



الشركة العربية الإسكندنافية للتأمين (ش.م.ع) - تكافل - اسكانا للتأمين
ARABIAN SCANDINAVIAN INSURANCE COMPANY (PLC) - TAKAFUL - ASCANA INSURANCE

Incorporated with limited liability by Amiri decree
A company subject to federal law no. (6) of year 2007 of Insurance
Authority and registered in the insurance companies register under No. (6)
on 15/12/1984 Paid Up Capital Dirhams One Hundred Fifty Four Million

تأسست بموجب مرسوم أميري بضممان محدود
شركة خاضعة لأحكام القانون الاتحادي رقم (٦) لسنة ٢٠٠٧ في شأن هيئة
التأمين وتنظيم أعماله. ومقيدة في سجل شركات التأمين تحت رقم (٦)
بتاريخ ١٥/١٢/١٩٨٤ م رأس المال المدفوع مائة وأربعة وخمسون مليون درهم

Arabian Scandinavian Insurance Company PLC
Takaful – Ascana Insurance

Corporate Governance Report

2019



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Arabian Scandinavian Insurance Company PLC - Takaful – Ascana Insurance

Corporate Governance Report

1-A statement of the procedures taken to complete the corporate governance system during 2019 and how they are applied?

Arabian Scandinavian Insurance Company(PLC)- Takaful -Ascana Ins has adopted this objective and effective system leading to the development of institutional work, improving the requirements of disclosure and transparency, establishing integrity in transactions, enhancing control and preserving shareholders rights, and preserving the rights of the insured, reducing the potential risks and the separation between ownership and management, providing good governance and skilled expertise, developing training courses, and applying best practices through implementing the provisions of Resolution No. 7 / R of 2016 and its amendments No. 3 / RM for the year 2019 regarding the standards of institutional discipline and corporate governance of public shareholding companies, which replaced Resolution No. 518 of 2009 regarding corporate governance and institutional discipline standards.

The company's achievements in 2019 can be summarized as follows:

- *- Commitment to internal control systems and their effectiveness by matching the data issued with the external audit data and providing the opportunity for committee members to follow up on their monitoring role easily and effectively.
- * - The executive entities in the company as well as members of internal control follow up and discuss the risk management policy adopted by the company in accordance with the approved systems by implementing a cautious and strong accounting policy and strong underwriting policy and claims.
- *-The company has also provided an explanation to its employees to tighten the rules of governance, and how to apply.
- *- The Board of Directors also followed up the Audit Committees, the Nominations and Remuneration Committee in accordance with the rules of the corporate governance. The Board also received the reports from the Internal Department and met with them studying and discussing the reports.



* - The Company is keen to carry out its business with the transparency required in respect of the dates and methods of disclosing the financial statements while complying with all provisions and decisions of the Securities and Commodities Authority

* - Improve the performance of the IT department by introducing and modifying new innovative systems.

* - To make this report available to all shareholders of the Company in accordance with the provisions of Article (52) of Resolution No. (7 / R) for the year 2016.

* - The annual report and all financial statements are presented to shareholders prior to the convening of the general assembly, to enable the General Assembly to view them and make decisions.

2-A statement of the transactions of the members of the Board of Directors, and spouses and children thereof in the Company 'securities during 2019 using the table below:

There is no transaction for 2019 between members of the board of Directors and their spouses and children.

3- Board of Directors:

A-Statement of the current Board of Directors (BOD) composition (adding the names of the independent and appointed BOD members) using the table below:

No	Name	Category (Executive, Non - Executive, and Independent)	Experience	Qualifications	Period served as a BOD member of the Company since his first election date	their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental or business entities
1	His Highness Sheikh Butti Bin Maktoum Bin Jumaa Al Maktoum Independent / non-executive	Non Executive	He served as deputy commander in Central Military Area	N/A	1998	N/A	Ruling Family
2	Abmad Mohammad Amin Al Kazim Managing Director / Executive	Executive	25 years of insurance	Bachelor's in business administration	1991	N/A	N/A
3	Khalid Habib Al Redha Independent / non-executive	Non Executive	businessman		2004	N/A	N/A
4	Faisal Aqil Bastaki	Non Executive/ Independent	Emirates Islamic	*Emirates Islamic Bank	2006	N/A	*CEO of the Emirates Development Bank



