerned parties of the company.

2) Statement of ownership and transactions of Board of Directors' members and their spouses, their children in the securities of the company during 2019:-

The company adopted the approved rules and procedures for regulating the transactions of the Board of Directors' members and employees of the company and all well-informed persons in the securities issued

by the company, parent company, associated companies or sister companies in accordance with the provisions of the Chairman of the Board of Directors' Decision No. (7 TM)/ 2016 and the guidelines issued by the Securities and Commodities Authority.

The Board of Directors' members asserts their full commitment with the rules of regulating the transitions of the well-informed persons by not dealing in the securities issued by the company, parent company, associated companies or sister companies whether by himself or by other during the following periods:

- Before ten days of the announcement of any essential information expected to affect the share price.
 - Before fifteen days of the end of the financial period whether annual, semiannual or quarterly till the disclosure of the financial statements.
- a) The Board of Director's members shall report the names of persons owning 5% and more of the company shares whether by themselves or with their minor children while ensuring doing this obligation each time the shareholding reaches 1% over the rate of 5% of the company shares.

- b) The Internal Control Management shall follow the discussions of the board director members and the informed employees.
- c) The company shall report the share number owned by the Board of Director member to the authority during (15) fifteen day after becoming a member and at the end of each financial year and regarding all circulation operations done by the Board of Directors' members and the executive management of the company,
- d) Each member shall report if his ownership by himself or in conjunction with his minor children reaches or exceeds 10% of the securities issued by the company.

Ser.	Name	Position/ Kinship	Owned shares as on 31/12/2019	Total Sale	Total Purchase
01	H.E Hamad Mubarak Buamim	Chairman	N.A	----	----
02	Mr. Adel Mohammed Saleh Al Zarouni	Vice Chairman	952,917	----	----
03	Mr. Khalid Jassim Bin Kalban	Member	N.A	----	----

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



04	Mr. Hesham Abdulla Al Qassim	Member	N.A	----	----
05	Mr. Salah Mohamed Amin Abdulla	Member	N.A	----	----
06	Mr. Saod Mohd Ibrahim Obaidalla	Member	N.A	----	----
07	Mr. Jamal Ahmad Al Matari	Member	N.A	----	----

In this regard, we would assure that there are no transactions done by the Board of Directors' members and their spouses, their children in the shares of the company during 2019.

(Attachment of statement issued by the DFM showing the transactions in the security)

3) Board of Directors Formation

a. Formation of the current Board of Directors:

Name	Cat	Experience	Qualifications	Period stayed as a member in the company's Board of Directors	Memberships and titles held in any joint stock companies	Titles in any contrail, governme ntal or commercia l bodies

Februarv 2020

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



H.E Hamad Mubarak Buamim - Chairman	Non-executive director	General Manager of Dubai Chamber of Commerce & Industry	Master's degree in Business Administration with honor from University of Missouri-Kansas City in 2002, bachelor of math and electric engineering from California in 1996.	Appointment date: 28.03.2011 (9 years)	Director of Dubai Islamic Bank Director of AMANAT holding	NA
Mr. Adel Mohammed Saleh Al Zarouni - Deputy Chairman of the Board	Independent director	Managing Director for Rivoli Companies Group	Bachelor of Commerce	Appointment date: 17.04.2001 (19 years)	Deputy Chairman of Taleem Company Deputy Chairman of Golf Federation and Secretary General of Arab Golf Federation	NA

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



Mr. Khalid Jassim Bin Kalban - Director	Independent director	Managing Director and Chief Executive Officer of Dubai Investments (P.J.S)	Bachelor of administration sciences - Metropolitan university - Denver - Colorado - United States of America	Appointment date: 17.04.2001 (19 years)	Chairman of Al Mal Capital Chairman of Marka PJSC Board Director of Arcapita Group - Bahrain Board Director of Ajman Bank Founder & Chairman of Arkan bank Board Director of Africa Crest Education Holding	NA
Mr. Hesham Abdulla Al Qassim - Director	Non-executive director	Deputy chairman and managing director of Emirates NBD Bank PJSC	Master degree of international business Administration, graduate of Mohammed Bin Rashid University for development of leadership skills and holds a certificate of finance and banks	Appointment date: 26.03.2013 (7 years)	Chairman of Emirates Islamic bank. Deputy Chairman and Chief Executive Officer of Wasl Asset Management Group Chairman of Deniz Bank A.Ş Turkey, owned by Emirates NBD	NA

February 2020

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



					Vice Chairman and Managing Director of Emirates NBD Bank PJSC Chairman of Emirates Institute for Banking and Financial Studies and Dubai Sports Est and Deputy Chairman of Dubai Autism Center	
Mr. Salah Mohamed Amin Abdulla - Director	Non-executive Director	CEO of Emirates Islamic Bank	Bachelor of International Business	Appointment date: 04.09.2014 (5 years & 5 months)	Director of Emirates for Financial Services Director of Emirates NBD Bank for Properties	NA
Mr. Saod Mohd Ibrahim Obaidalla - Director	Independent director	Deputy CEO of Emirates NBD Bank	Bachelor	Appointment date: 20.03.2016 (4 years)	Director of Dubai World Trade	NA
Mr Jamal Ahmad Al Matari	Non-executive director	Head of Private banking in Commercial Bank of Dubai	High Diploma in Marketing	Appointment date: 20.06.2018 (1 year & 8 months)	N.A	N.A

