



National General Insurance Co. (PJSC)

Corporate Governance Report of The year ended in 31.12.2020

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



February 2021



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Corporate Governance Practices:

1) The method in which the company applies the principles provided for in the Chairman of the Authority's Board of Directors' Decision No. (3 / Chairman) of 2020 concerning Approval of public joint-stock companies Governance Guide: -

- 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 it compliance with the provisions of the Chairman of the Authority's Board of Directors' Decision No. (3 / Chairman) of 2020.
- 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 Authority's Board of Directors' Decision No. (3 / Chairman) of 2020. 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 statement both provisional and financial.
 - 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 2021 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 31.12.2020 during the Annual General Meeting to be held on 25.03.2021.
- 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



Authority's Board of Directors' Decision No. (3 / Chairman) of 2020 by establishing the following practices:

- The Board is keen on holding four meetings during 2020 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 2018 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 2020 i.e. one meeting per three months. The committee is keen on discussing all reports submitted by the internal control department. In 2020, the committee also discussed the financial statements of 2020 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 four meetings during 2020 while the Board's committee for Investment held seven meetings during 2020.
- The members of Board of Directors has received the governance report of the company of 2020 and the members knew that the governance report of the company of 2020 is distributed on the website of the company on the internet in accordance with the requirements of the Chairman of the Authority's Board of Directors' Decision No. (3 / Chairman) of 2020, 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 2020:-

- 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 Authority's Board of Directors' Decision No. (3 / Chairman) of 2020 concerning Approval of public joint-stock companies Governance guide.
- 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	----	----
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 2020.

(Attached Acknowledgment signed by the Board Member)



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, governmental or commercial bodies
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 (10 years)	Board of Director of Dubai Islamic Bank	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 (20 years)	Deputy Chairman of Taleem Company Deputy Chairman of Golf Federation and Secretary General of Arab Golf Federation Directors of Autism Center	NA

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					Directors of Azur Properties	
Mr. Khalid Jassim Bin Kalban - Director	Independent director	Vice Chairman and Chief Executive Officer of Dubai Investments PJSC	Bachelor of administration sciences - Metropolitan university - Denver - Colorado - United States of America	Appointment date: 17.04.2001 (20 years)	Chairman of Al Mal Capital Board Director of Arcapita Group - Bahrain Board Director of Ajman 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	Appointment date: 26.03.2013 (8years)	Chairman of Emirates Islamic bank. Vice Chairman and Managing Director of Emirates NBD Bank PJSC	Vice Chairman and Executive

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			finance and banks		- Member of the Board of Directors of Amlak Finance (PJSC) - Member of the Board of Directors of Etisalat	Director of Dubai Real Estate Corporation (governmental institution)
Mr. Salah Mohamed Amin Abdulla - Director	Non-executive Director	CEO of Emirates Islamic Bank	Bachelor of International Business	Appointment date: 04.09.2014 (6 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 (5 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 (2 years & 8 months)	N.A	N.A

- 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 2020:

b- Statement of woman representation in Board of Directors of 2020:

The Board of Director of National General Insurance Co. (PJSC) has no woman Board Member during 2020.

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 2019: Directors have received AED 1,745,850 in 2020 as financial reward.

2- Total remuneration of directors proposed for 2020 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. The Board of Directors has not yet proposed the remuneration of Directors for the year 2020.

3- Statement of attendance allowances received by the Board Members for committees of the Board of the Directors for the financial year of 2020 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	66000	4
2	Mr. Hesham Abdulla Al Qassim	Vice head	66000	4
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	66000	4
2	Mr. Hesham Abdulla Al Qassim	Vice head	66000	4
3	Mr. Salah Mohamed Amin Abdulla	member	66000	4

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

4- Statement of the details of the allowances, salaries, or additional fees and their reasons, which were received by the members of the Board of Directors other than the attendance allowances of the committees:

- Members of the Board of Directors did not receive any allowances, salaries, or additional fees other than the attendance allowances of the committees.