	Independent / non-executive		Bank	*CEO of the Emirates Development Bank *Bachelor's in computer science and Statistics			*Board Member in Baraka Bank
5	Mahmoud Mohammed Hadi	Independent / non-executive	Commercial Bank of Dubai	Master of Management	2006	N/A	*Chief Operating Officer *Chief Manager of Banking Operations. * Special Advisor to the Chief Executive Officer, Commercial Bank of Dubai * Currently retired and Director of Delta Company for Supply Workers on Demand
6	Majid Mohammad Amin Al Kazim	non-executive	businessman	Bachelor of Management	2000	N/A	*Business Administration specialization marketing. *Chief Executive Officer of Al Kazim Group of Company.
7	Dr. Mohammad Salim Al Ulama	Independent non-executive		*Bachelor of Medicine *Undersecretary of Ministry of Health *Master of Business of Administration *Master in science	2012	N/A	*Sheikh Mohammed Bin Rashid Program for wise leadership *Master of Public Health Sciences * - Master of Business Administration * Bachelor of Medicine / Surgery *Undersecretary of the Ministry of Health For wise leadership

B- Statement of women's representation in the Board of Directors in2019:

No woman representation for female of the BOD currently, but the company hopes to be represented by-elections in the coming years.



C-A statement of reasons why no women were nominated for the membership of the Board of Directors (for example: no women were nominated for the membership of the Board of Directors:

The company performs the procedures stipulated by law in relation to candidacy for membership of the BOD either by advertising in newspapers or by registered mail or through the financial market or through the company's website, but the main reasons for not nominating the female component may be due to family reasons for each of them, In fact, ASCANA company proud of the UAE woman wherever she is. Noting that the percentage of women as shareholder constitutes 25% of the total shareholders.

D- Directors' remuneration and attendance allowances:

The remuneration of the Chairman and members of the BOD shall be based on the provisions of Article (21) of Resolution No. (7 / R of 2016) on the rules of governance and Article (169) of the Commercial Companies Law No. (2) for the year 2015, (Article 60 / c) so that the remuneration of members of the BOD shall consist of a percentage of the net profit provided that it shall not exceed 10% of the net profit for the fiscal year after deducting both the depreciation and the reserves. The Company may also pay additional expenses, fees, bonus or monthly salary determined by the BOD for any of its members if such member works on any committee or makes special efforts or performs additional duties to serve the Company above his normal duties as a member of the BOD of the Company. No attendance allowance may be paid to a Chairman or a member of the BOD for Board meetings.

1-Directors' remuneration paid for 2019:

The remuneration paid for the year 2019 to Directors of the BOD amounted to AED 1,500,000.

2-Total remuneration of the proposed Board of Directors for 2019 which will be presented at the AGM:

-The Board has decided not to pay any remuneration to the board of directors for the year ended December 31, 2019.

3-During 2019, the Board did not take any decisions regarding the disbursement of any allowances to attend board meetings or committees arising from the Board.

4- Details of allowances, salaries or fees paid by the board member other than the attendance allowances and reasons for the committees.

E- The number and dates of BOD meetings held during the FY2019as well as the attendance frequency by all the members; in person and by proxy as follows:

*- The number of board meetings is (5) meetings in addition to (1) meeting by circulation for the fiscal year 2019 according to the following details.



	Date of the meeting	Number of Attendees	Number of attendances by proxy	Names of absent members
1	19/2/2019	Seven members	One member	Mr Majid AlKazim
2	15/4/2019	Seven members	One member	Mr Ahmad AlKazim
3	14/5/2019	Seven members	None	None
4	7/8/2019	Seven members	None	Dr Mohd Al Olama
5	14/10/2019	Seven members(circulation)	None	H.H Sheikh Butti Bin Maktoum Bin Juma Al Maktoum
6	5/11/2019	Seven members	None	None

F-The number of Board decisions issued by circulation during FY 2019, indicating their dates.

The Board of Directors held only one time a BOD meeting by circulation on 14/5/2019

G-Statement of the functions and terms of reference of the Board of Directors carried out by the Executive Management on the authority of the Board of Directors and the period of validity of the mandate:

The BOD of the Company has a distinct delegation system. Articles 24 and 25 of the Articles of Association stipulate the powers and mechanism of delegation. The BOD has therefore granted all powers in the management of the Company, conduct all acts and actions on behalf of the Company as authorized by the Company. None of these authorities and powers shall not be retained by the Companies Law or by the Articles of Association of the General Assembly. The BOD shall establish regulations concerning administrative, financial and employees matters and their financial dues. The Board of Directors shall also establish a regulation for the organization of its work and meetings and the distribution of competencies and responsibilities. Moreover, the board taking into account the provisions of the Companies Law and the implementing decisions issued by the Authority, authorizes the BOD to extend loans over a period of 3 years, sell the properties of the company or the store, mortgage the movable and immovable property of the company, discharge the Company owes its obligations or conciliation and agreement on arbitration.