February 2020

As per the corporate governance control requirements, the Board of Directors is formed in a balanced way as it consists of members with technical skills and experiences. As per the corporate governance control requirements, the Board of Directors of the National General Insurance Company consists of three independent members and four non-executive members: - members of the Board of Directors for 2019:

b- Statement of woman representation in Board of Directors of 2019:

The Board of Director of National General Insurance Co. (PJSC) has no woman Board Member during 2019.

c- Statement of the reason for the absence of any female candidate for the Board membership:

The members of the Board of Directors were elected for a period of three years from 2019, and five women candidates were nominated for the membership of the board of directors, by they were not elected by shareholders during the General Assembly meeting held on 29/3/2019.

d- Statement of the following:

1- Total remuneration of directors paid for 2018: Directors have received AED 2,386,748 in 2018 as financial reward.

2- Total remuneration of directors proposed for 2019 and it will be discussed for approval at the annual general meeting:

According to the Memorandum and Articles of Associations of the company, the remuneration of the company's Board of Directors shall be a percentage of the net profit according to provisions of the article no. 38 of this regulation. The director shall be compensated from time to time against all expenses incurred in the course of performance the company business, his work in whatsoever committee or exerting any special efforts or doing any additional works to serve the company beyond his normal duties being a director while the Board of Directors shall determine such amounts from time to time. It is resolved to apply the following decision of the Board of Directors regarding the policy of determining the due allowances to the directors against their efforts and contributions in the committees resulted from the Board of Directors during 2019, and it is suggested to pay AED 1,745,850/- as a financial reward for 2019.

3- Statement of attendance allowances received by the Board members for committees of the Board of the Directors for the financial year of 2019 according to the following schedule:

Sr	Name	Attendance allowances for committees of the Board of the Director		
		Audit Committee	Allowance Value	Meetings number
1	Mr. Khalid Bin Kalban	Head of Committee	62000	3
2	Mr. Hesham Abdulla Al Qassim	Vice head	62000	3
3	Mr. Saod Mohd Ibrahim Obaidalla	member	66000	4

Sr	Name	Attendance allowances for committees of the Board of the Director		
		Bonus and Remuneration Committee	Allowance Value	Meetings number
1	Mr. Adel Mohammed Saleh Al Zarouni	Head of Committee	62000	3
2	Mr. Hesham Abdulla Al Qassim	Vice head	62000	3
3	Mr. Salah Mohamed Amin Abdulla	member	62000	3

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



Sr	Name	Attendance allowances for committees of the Board of the Director		
		Investment Committee	Allowance Value	Meetings number
1	Mr. Khalid Bin Kalban	Head of Committee	86000	9
2	Mr. Adel Mohammed Saleh Al Zarouni	Vice head	78000	7
3	Mr. Jamal Ahmed Al Matari	Member	74000	6

e. Number of Board of Directors' meetings held during the financial year of 2019:

The Board of Directors had held five meetings during 2019 as follows:

Sr	Times of Board of Directors' meetings in 2019	1	2	3	4	5	6	7
1	11 Feb 2019	✓	✓	✓	✓	✓	✓	✓
2	12 May 2019	✓	✓	×	✓	✓	✓	✓
3	06 Oct 2019	✓	✓	✓	✓	✓	✓	✓
4	03 Nov 2019	✓	✓	✓	✓	✓	✓	×
5	16 Dec 2019	✓	×	✓	✓	✓	✓	✓

Details of Directors

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



1.	H.E Hamad Mubarak Buamim
2.	Mr. Adel Mohammed Saleh Al Zarouni
3.	Mr. Khalid Jassim Bin Kalban
4.	Mr. Hesham Abdulla Al Qassim
5.	Mr. Salah Mohamed Amin Abdulla
6.	Mr. Saod Mohd Ibrahim Obaidalla
7.	Mr. Jamal Ahmad Al Matari

✓	Attended the meeting
×	Apologized for attendance

The Board of Directors held five meetings during 2019 and one meeting by circular on 01.8.2019 while the audit committee held four meetings, the Bonus and Remuneration committee held three meetings and the investment committee held nine meetings."It is resolved that the fees of the directors against their contribution in meetings of the committees formed by the Board of Directors shall be in a membership fee

of AED 50.000 annually per member while the fees of attending the committee meetings shall be AED 4.000 per member for each meeting he/she participated."