E- Number of Board of Directors' meetings held during the financial year of 2020:

The Board of Directors had held five meetings during 2020 as follows:

Sr	Times of Board of Directors' meetings in 2020	1	2	3	4	5	6	7
1	13 Feb 2020	x	✓	✓	✓	✓	✓	✓
2	10 May 2020	✓	✓	✓	✓	✓	✓	✓

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3	09 August 2020	✓	✓	✓	✓	✓	✓	✓
4	08 Nov 2020	✓	✓	✓	✓	✓	✓	✓
5	17 Dec 2020	✓	✓	×	✓	✓	✓	✓

Details of Directors	
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 2020, while the audit committee held four meetings, the Bonus and Remuneration committee held four meetings and the investment

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committee held seven 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. Duties and powers executed by the Board of Directors or the Executive Management Members:

Name of the Authorized Person	Power of Authorization	Duration of Authorization
Dr. Abdulzahra	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	Indefinite

<p>Abdullah Ali Al Turki (CEO of the Company)</p>	<p>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>Authorization.</p>
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G- 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 31.12.2020:

-

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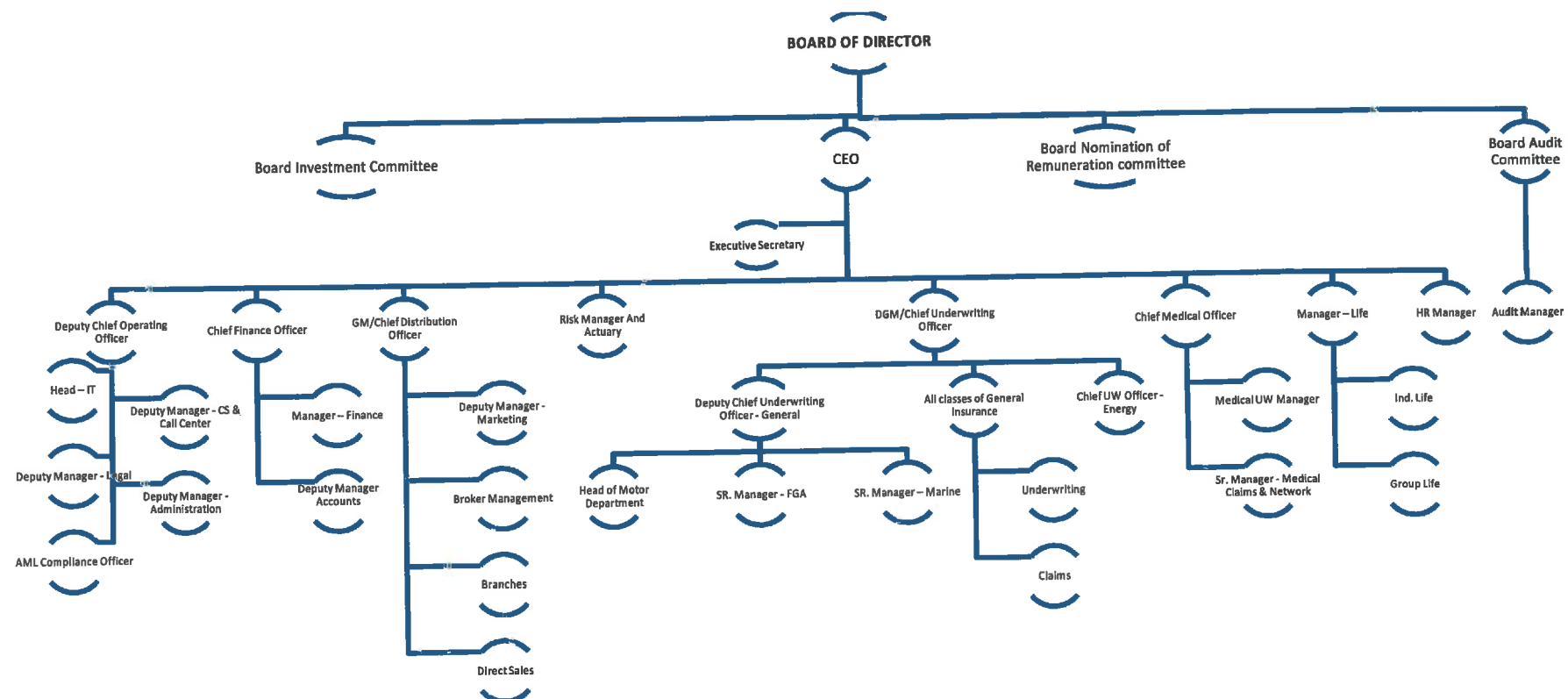
Sr.	Statement of Related Parties	Nature of Relationship	Type of Transaction	Value of Transaction	
				Premiums	Claims
01	Dubai investment Group	Shareholder	Insurance Premiums and Claim Settlements	9,629,775/-	1,557,040/-
02	Zarouni Group	Shareholder	Insurance Premiums and Claim Settlements	4,850,489/-	1,968,672/-
03	Commercial Bank of Dubai	Shareholder	Insurance Premiums and Claim Settlements	25,714,615/-	9,010,722/-
05	Emirates NBD and Group	Shareholder	Insurance Premiums and Claim Settlements	41,230,891	11,614,286/-
Total				81,425,770/-	24,150,720/-