The right to sign on behalf of the Company shall also have the exclusive right of the Chairman of the BOD or any other member authorized by the Board within the limits of the BOD `s decisions. The chairman of the board of directors may be the legal representative of the company in front of the judiciary and in relation to third parties. The chairman of the board may delegate other members of the board of directors in some of his powers, provided that the board of directors is not authorized to delegate the president of the council in all his powers in absolute terms. As the Council has the right to appoint Chief Executive Officer or General Manager of the company or several Manager or authorized agents and determine their terms of service and salaries and remuneration.



The Board of Directors of the Company has assigned to the Executive Management of the Company to carry out the following tasks and functions:

Name of the authorized person	Delegation Authority	Period
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Ahmad Mohammad Amin Al Kazim

All the necessary powers to carry out
The duties of the administrative and scientific
and technical requirements of the company
for example:

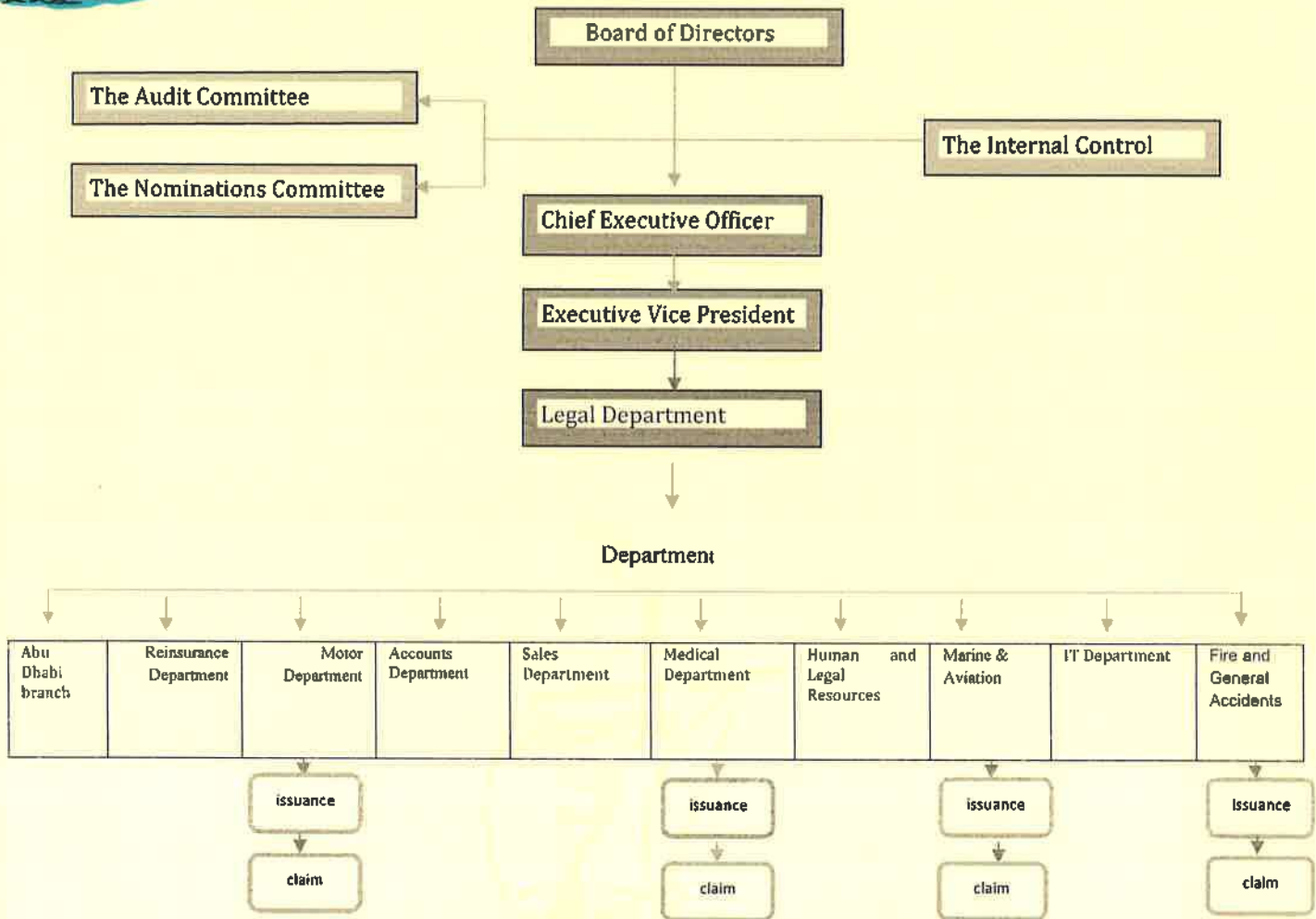
- * - Daily management of the company
- * - A budget arrangement
- * - Put the required insurance for the company
- * Appointing and dismissing employees, consultants and contractors, determining their duties, bonuses, promotions and disciplinary rules
- * Representing the company in all natural and legal entities, ministries, committees, boards, references, civil departments, companies, and private entities and signing all contracts, transactions, correspondence, and documents related to the company's business.
- *Follow-up the establishment, processing, and operation of the branches and the taking of procedures in their establishment, and in general the representation of the company in all the activities required for the conduct of its business and activities or related thereto and related to its practices.
- *In the conduct of the company's business, defending its rights, representing third parties, appointing lawyers and signing on behalf of the company all administrative, technical and legal works.