(The Company disclosures on the Market website about Board Meetings)

f. Number of the Board resolution passed by circulation during the 2019 fiscal year:

On 1/8/2019, the Board of Directors issued a resolution by circulation to approve the draft audited financial statements for the second quarter of 2019, which were subsequently approved by the Board of Directors meeting that was held on November 3, 2019. (The Company disclosures on the Market website about Board Meetings)

g. Duties and powers exercised by the Board of Directors or the Executive Management members during 2019:

Name of the Authorized Person	Power of Authorization	Duration of Authorization
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National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



<p>Dr. Abdulzahra Abdullah Ali Al Turki (CEO of the Company)</p>	<p>All management and supervision works that go into the day-to-day running of the company's affairs, achieving its goals, and monitoring the workflow, including, for example:</p> <ul style="list-style-type: none"> - Representing the company before all official Authorities, whether federal or local. - Appoint advocates to represent the company before all courts of various degrees and types. - Execute all agreements and transactions within the company's objectives. - Sign and execute the Board resolutions. 	<p>Indefinite Authorization.</p>
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h. Statement of transactions details done with the related parties and (stakeholders): The related parties are defined according to the definition stated in the International Accounting Standard No. 24 (SAS 24) regarding the related parties. In the light of the definition, the following includes details of all transactions done with the related parties in the financial year ended in 31.12.2019:

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



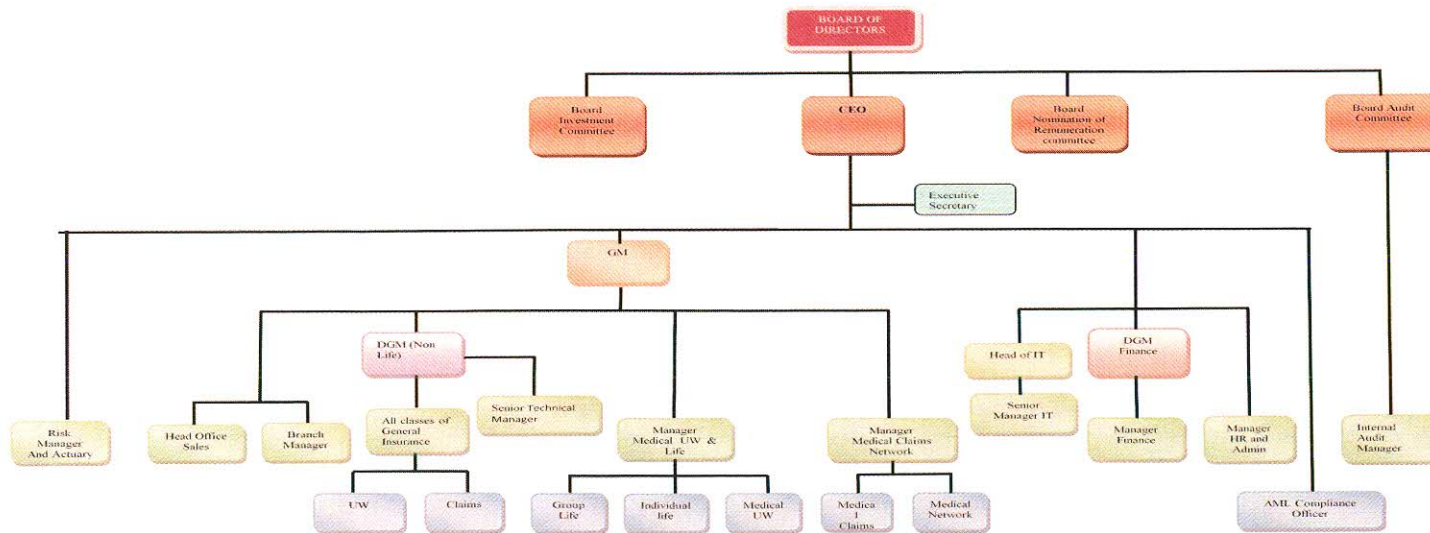
Sr.	Statement of Related Parties	Nature of Relationship	Type of Transaction	Value of Transaction	
				Premiums	Claims
01	Dubai investment Group	Shareholder	Insurance Premiums and Claim Settlements	6.562.346/05	2.997.774/85
02	Zarouni Group	Shareholder	Insurance Premiums and Claim Settlements	5.640.103/04	3.205.975/17
03	Commercial Bank of Dubai	Shareholder	Insurance Premiums and Claim Settlements	28.237.192/84	14.591.426/17
05	Emirates NBD and Group	Shareholder	Insurance Premiums and Claim Settlements	26.236.613/00	5.340.398/69
Total				66.676.254/93	26.135.574/88

(Attachment of detailed statement of all transaction that the company made during 2019, which equal 5% or more of the company's capital)

February 2020

i. Organizational Chart of the company:

Company Organization Chart



(Attachment: A Sealed copy of the company's complete organizational structure)

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



j. Detailed statement of senior executive employees in the company:

Title	Appointment date	Annual aggregate allowances and salaries	Aggregate bonuses of 2019 (bonuses)	Any other cash / in kind bonus for 2019 or due in the future
Chief Executive Officer	07.02.1998	2,597,500	1,600,00	NA
General Manager	07.10.2013	1,476,000	280,000	NA
Deputy General Manager for Non life insurance	11.07.2000	840,000	215,000	NA
Deputy General Manager of finance	07.08.2010	642,000	200,000	NA
Chief Medical Officer	09.10.2019	168,387	----	NA
Risk Manager & Actuary	09.09.2018	341,226	35,000	NA
AML Compliance Officer	06.11.2016	240.000	13.000	NA
Head of IT	06.07.2008	450.000	47.000	NA
Life Manager	07.08.2018	420.000	26.000	NA
Manager HR & Admin	26.02.2013	380.400	46.000	NA
Head of Internal Audit & Compliance	23.10.2019	89.484	-----	NA

Februarv 2020

4) External Auditor:

a. Overview of the Company Auditor to the shareholder:

Deloitte & Touche (Middle East) is the company's external auditor. It is considered one of the largest auditing companies in the world with many branches in many countries and has achieved growth since its establishment through 5 offices in the United Arab Emirates. Deloitte is a member of (Deloitte Touche Tohmatsu Co., Ltd.) and is one of the first professional services companies to be established in the Middle East, and it provides auditing services, taxes, management consulting and financial advice.

b. Statement of the costs and fees relating with auditing and services provided by the external auditor:

Name of Auditing office And Partner Auditor	Deloitte & Touche (Middle East) (Mr. Samir Medbek)
Number of years spent as an external auditor for the company	01 year
Aggregate fees of auditing the financial statements for 2019 (Dirhams)	340,000/-
Fees and costs of other special services other than auditing the financial statements for 2019 (Dirhams)	5,000/-

Details and nature of other services provided-Consultancy for IFRS 9 standard	NA
Statement of other services done by other external auditor	NA

The external auditor not only attends the general meeting, verifies its procedures and reads the auditing report featuring with neutrality and independence but also It answers the inquires of the shareholders.

c. Statement clarifying the reservation included by the company auditor included in the interim and annual financial statement for 2019:

There are no reservations by the company's auditor for the year 2019.

5) Audit Committee:

a. The audit committee chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness:

"Mr. Khalid Jassim Bin Kalban, Audit committee Chairman, acknowledges his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness".

b. Names of members of Audit Committee and clarifying their competences and tasks assigned to them:

The Audit Committee consists of the following:

- 1- Mr. Khalid Jassim Bin Kalban - Head of Committee (independent director)
- 2- Mr. Hesham Abdulla Al Qassim – member (non-executive director)
- 3- Mr. Saod Mohd Ibrahim Obaidalla – member (independent director)

The competences and tasks assigned to the Audit Committee:

- Review the quarterly financial statements and the recommendation to hereof for the Board of Directors.
- Follow up the accounting matters which have essential effect on the financial performance of the company and ensure the transparency of the financial reports.
- Make sure fulfilling the disclosure requirements of financial statements and other legal requirements.
- Assess independence and efficiency of external auditors and meet with them one time at minimum per year.
- Review and assess the internal control system and verify its efficiency.
- Consider the matters raised by the financial manager, internal control manager or accounts auditor.
- Review polices and accounting and financial procedures of the company.

- Review external auditing report and its work plan as well as essential enquires raised by the external auditor and the management reply on it.
- Control the company compliance with the code of conduct.
- Submit reports to the Board of Directors on the abovementioned issues.
- Review the annual and quarterly financial statements and ensure their accuracy according to the international accounting standards.
- Ensure fulfilling the disclosure requirements.
- Assess the efficiency and suitability level of operation nature in the company and the framework of performing the company activities.
- The committee holds its meetings four times at minimum annually with the attendance of the majority of its members.

c. Number and dates of meetings during 2019 and numbers of personal attendance:

The Auditing Committee held four meetings during 2019, as per the below register of meeting attendance.

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



Sr	Times of Auditing Committee's meetings in 2019	Details of Auditing Committee's members		
		1	2	3
1	11 Feb 2019	✓	✓	✓
2	12 May 2019	×	✓	✓
3	01 August 2019	✓	×	✓
4	03 Nov 2019	✓	✓	✓

✓	Attended the meeting
×	Apologized for attendance

6- Bonus and Remuneration Committee:

a. The Bonus and Remuneration committee chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness:

"Mr. Adel Mohammed Saleh Al Zarouni, Bonus and Remuneration committee Chairman acknowledges his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness".

b. Names of Bonus and Remuneration Committee's members:

The Bonus and Remuneration Committee consists of the following:

- 1- Mr. Adel Mohammed Saleh Al Zarouni - Head of Committee (independent director)
- 2- Mr. Hesham Abdulla Al Qassim - member (non-executive director)
- 3- Mr. Salah Mohamed Amin Abdulla - member (independent director)

The competences and tasks assigned to the BNRC committee:

- Ensure the independence of independent members at all times. If the committee finds a member lacked the independence terms, it must refer the matter to the company's Board of Directors. The Board of Directors must notify the member with the justifications of lacking independence by a registered mail on his address available at the company.
- The member must respond to the Board of Directors within fifteen days of his notification date. And the Board of Directors passes a decision stating the member as independent or dependent in the first subsequent

meeting after the member response or elapsing the period referred to in the previous paragraph without response.