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H- Organizational Chart of the company: (Attachment: Sealed copy of the Company's Chart for 2020)



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

Title	Appointment date	Annual aggregate allowances and salaries Paid in 2020 (AED)	Aggregate bonuses of 2020 (bonuses) (AED)	Any other cash / in kind bonus for 2020 or due in the future
Chief Executive Officer	07.02.1998	2,791,140	Not yet declared	NA
GM / Chief Distribution officer	07.10.2013	1,548,000	Not yet declared	NA
DGM / Chief Underwriting Officer	11.07.2000	888,000	Not yet declared	NA
Chief Finance Officer	07.08.2010	690,000	Not yet declared	NA
Chief Medical Officer	09.10.2019	720,000	Not yet declared	NA
Risk Manager & Actuary	09.09.2018	396,000	Not yet declared	NA
Deputy Chief operating Officer	23.10.2019	455,375	Not yet declared	NA
Head of IT	06.07.2008	480,000	Not yet declared	NA
Life Manager	07.08.2018	420,000	Not yet declared	NA
Manager HR & Admin	26.02.2013	408,000	Not yet declared	NA
Audit Manager	16.09.2020	122,500	Not yet declared	NA

4) External Auditor:

A. Overview of the company Auditor to the shareholders

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	02 years
The number of years that the partner auditor spent auditing the company's accounts	02 years

Aggregate fees of auditing the financial statements for 2020 (Dirhams)	361,000/- Including All Services
Fees and costs of other special services other than auditing the financial statements for 2020 (Dirhams)	
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 reservations that the company auditor included in the interim and annual financial statement for 2020:

There are no reservations by the company's auditor for the year 2020.

5) Audit Committee:

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

"Mr. 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 Auditing Committee and clarifying their competence and tasks assigned to them:

The Auditing 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 policies 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 2020 and numbers of personal attendance:

The Auditing Committee held four meetings during 2020, as per the below register of meeting attendance.

Sr	Times of Auditing Committee's meetings in 2020	Details of Auditing Committee's members		
		1	2	3
1	13 Feb 2020	✓	✓	✓
2	10 May 2020	✓	✓	✓
3	09 August 2020	✓	✓	✓
4	08 Nov 2020	✓	✓	✓

✓	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 and clarifying their competence and assignments:

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 Bonus and Remuneration 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.



الشركة العامة للتأمين الوطني
NATIONAL GENERAL INSURANCE CO. (PJSC)

1	13 Feb 2020	✓	✓	✓
2	10 May 2020	✓	✓	✓
3	09 August 2020	✓	✓	✓
4	08 Nov 2020	✓	✓	✓

✓	Attended the meeting
×	Apologized for attendance

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 their duties and tasks

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 - Chief Financial Officer



3- Mr. Suresh Jacob – Deputy Chief Operation Officer

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 2020:

The committee did not note any transaction that violates the insider trading policy by the well-informed persons during 2020.

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 and numbers of personal attendance:

- The investment Committee held seven meetings during 2020, as per the below register of meeting attendance.

Sr	Times of Investment Committee's meetings in 2020	Details of Investment Committee's members		
		1	2	3
1	16 Jan 2020	✓	x	✓
2	15 March 2020	✓	✓	✓
3	12 July 2020	✓	✓	✓

4	20 September 2020	✓	✓	✓
5	25 October 2020	✓	✓	✓
6	10 December 2020	✓	✓	x
7	20 December 2020	✓	✓	✓

9- Internal Control Department:

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 Authority's Board of Directors' Decision No. (3 / Chairman) of 2020.