G- A statement of the details of transactions made with the related parties (stakeholders), indicating the nature of relationship and transaction type

There is no transactions between the parties.



1- The organizational structure of the Company



1- A detailed statement of the senior executive staff in the first and second levels according to the Company's organizational structure(as set out in item(3h)above), their positions and appointment dates, and total salaries and benefits paid there to, using the table below:

Position	Date of appointment	Total salaries and allowances paid for 2019	Total bonuses paid for 2019	Any other cash in kind benefit for 2019
1-CEO	2002	AED1,610,298	AED 264,000	250,000 (BONUS)
2- Human Resource and Legal	1995	AED 462,096	76,000	None



3- Fire Department Manager	2018	AED 206,772	17,000	None
4-Marine Department Manager	1995	AED366,763	60,600	None
5 -Medical Department Manager	2016	AED 365,050	60,000	None
6 -Accounts Department Manager	2003	AED 372,585	60,000	None
7- Sales Department Manager	2013	AED 290,178	48,000	None
8- Re-insurance Department	2012	AED341,198	49,600	None
9- Motor Department Manager	2001	AED325,044	51,800	None
10- IT Department Manager	2002	AED227,126	36,400	None
11-Operation Manager	2018	AED332,767	34,794	None
12-Abu Dhabi Branch Manager	2015	AED192,730	None	None

4-External Auditor:

A-A brief about the external auditor of the Company's to the shareholders:

* -(Grant Thornton), is a multinational professional firm and approved in UAE.

* - He has audited the company's accounts since 2018 and was elected by shareholders at the AGM held on 10/04/2018.

Grant Thornton has been independently verified by the Company and its BOD. The audit is carried out in accordance with international standards. Their primary functions are to verify the financial statements and to monitor the Company's accounts for the financial year, in order to perform their duties, they have the right to access the Company's records, books and documents, request data, clarifications and verify the Company's assets and liabilities, in preparing the reports, the validity of the accounting records maintained by the company must be ascertained, in the extent to which the accounts of the company agree with the accounting records and have the right to request



whatever they deem necessary for the performance of his mission and review the company's transactions with the related parties, observe the application of the provisions of the Companies Law and the Statutes. External Auditor submits the report to the General Assembly and sends a copy thereof to the IA. They also attend meetings of the General Assembly, and to confirm the correctness of the procedures followed by the company for this invitation, to read its report to the shareholders, and their observations on the company's accounts, financial position or any violations, and that his report is independent and neutral, explaining any obstacles or interventions of the BOD encountered during the performance of his work.

B- Statement of the fees or costs of auditing or the services provided by the external auditor, using the table below:

Audit Office Name	Grant Thornton
Total audited fees for the financial statements for the year 2019	175,000AED
The fees and costs of the special services other than the auditing of the financial statements in 2019 (in AED), if any, and in case there are no other fees, this shall be expressly stated	None
The details and nature of other services provided (if any), and in case there are no other services, this shall be expressly stated	None
A statement of the other services performed by an external auditor other than the Company's auditor in 2018 (if any), and in case there is no another auditor, this shall be expressly stated?	None

C- A statement of the qualified opinions made by the company's external auditor in the interim and annual financial statements for 2019. In the absence of any qualified opinions, this shall be stated clearly

The interim and annual financial Statements for the year 2019 did not contain any qualified opinion made by the Company's external auditor.