- If the independence loss does not violate the minimum limit of the number of independent members in the Board of Directors, it must consider this fact in the committee formation.
- Without prejudice to the provision of the article no. 102 of the business companies act, if the Board of Directors' decision states losing the reasons or justifications of the member's independence and affects the minimum limit of percentage of independent members to be achieved inside the Board of Directors, the company's Board of Directors will appoint an independent member instead of such member provided that the new member appointment will be discussed in the first general meeting of the company in order to consider the approval of the Board of Directors' decision.
- Periodically review the decisions and instructions issued from time to time on governance controls and submit the recommendations to the Board of Directors regarding changes it deems fit.
- Supervise the process of preparing and approving the governance procedures directory in the company.

- Raise awareness level of the directors and executive management with governance rules and principles and the importance of its application.
- Make recommendation of nomination or re-nomination to the membership of the Board of Directors and its committees as well as the senior administrative offices taking the applicable laws and decisions into consideration.
- Approve the conditions and standards of appointing executive managers, reports of performance assessment and deputation plans.
- Review the policies of bonuses and salaries of directors and employees of the company and submit recommendations hereof to the Board of Directors.
- Define the company's cadre needs on the level of executive management.
- Review the human resource policy.
- Submit performance reports to the Board of Directors on the abovementioned issues.

c. Number and dates of meetings during 2019, and numbers of personal attendance:

The Bonus and Remuneration Committee held three meetings during 2019 as per the below register of meeting attendance.

Sr	Times of Bonus and Remuneration Committee's meetings in 2019	Details of Bonus and Remuneration Committee's members		
		1	2	3
1	11 Feb 2019	✓	✓	✓
2	12 May 2019	✓	✓	✓
3	03 Nov 2019	✓	✓	✓

7 - The Supervision and follow-up Committee of Insider' Transactions:

a. The Insider committee chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness:

"Dr. Abdulzahra Abdullah Ali Al Turki, Insiders' committee Chairman acknowledges his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness".

b. Names of members of insider Committee and clarifying its assignments

The company has an Insider Committee and it consists of the following persons:

- 1- Dr. Abdulzahra Abdullah Ali Al Turki - Chief Executive Officer
- 2- Ms. Daisy Jacob - Financial manager
- 3- Mr. Suresh Jacob - Head of Audit and Compliance

The company also provided the policy of the insider committee on the internal website in order to enable all employees from reviewing and abiding by the policy.

- The rules and procedures set forth herein shall apply to all the natural persons and legal entities having access to the Company information, and to all their trading transactions in the securities issued by the Company, the parent company, the affiliates, sister companies or associates. Every natural person or legal entity that can have access to the inside information shall be deemed as interested party and shall be subject to the rules and procedures stated herein.
- All the persons having access to the Company inside information shall not trade in the securities issued by the Company, the parent company, the affiliates, sister companies or associates whether in person or through others during the following periods:

- 1-Ten days prior to the disclosure of any essential information that may affect the share price- Fifteen days prior to the end of the quarterly, biannual or annual fiscal period and till the disclosure of financial statements.
- 2- The Company board members and employees shall not disclose any information that may affect the market value of securities and the investor's decision. Neither the board members nor the Company employees may exploit their positions for trading in the securities through undisclosed information that they might be aware of due to their positions.
- 3- The Company board members and employees shall not use the Company inside information for the purchase or sale of shares. The Interested Parties shall not cooperate with any third party to exploit the investors' inside information to achieve private interests.
- 4- The Company shall inform the Authority of the names of those holding, or those whose contribution with minor children reaches, (5%) or more of the Company shares. Such requirement shall be met every time the contribution percentage reaches (1%) of the Company shares in addition to the (5%) percentage.
- 5- The Company shall inform the Authority of the number of shares held by the Company board members within (15) fifteen days as of their membership date and at the end of every fiscal year, and of all the trading operations executed by the Company board members and executive management.
- 6- Each board member or employee shall notify the Company if his / her ownership of shares, or his / her shares plus the shares held by his / her minor children, reaches or exceeds 10% of the securities issued by the Company, the parent company, the affiliates, sister companies or associates. The interested parties

shall disclose the shares they, or their relatives to the first degree, hold in the Company, the parent company, the affiliates, sister companies or associates.

7- The Company uses its website to enhance the disclosure and transparency of the interested parties' transactions.

c. Summary of the committee's work report during 2019:

The committee did not note any transaction that violates the insider trading policy by the well-informed persons during 2019.