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 Department 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 manager:

Mr. Reyazuddin Ahmad, Internal Audit Manager is the in-charge for overseeing the Internal Control function. He is Chartered Accountant (ICAI, India) and Certified Internal Auditor (Institute of Internal



Auditor, USA). Additionally, he holds certifications in insurance (cert. CII from UK) and fraud examination (ACFE, USA). Reyazuddin was appointed in September 2020.

Mr. Reyazuddin holds over 15 years of experience in financial services having worked in management roles across reputed organizations in advisory and insurance sector. The Department of Internal Control also includes Ms. Sanam Jahangir as senior internal auditor in the Internal Control Department and holds ACCA certificate from the UK 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:

The department in charge by Ms. Sarah Jaafar, Emirati National, as Compliance 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 performs its reviews in line with the 'annual audit plan' approved by the Board Audit Committee. The Manager of Internal Control submits the internal audit reports to the Board Audit Committee on a quarterly basis. In line with the Board Audit Committee approved 'annual audit plan', the Internal Control department reviews the adherence to the approved policies and procedures. In 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 2020.

E. Number of reports issued by the Internal Control Department to the Company's board of directors:

The Internal control Department issued four (04) 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 31.12.2020.

11- Statement of the company's contribution in the development of local community and environment during 2020:

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 operational 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.
- The company has participated in charity works during 2020 as follows:



- Participated in COVID 19 relieve program of Insurance Authority with a discount offer for all UAE citizen and residence, especially for COVID 19 front line workers such as Medical team, Army and Civil defense staff as well senior citizens and special need citizens.
- Sterilization of company's building and surrounding done promptly.
- Awareness campaign about Wellness and Preventive measurements to protect against COVID 19, for staff and family.
- Circulate Health and Hygiene drive issued by UAE local authority and WHO.
- Facilitate all its Employees to obtain online Cyware Cyber Security Certification to increase Cyber awareness.
- The medical team of the company has effectively handled COVID 19 case management in all healthcare facilities at the time of pandemic.
- In line with MOHRE, the company offered internship and trainee program for the community development of fresh Emirati and Expatriate graduates.



- Conduct **Breast cancer and Prostate Cancer Awareness** program, delivered by the company on 19th November 2020, for staff and family wellbeing.
- Celebrated “**Flag and National Day**” at NGI, with precaution and social distance.
- We held “**Save paper Save tree Drive**”, where we have emphasized on Environment Conservation during 2020.

12- General Information

A- Statement of the company's share price in the market (closing price, highest price, lowest price):

Month	Highest price of share	Lowest price of share	Closing price
January 2020	2.2	2.2	2.2
February 2020	2.3	2.2	2.3
March 2020	2.3	2.2	2.2
April 2020	No Trading	No Trading	2.2
May 2020	No Trading	No Trading	2.2
June 2020	No Trading	No Trading	2.2
July 2020	No Trading	No Trading	2.2

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August 2020	No Trading	No Trading	2.2
September 2020	No Trading	No Trading	2.2
October 2020	No Trading	No Trading	2.2
November 2020	No Trading	No Trading	2.2
December 2020	No Trading	No Trading	2.2

B- Statement of the performance of the company share in comparison with the market index and sector index during 2020:

Trading date	NGI	DFM Index	Insurance
January 2020	2.2	2790.42	1,644.27
February 2020	2.3	2590.00	1,662.52
March 2020	2.2	1771.31	1,400.06
April 2020	2.2	2026.61	1,598.79
May 2020	2.2	1945.09	1503.30
June 2020	2.2	2065.28	1518.90
July 2020	2.2	2050.77	1695.58
August 2020	2.2	2245.29	1850.08
September 2020	2.2	2273.48	2148.47
October 2020	2.2	2187.86	1965.45

November 2020	2.2	2419.60	2074.03
December 2020	2.2	2491.97	2086.42

C- Statement of shareholding as of 31.12.2020 (individuals, companies, governments) classified as follows: (local, Arabic, foreign):

Shareholder classification	Percentage of owned shares			
	individuals	companies	governments	total
Local	21.91 %	77.88%	---	99.78%
Arabic	0.16%	0.00%	---	0.16%
Foreign	0.00%	0.03%	---	0.04%
Total	22.08%	77.92%	0.00%	100%