5- The Audit Committee:

A- The names of members of the Audit Committee, and the statement of its functions and their duties assigned there to:

I, acknowledge the chairman of the committee my responsibility of the committee work in the company.

Mr. Faisal Aqil Bastaki	Chairman of the Committee
Mr. Mahmoud Mohamed Hadi	Member
Dr. Mohammed Al Ulama	Member
Mr. Khaled Habib Al Redha	Member

B- Duties of the Audit Committee:



A committee arising out of a decision issued by the BOD based on its structure and functions to the provisions of Articles 48, 49 and 46 of Resolution No. 7/2016. All members must have the knowledge in financial and accounting matters and that at least one of them has previous work experience in the field of accounting or financial matters or be a holder of a scientific qualification or a professional certificate in accounting or financial or other related fields as well as the provisions of article 46 (b).

The Audit Committee shall undertake the following duties and duties: -

1) It shall review the financial and accounting poliscies and practices

2) It shall oversee the integrity of and review the Company's financial statements and annual, semi-annual and quarterly reports in the course of its operations during the year and shall, in particular, focus on:

A) Any changes of accounting policies and practices

B) Highlighting matters that are subject to the management's judgment

C) Material amendments emerging out of auditing

D) Assumption of the company's going concern

E) Adherence to the accounting criteria set by the Authority

F) Adherence to listing and disclosure rules as well as other financial reporting legal requirements

3-It shall coordinate with the board of directors, the executive management and the financial manager or the manager assuming the same duties in the company in order to duly fulfil its duties. The Committee shall hold a meeting with the company's external auditor at least once per annum

4-It shall consider any outstanding unconventional issues that are or have to be reflected in these reports and accounts and shall pay necessary attention to any issues raised by the financial manager of the Company, the manager assuming the same duties, the compliance officer or the external auditor;

5-It shall submit a recommendation to the Board of Directors regarding the selection, resignation or removal of the auditor

6-It shall review the Company's financial control, internal control and risk management systems.

7-It shall discuss the internal control system with management and make sure that it fulfils its duty to develop an effective internal control system.

8- It shall consider findings of main investigations into internal control issues to be assigned there to by the board of directors or at the initiative of the Committee upon the approval of the board of directors.

9-It shall ensure coordination between internal and external auditors, ensure availability of necessary resources for internal audit body, review and control the efficiency of this body.



10-It shall review the Company's financial and accounting policies and procedures;

11-It shall review the mission and action plan of the external auditor and any material inquiries raised by the auditor to the management in respect of accounting records, financial accounts or control systems, respond there to and approve the same;

12-It shall make sure that the board of directors responds on a timely basis to inquiries and material issues raised in the external auditor's mission;

13-It shall develop rules that enable the employees of the Company to secretly report any potential violations in financial reports, internal control or other issues and adequate steps to conduct independent, fair investigations into these violations;

14-It shall oversee the scope of the Company's compliance with its code of conduct;

15-It shall ensure application of rules of operation in connection with their duties and powers assigned thereto by the board of directors.

16-it shall make a report to the board of directors on the issues set in this clause; and

17-It shall consider any other issues as the board of directors may determine.

18-In case the board of directors disapproves of the recommendations of the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor, the board of directors shall include in the governance report a statement that explains the recommendations of the Audit Committee and causes of the board's disapproval

19-It shall monitor the company's compliance with the rule of professional work

20- Review the related parties' dealings with the company, ensure that there are no conflicts of interest, and recommend them to the Board of Directors before concluding it.

21- It shall also has to ensure that the business rules for its duties and the powers assigned to it by the Board of Directors are applied

22-other duties that the Boards of Directors may specifies.

B-Audit Committee Meeting

* **The Committee had held its first meeting** on 26/02/2019 in the presence of all members. They have been discussed the report of the Shari'a Supervisory Committee and the report of the Internal Control Committee dated 24/12/2018, the risk and financial safety control committee, and follow up all the duties assigned to it.

* **The second meeting** was held on 15/4/2019 in the presence of all the members. The balance sheet was discussed, the external auditor's independence was confirmed, his work identical to the accounting requirements, discussed the solvency according to the requirement of Law



***The third meeting** was held on 7/08/2019 Dr Mohd Salim Al Olama was absent due the excuse for personal reason. Reviewed the report of the internal control committee and the recommendation of the committee for transparent dialogue and the holding of training courses for some departments such as the issuing department and the claims department. The Board of Auditors must follow all the observations of the Sharia Supervisory Committee, if any, and ask the Accounts Department to follow any changes in accounting policies and practices, full compliance with the accounting standards determined by the authority and fully comply with the rules of inclusion & disclosure, and other legal requests for financial reporting. The Committee has also made sure of the company's compliance with the rules of professional conduct.