8. Investment Committee:

a. The Investment committee chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness:

"Mr. Khalid Jassim Bin Kalban, Investment committee Chairman acknowledges his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness".

b. Names of Investments Committee's members:

The investment Committee consists of the following:

- 1- Mr. Khalid Jassim Bin Kalban - Head of Committee (independent director)
- 2- Mr. Adel Mohammed Saleh Al Zarouni – Member (independent director)
- 3- Mr. Jamal Ahmad Al Matari – Member (executive director)

The competences and tasks assigned to the Investment Committee:

The Board Investment Committee (BIC) shall comprise of three members from the BOD. The BIC will act as a central agency and shall be responsible for:

- Establishing the investment policy and strategy for approval from the BOD. Setting the investment guidelines in line with regulatory limits and restrictions. Periodical review of policies and guidelines and recommend improvisation/changes according to the changing market condition.
- Recommend and/or authorize the acquisition and/or disposition of investments whilst ensuring that investment decisions achieve and maintain investment objectives of the Company.
- Approve the appointment of asset managers to manage assets and/or provide investment advice regarding such assets or funds.
- Reviewing/monitoring the investment performance in order to ensure investment returns are optimized and risks are minimized.

- In conjunction with the Audit Committee, determine the scope of rigorous audit procedures including full coverage of investment activities to ensure timely identification of internal control weaknesses and operating system deficiencies.
- Assisting BOD in its evaluation of the adequacy and efficiency of the investment policies, procedures and controls applied in the day-to-day management of its business through an audit report (either independent internal or external) that is to be submitted to the Audit Committee.
- Review and approve the quarterly and annual regulatory reports on investment allocation and risk analysis.

c. Number and dates of meetings during 2019, and numbers of personal attendance:

The investment Committee held nine (09) meetings during 2019, as per the below register of meeting attendance.

Sr	Times of Investment Committee's meetings in 2019	Details of Investment Committee's members		
		1	2	3
1	3 Feb 2019	✓	✓	✓
2	24 Feb 2019	✓	✓	✓
3	19 March 2019	✓	✓	×

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



4	2 May 2019	✓	×	✓
5	16 June 2019	✓	✓	✓
6	28 July 2019	✓	✓	✓
7	19 September 2019	✓	✓	×
8	29 October 2019	✓	✓	×
9	12 December 2019	✓	×	✓

9- Internal Control System:

a. Responsibility declaration of the Board of Directors for the Internal Control Department of the company and reviewing its effectiveness:

- The National General Insurance Company's Board of Directors recognizes its responsibility for enforcing the Internal Control System of the company and its regular periodic review and efficiency checking through the Auditing Committee formed by the Board of Directors in consistence with the Chairman of

the Board of Directors' Decision No. (7 TM)/ 2016 concerning the Institutional Discipline Standards and the governance of the public joint stock companies.

- In this context, the National General Insurance Company is keen on keeping the accurate Internal Control System which is approved by the Board of Directors in 2010. The approved system of the Internal Control Department takes the following points into consideration:

1- The company shall enforce an accurate system for the internal control which is approved by the Board of Directors aiming at develop and assess procedures of the risk management in the company and apply the governance rules in the company.

2- The application of the Internal Control System is assigned to a specialized department of internal control after the Board of Directors had approved the rules, powers and tasks of the management with asserting the following:

- Independence of the Internal Control Department in the company.

- Integrity and neutrality of the Internal Control Department in the company.
- Professional competence and defining the fields of auditing processes.
- The internal control procedures
- Responsibilities of The Internal Control Department manager
- Possibility of outsourcing in order to assess the Risk Department procedures in the company.

3- The Internal Control Department reviews the company activities over the year as the annual review will based on the following:

- Key control elements, including the financial control, operations and risk management.
- Changes occurred since the date of previous review and the company ability of dealing with these changes in works.
- Define the range and kind of the current review process.

- Revise the efficiency of the company operations on preparing the financial reports and compliance with the disclosure and inclusion rules.

4- The Internal Control system approved the following work mechanism in order to ensure achieving objectives and plans of internal auditing works in the company.

- Prepare the annual plan of internal control and discuss it with the Auditing Committee.
- Perform the internal control processes which cover the key insurance operations and back operations as per the approved annual plan.
- Submit the auditing reports to the department officials responsible for each auditing operation and commenting on the auditing remarks, thus, submit the final auditing reports to the Auditing Committee.
- The Auditing Committee discusses and reviews the auditing reports in association with the company management and the Internal Control Department's head. The Auditing Committee is also

responsible for following up application and enforcement of suitable procedures for the risk management and keeping compliance with the applicable conditions and laws.

- The Board of Directors is provided with the minutes of meetings of Auditing Committee and notified with the high potential risk cases if any.