D- Statement of shareholders holding 5% or more of the company capital as of 31.12.2020 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	37%
Commercial Bank Of Dubai PJSC	26.613.032	18%

Malika Ahmed Merdas Al Zarouni	16.416.877	11 %
Dubai Investments PJSC	12.688.858	8 %
Mohammed Omar Ali Bin Haider Investment	12.071.432	8 %
Sheikh/ Mana Khalifa Al Maktoum	7.497.705	5 %

E- Statement of shareholder distribution according to the ownership volume as of 31.12.2020 as per the following table:

Sr	Shareholding (share)	Shareholder number	Owned share number	Share percentage of capital
1	Less than 50.000	107	1.560.187	1%
2	From 50.000 to 500.000	25	3.959.367	3%
3	From 500.000 to 5.000.000	8	14.109.279	9%
4	More than 5.000.000	6	130.351.073	87%

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:



<https://www.ngi.ae/investors/general-information/>

G- Statement of special resolutions issued in the Annual General Meeting held during 2020:

During the AGM held on 29/03/2020, no special resolution was issued.

H- The name of the Rapporteur of the Board of Director, and the date of his/her appointment:

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 2020 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 2020:

- The company was able to deal with the Corona pandemic with all success by following the instructions issued by the competent official departments, and we in turn are proud that the United Arab Emirates is at the top of global indicators in the face of the pandemic.
- The organizational structure of the company has been modified, and an Executive Committee has been created with all the heads of the company's departments.



- The Marketing Department was created and the duties of the person in charge of the department were defined to set the strategies required to move the company and develop it for the better.
- Amending the organizational structure of the Information Technology Department and enhancing the safety system from any technology system penetration in the company.
- Updating the underwriting guide for all branches of insurance to maintain the company's business development.
- It also performs a significant role in accumulating and investing capital in all sectors.
- The company has achieved outstanding achievements in 2020 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 the transactions carried out by the company with related parties, during the year 2020 that are equal to 5% or more of the company's capital:

- The capital of the National General Insurance Company is estimated at AED 149,954,112, and the following is a statement of the transactions that the company has made with related parties during the year 2020, which are equal to 5% or more of the company's capital:

Sr.	Statement of Related Parties	Nature of Relationship	Type of Transaction	Value of Transaction
01	Emirates NBD & Group	Shareholder	Insurance Premiums and Claim Settlements	52,845,177
02	Commercial Bank of Dubai	Shareholder	Insurance Premiums and Claim Settlements	34,725,337
03	Dubai investment Group	Shareholder	Insurance Premiums and Claim Settlements	11,186,815
Total				98,575,329



K- Statement of Emiratization percentage in the company by the end of 2020:

The company has sought to follow the Emiratization 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	Emiratization Percentage
2018	9.42%
2019	8%
2020	7.57%

However now MOHRE and Insurance Authority are assessing insurance companies by New Point Rating System that requires not the percentage criteria on Emiratisation but point scoring on their hiring, retention and development in more critical roles. Hence, our target point for 2020 and the achievement is



published at IA on line portal. Where we are excelling over given target points, each year successfully.

(Target points 86 /achieved points 95)

L- Statement of innovative projects and initiatives done by the company or still under process during 2020:

The company Innovation Committee is running with a Charter, Headed by CEO, Gm, Committee members, and Ms. Khawla Khalifa Juma, as the coordinator for all innovative, side by side having human resource support.

In company innovative Corner, the company staff has showcased his Safety mask creativity in year 2020, that is appreciated by many staff. However, due to COVID 19 situation, many external outdoor social projects are deferred to 2021.

The company has moved many steps forwards in Digital Technology developments, a very qualified and experienced Marketing Manager is hired, to assess and plan programs to enhance the company services, customer interaction with augmented customer reach.



The digital media team is working on virtual marketing and sales and customer happiness options. The company went online in many business operations to make the work place less and support customers virtually.

The company has completed 40 years of success and we have marketed our brand recognition as matured, 40 years old Experience Company in UAE.

The Chairman

The Audit committee

The BRNC committee

The Internal Control Dpt

Date: **11 FEB 2021**

Date: **15/2/2021**

Date: **16.2.2021**

Date: **8/2/2021**



February 2021