*** The fourth meeting** was held on 10/9/2019 in the presence of all members. Discussed the internal control reports, the risk management report and the financial reports. The Committee also affirmed the full compliance with the accounting standards established by the authority and the independence of the External Auditor, it has also been reviewed for transactions of related parties with the company and to ensure that there is no conflict of interest.

***The Committee also held its fifth meeting** was held on 23/12/2019 and was absent Dr Mohd Salim Al Olama due to the excuse for personal reason and has accepted his apology by the audience where the report of the Internal Control Committee was read, There was also discussion of the procedures for selling the property and recommending that the matter be referred to the Investment Committee regarding the investment of the funds obtained from the sale of the property, provided that this is in accordance with the instructions, rules and assets issued by the Insurance Authority. It was also discussed that the company must abide by the rules of listing and disclosure and other requirements related to the preparation of financial reports

6-Nomination and Remuneration Committee:

I, Chairman of the Nomination and Remuneration Committee, Mahmoud Mohamed Hadi Hassan, acknowledge my responsibility for the committee work in the company and that I have been reviewed for its work mechanism and its effectiveness has been verified.

A- The names of members of the Nomination and Remuneration Committee, and a statement of its functions and the duties assigned thereto.

-Mr. Mahmoud Mohamed Hadi Chairman of the Committee



Mr. Faisal Aqil Bastaki
Mr. Khalid Habib Al Redha
Dr. Mohammed Al Ulama

Member
Member
Member

The Committee shall abide by all the functions and competencies stipulated in Article 47 of the Chairman's Decision No. 7 / R for the year 2016, a committee formed by the Board of Directors and hold its meetings once a year or whenever necessary, its functions include:

1. To develop a policy for the nomination of BOD member and Executive Management, which aims at taking into consideration the diversity of the sexes in the formation and encouraging women through advantages and incentive and training programs.

2. Organizing and following up the procedures for nomination to the Board of Directors in accordance with the laws and regulations in force and the provisions of Resolution No. (7 / R for the year 2016).

3. Annual review of the required skills requirements for Board membership and preparation of a description of the capacities and qualifications required for membership of the Board of Directors, including the time required to be assigned by the member to the work of the Board of Directors.

4. Review the structure of the Board of Directors and make recommendations regarding possible changes.

5. Verification of ongoing independence of independent board members.

6. If the Committee finds that a member has lost the conditions of independence, it shall submit the matter to the Board to notify the member with a registered letter to its fixed address in the company. The member shall respond to the Board within 15 days from the date of notification. The Board of Directors shall issue a decision declaring the member independent or non-independent at the first meeting following the member's reply or the expiration of the period referred to in the preceding paragraph without reply.

** - Subject to the provisions of Article (145) of the Companies Law and Article (47) of the Board of Directors Resolution No. (7), If the decision of the board of directors to eliminate the reasons or justifications for independence from the member affect the minimum rate to be available from its independent members, the Board of Directors appoints an independent member to replace the member if the latter resigns to be independent from him. In case the member refuses to resign, the board of directors shall submit the matter to the General Assembly for a decision to approve the appointment of another member or to open a candidacy for the election of a new member.

7. Setting up special policies by granting the remuneration, benefits, incentives, and salaries of the members of the Board of Directors, and its employees in the official review, and verifying that these benefits and rewards granted to the Company's senior management are reasonable and fit company performance.



8. Identify the company's needs of competencies at the level of senior executive management and employees and the bases of their selection,

9. To prepare, monitor, implement and review the human resources and training policy on an annual basis, and on any other matters determined by the Board of Directors.

B- The meetings of the Nomination and Remuneration Committee during the year and its dates and the number of times of personal attendance of the members:

-The first meeting was held on 26/02/2019 in the presence of all the members of the committee. The internal control report and recommendations on administrative affairs were also reviewed.

The needs of the company were discussed both in the senior executive management or at the general level. It also recommended that the staff should be trained technically, either in the insurance departments or the claims departments, provided that qualifying courses are held within the company by qualified persons and that they should be provided with the expense values if this is achieved.