1- The Internal Control is involved in assessing the compliance internal procedures and corporate governance principles and submitting reports hereof provided that the compliance procedures aim at the following:

- Check the company commitment with the applicable regulations and laws, especially the decisions relating with money laundering and decision of Insurance Authority.
- Fully ensure the commitment with the compliance policy approved by the company and submit reports to the Auditing Committee regarding violations, defaults and adopted remedy procedures.

b. Name, qualification and appointment date of department director:

Mr. Suresh Jacob presides the Internal Control Department as he is appointed on 23.10.2019. Mr. Suresh Jacob is a Chartered Accountant from India. He also holds Bachelor of Commerce (Hons) from Osmania University, India and Certified Internal Auditor from IIA USA. In addition, he is certified as an Associate in Risk Management (ARM) from CPCU Institutes USA. Mr. Suresh Jacob has experience of 25 years in Audit, Risk Management, strategy development, operational management and marketing management experience, predominantly in the UAE insurance industry. Ms. Sanam Jahangir is appointed as senior internal auditor in the Internal Control Department and holds ACCA certificate from Britain and CA from UAE and internal auditor certificate from USA. She has experience of auditing in different financial institutions and she was appointed in this job since May 2015.

c.Name, qualification and appointment date of compliance officer:

Ms. Sarah Jaafar, Emirati National, is also appointed as Anti-Money Laundering officer since November 2016. She holds the bachelor in E-Business administration and studies a professional insurance diploma with the Insurance Authority.

d. Method of dealing the Internal Control Department with any major issues in the company:

The Internal Control Department does its activities according to the annual auditing plan approved by the Auditing Committee. The Head of Internal Control shall submit the auditing reports to the Auditing Committee quarterly. All company departments and activities done by the management shall be subject to the auditing operations with focusing on assurance of risk management which are carried out by the Internal Control Department, thus, they shall be compared with the policies and the work practices approved by the Board of Directors.

In the light of the intensive operations of reviewing, auditing and control, the Internal Control Department confirms that there are no forgery cases, material violations or high potential risk cases during 2019.

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

The Internal Control department issued four reports as per the attached reports summary.

(Attached report summary)

10- Details of Violations:

The National General Insurance Company through the Board of Directors and the members of executive management commits to abide by all applicable regulations and acts. In such context, there is no violation noted during the financial year ended in 31.12.2019.

11- Statement of the company's contribution in the development of local community and environment during 2019:

The National General Insurance Company always seeks to establish the social responsibility principles and abide by the moral principles as the company policy through its social responsibility aims at creating a sustainable value for the shareholders, the employees, the customers and the work partners of the company by maintaining the business feasibility and contribution in supporting the local communities in the United Arab Emirates and paying attention to economic, moral, social and environmental aspects in all activities carried on by the company.

In the light of the company goal on performing all institutional, environmental and social responsibilities, the company does its best to merge the social and environmental considerations in the decision making process and operation as practices in such way making easy to understand the direct and indirect effect on the company operations, thus, the decision making process may reach the highest level of competence and efficiency. The company adopts an environmental and social policy based on the following aspects:

- Governance in terms of morals and accountability.

- Employees through preparing the ideal work place.
- Environment through managing the effects of company operations on the environment.
- Customers through providing them with the services and experiences of the company.
- Society through support and investment in the local communities wherein the company carries on its business.

As the company is interested in supporting the sport morals and relations among the employees of insurance section, the employees of the company have organized a cricket and bowling competition for the employees in the insurance section.

The company has participated in charity works during 2019 as follows:

- Participated in the **Breast cancer Awareness** organized by NGI on 24th October 2019, and on spot testing of random Blood sugar, Blood pressure and BMI for all employees.
- Celebrated “**International Day of happiness**” at NGI on 20th March 2019, and celebrating “**UAE National Day**” on 2nd of December 2019.

- We held “Save paper Save tree Drive”, where we have emphasized on Environment Conservation during 2019.

12- General Information:

a. Statement of the company share price in the market (closing price, highest price, lowest price):

Month	Highest price of share	Lowest price of share	Closing price
January 2019	No Trading	No Trading	2.000
February 2019	No Trading	No Trading	2.000
March 2019	No Trading	No Trading	2.000
April 2019	No Trading	No Trading	2.000
May 2019	2.050	2.000	2.200
June 2019	2.100	2.100	2.100
July 2019	2.150	2.150	2.150
August 2019	2.150	2.100	2.100
September 2019	No Trading	No Trading	2.100
October 2019	2.100	2.100	2.100
November 2019	2.200	2.200	2.200
December 2019	No Trading	No Trading	2.200

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



b. Statement of the performance of the company share in comparison with the market index and sector index during 2019:

Trading date	NGI	DFM Index	Insurance
January 2019	2	2567.59	1470.84
February 2019	2	2635.78	1412.58
March 2019	2	2634.86	1396.15
April 2019	2	2767.1	1505.94
May 2019	2	2620.33	1505.48
June 2019	2.1	2658.63	1607.55
July 2019	2.15	2918.38	1793.46
August 2019	2.1	2758.6	1862.43
September 2019	2.1	2781.07	1825.65
October 2019	2.1	2746.93	1730.78
November 2019	2.2	2678.7	1654.69
December 2019	2.2	2764.86	1720.55

c. Statement of shareholding as of 31.12.2019 (individuals, companies, governments) classified as follows: (local, Gulf, Arabic, foreign):

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



Shareholder classification	Percentage of owned shares			
	Individuals	Companies	Governments	Total
Local	21.91 %	77.88%	---	99.78%
Gulf	0.04%	---	---	0.04%
Arab	0.14	0.00	---	0.14%
Foreign	0.00%	0.03%	--	0.04%
Total	22.09%	77.91%		100%

d. Statement of shareholders holding 5% or more of the company capital as of 31.12.2019 according to the following table:

Name	Number of owned shares	Percentage of owned shares in the company capital
Emirates NBD Bank PJSC	55.063.169	36.72%
Commercial Bank Of Dubai PJSC	26.613.032	17.75%
Malika Ahmed Merdas Al Zarouni	16.416.877	10.95%
Dubai Investments PJSC	12.688.858	8.46%
Mohammed Omar Ali Bin Haider Investment	12.071.432	8.05%
Sheikh/ Mana Khalifa Al Maktoum	7.497.705	5%

February 2020

e. Statement of shareholder distribution according to the ownership volume as of 31.12.2019 as per the following table:

Sr	Shareholding (share)	Shareholder number	Owned share number	Share percentage of capital
1	Less than 50.000	110	1.560.187	1.04%
2	From 50.000 to 500.000	25	3.959.367	2.64%
3	From 500.000 to 5.000.000	8	14.083.579	9.39%
4	More than 5.000.000	6	130.351.073	86.92%

f- Statement of the procedures taken regarding the investor relation controls:

Ms. Khawla Khalifa Juma is the responsible official for investor relations in the company and her contact details are: email: mkhalwa@ngiuae.com, Tel no: 042115865

- The following is the electronic link to investor relation page on the company website:

<http://www.ngi.ae/about-national-general-insurance-company-ngi/investor-information>

g- Statement of special resolutions offered in the general meeting held during 2019:

During the General Assembly meeting held on 26/03/2019, no special resolution was issued, except that in the ordinary General Assembly meeting held on 29/10/2019, a special resolution was issued approving the amendment of Article (7) of the company's articles of association regarding ownership ratios in the

company's shares, and all legal measures have been taken to activate the Resolution. The amendment has been published in the Official Gazette and the financial market has been informed.

h- Rapporteur of the Board meetings:

Mr. Kamal Abdel Hamid was appointed as a secretary of the board of directors on 26/9/2016, holding a bachelor's degree in law and administrative sciences, with experience in legal and administrative affairs, and during 2019 the board secretary organized and attended all the meetings of the board of directors and the meetings of the committees of the Board, he also prepared the Annual General meeting and was appointed as the secretary of the AGM meeting.

i. Essential events faced by the company during 2019:

There is no doubt that insurance sector is one of the key pillars of development and economy in all fields and it makes a vital role in the state economy as it provides financial protection to individuals, industrial establishments and financial institutions against various financial losses incurred in case of risks occurrence. It also performs a significant role in accumulating and investing capital in all sectors.

The company has achieved outstanding achievements in 2018 by renewing the classification grade - A (excellent) by (AM.BEST). Through the support provided by a well-established group of reinsurance

companies, the company continues in its role as a strong and prominent partner in the labor market. Accordingly, the company managed to achieve the Tenth biggest insurance company in the insurance market of the state which is considered one of the most competitive insurance markets. Furthermore, the positive view of business reflects the company capability of promoting its competitive status in the local market.

j. Statement of Emiratisation percentage in the company by the end of 2019:

The company has sought to follow the Emiratisation policy by providing all facilities and privileges to the Emirati nationals of whatsoever ages whether male or female. Therefore, the company has managed to achieve Emiratisation percentage as below:

Year	Emiratisation Percentage
2017	10.2%
2018	9.42%
2019	8%

However now MOHRE and Insurance Authority are assessing insurance companies by New Point Rating System that requires not the percentage criteria on Emiratization but point scoring on their hiring, retention and development in more critical roles. Hence, our target point for 2019 and the achievement is published at IA on line portal. Where we are excelling over given target points, each year successfully. (Target points 53 / Achieved points 67)

k.Statement of innovative projects and initiatives done by the company or still under process during 2019:

In terms of the company seeking to participate in the initiatives of Insurance Authority for developing the insurance sector in the state, the company has participated in the inventive initiative launched by the Insurance Authority in 2019.

The company has set up an Innovation Committee with a Charter, Headed by CEO, GM and Committee Members. The Committee has appointed, Ms. Khawla Khalifa Juma, as the coordinator for all innovative

National General Insurance Company (PJSC)
Corporate Governance Report for the year 2019



initiatives. The company has set up an innovative Corner for the use of employees to receive innovative ideas. NGI has showcased the innovative ideas on Insurance Products, Services with the use of Digital Technology to Mohammed Bin Rashid Al Maktoum Business Innovation Award Committee. According to their detailed report, NGI is heading in a right direction. That the NGI have made efforts and several achievements on process development and other areas. However, it is advised that the Company may participate in the competition again along with management reports on Innovation and may focus more at digital technology development so as to earn the respective award.

The Chairman

Date: 5..3../2020

The Audit committee

Date: 16./3../2020

The BRNC committee

Date: 5../3../2020

The Internal Control Dpt

Date: 3../3../2020

Februarv 2020