-It also held its second meeting on 15/4/2019 in the presence of all members of the committee. The committee has been reviewed the independence of the members and the external auditor has been assured, and it is in compliance with the instructions and decisions issued by the competent authorities. It was also ensured that the company adheres to the rules of professional conduct, its dealings with clients, and the employees treat each other well. It also stressed the necessity of resettlement and their qualification.

It also recommended the preparation of policies for granting rewards, benefits and incentives, starting from next year, so that the evaluation will be carried out by the division directors, and then the administration will submit this evaluation for consideration and necessary action.

*** - The committee also held its third meeting on 10/9/2019**, in the presence of all members, where the report of the Internal Oversight Committee was reviewed and approved, and the report issued regarding solvency, recommendations of the audit committee, and recommendations of the actuary was also considered, and the needs of The company includes employees in both the upper and lower executive management, and the CVs of applicants to fill the position of an internal auditor have also been reviewed and the committee recommended setting an appointment to meet them in cooperation with the Audit Committee and then selecting the best technically and scientifically and that he has sufficient knowledge of the takaful business. The Committee also recommends that the supervisor of employment affairs be assigned a mechanism for the current employees based on the qualifications, experience and courses they enjoy, and to develop a job ladder as per the established procedures.

*** - The committee also held its fourth meeting on December 23, 2019**, and Dr. Mohd Salim al-Olama was absent from the meeting due to his presence outside the country. The internal control report was reviewed, and the previous recommendations were also discussed with Ms. / Aisha Al-Amiri, competent in the human resources department of the company, and the committee was briefed about them in this regard. Also, the committee was followed up with the Accounts Department and the Audit Committee, regarding the system related to IFRS

7-Follow-up and supervision committee on insider trading:



I, Chairman of follow up and supervision Committee Faisal Aqil, acknowledge my responsibility for the committee work in the company and that I have been reviewed for its work mechanism and its effectiveness has been verified.

A- Names of members of the follow-up and supervision of the transactions of insiders and the statement of terms of reference and duties assigned there to:

- 1- Mr. Faisal Aqil
- 2- Mr. Mahmoud Hadi
3. Mr. Sunil Kumar

B- Summary of the report of the Committee's work during:

Limitation of supervision and follow-up on the transactions of insiders and their property in accordance with the decision of the Board of Directors of the Securities and Commodities Authority No. (7 / m. Of 2016).

Setting the rules of dealing in accordance with the legal bases and circulars issued by the DFM or SCA , or another party involved in this regard

The Committee asserts that, upon reference to the Company's records, it was proved to the Committee that there were no violations in dealing with the prescribed legal restrictions.

* - **The committee held its first meeting on 26/2/2019**, and all its members attended, the committee was confirmed through the report issued by member Sunil Kumar through the company records that there are no violations in the deal according to the established legal controls.

* - **The committee also held its second meeting on 10/9/2019** in the presence of all its members, and the committee confirms that by returning to the company records during the previous period before this meeting, it was proven to the committee that there were no violations in the deal according to the established legal controls

8-Committees approved by the Board:

A-Risk Management Committee

- I, Abdel Halim Barqawi, manager of the Risk Committee, acknowledged my responsibility for the committee's system in the company and that I had been reviewed for its work mechanism and also confirmed its effectiveness.

B-The names, terms of reference and functions assigned to the Committee:

- 1- Abdel halim Barcawi
- 2- Khalid Ahmad Al Kazim
- 3- Walid Shalab
- 4- Rusiru Thalinka
- 5- Motassem Oklah
- 6- Alla Kassas

***-The competence and functions of the Committee:**



Measuring and assessing risk and developing strategies to manage them. These strategies include risk transfer, avoiding, minimizing negative impacts and accepting some or all their consequences, and reduced to acceptable levels and reduction to acceptable levels. In brief, the process of identifying, measuring, controlling and reducing the risks facing the company.

The tasks assigned to it are to map the scope of the work and the basis for the risk assessment and to identify the risks of interest and then to evaluate them in terms of their intensity in the occurrence of events and the probability of occurrence.

And has the authority to suspend activities that lead to risk (such as the suspension of a product or activity with significant actual risk)

It also has the right to put in place regulatory procedures that guarantee work to reduce both the probability of occurrence and the risk result if it occurs.

C-The number of meetings held by the Committee during the financial year, its dates and the number of times the personal attendance of all members of the Committee.

*-First Meeting was held on 26/12/2018 in the presence of all the members (FIRST QUARTER)2019

*-Second Meeting was held on 15/04/2019 in the presence of all the members

*-Third Meeting was held on 30/12/2019 in the presence of all the members

9-Internal Control System:

A - Approval of the Board of Directors and the mechanism of work of the Internal Control Department in the company:

Accordingly, in compliance with corporate governance and corporate governance standards, the Board of Directors acknowledges its responsibility for the Company's internal control system, It also acknowledges its review of its working mechanism and effectiveness.

* The Internal Control Department of the Company carries out its duties in accordance with the provisions of Article (50) of Resolution No. 7 / R of 2016 which replaced Ministerial Resolution No. 518 of 2009 so that it shall have enough independence to carry out its duties and directly follow the Board of Directors. The internal control system is designed to establish an evaluation of the company's risk management tools and procedures to apply its governance rules properly, and to verify the compliance of the company and its employees with the provisions of the laws regulations and decisions in force internal policies and procedures and review of the financial statements presented to the Company's senior management, which are used in the preparation of financial statements.

1. The internal control system shall be issued by the Board of Directors after consultation with the senior executive management. The system is managed by an internal control department.



The Board shall also define the objectives, functions, and powers of the competent internal control department with enough independence to perform its functions and directly follow the Board of Directors,

3. The Director shall also be appointed directly by the Board.

4. The Board shall conduct an annual review to ensure the effectiveness of the Company's internal control system and to disclose its findings to shareholders in its annual report on corporate governance.

5. The annual audit includes especially the details as given below:

A) Key control elements including financial control operations and risk management.

B) Changes since the last annual review and extent of the main risks and the Company's ability to respond to changes in its business and the external environment.

C) The scope and quality of the Board's continuous control over risks the internal control system and the work of the internal auditor.

D) The number of times the Board of Directors or its committees have been informed of the results of the audit work to enable it to assess the internal control position of the Company and the effectiveness of risk management.

E) Cases of failure or weakness in the detected control system or unexpected contingencies that have affected or may have a material impact on the performance or financial position of the Company.

F) The effectiveness of the Company's financial reporting and compliance with inclusion and disclosure rules.

G) Verifying all transactions in terms of what if they are carried out with a related party or involving a conflict of interests or by verifying compliance with the procedures governing such transactions.

The company adopts the application of international standards of internal control in order to achieve the required objectives efficiently in accordance with the purpose for which it was found and aimed at achieving an integrated control system and in accordance with the set of controls, standards, and procedures.

** - The Internal Control Department is transparent in its reports on the extent of the company's transactions and employees in accordance with the procedures required to be followed by the company and its employees.



B. Internal Control:

Composed of six Members of university graduates, qualified and experienced and headed by Mr. Mohammed Belbeissi, in his capacity as Compliance Officer. He holds a bachelor's degree in Law and has worked in the insurance business as a consultant for 38 years and has several courses in Insurance and Takaful Insurance from 2010.

C. Compliance officer:

The Manager of the Internal Control Department also take instruction from the Board of Directors to act as Compliance Officer to verify the compliance of the Company and its employees with the laws, regulations and decisions issued to implement them, as well as their compliance with the Articles of Association of the Company and the resolutions issued by the General Assembly and the Board of Directors.

D. How the Internal Control Department deals with any significant problems in the company or those disclosed in the annual reports and accounts.

The administration has dealt with transparency and professionalism all the tasks entrusted to it by the Board of Directors and what required by law to this matter, and to inform the Board of Directors with all the details required.

In the year 2019, the company did not face any major problems to be dealt with the Internal Control Department, which in case of occurrence, the Internal Control Department will deal with them in accordance with the nature of the problem and report to the Board of the facts and solutions.

10-Details of the violations committed during the fiscal year and the reasons for them, and how to address them and avoid recurrence in the future

The Company's record with all official authorities indicates that there are no violations or excesses during 2019

11- Details of the cash and in-kind contributions made by the company during the year 2019 in the development of the community and the preservation of the environment

* The company follows an environmental and social policy which stems from its interest in preserving the safety of the local environment by reducing the use of pollution-reducing tools, reducing the amount of waste, recycling, and reuse, as well as the optimal use of resources. The company has also implemented a special system to conserve energy and reduce energy consumption Offices.

In addition to the above, the company has several social, charitable, sports and environmental contributions. In 2019, the company supported and sponsored several activities for governmental, social, educational and environmental agencies, translating it into the concept of community service.



* At the local and sports level, the company is considered one of the main sponsors of equestrian racing events in Dubai under a cash contribution as one of the sponsors and in the form of awarding prizes to the winners.

* - At the social level Takaful, the company has provided the Zakat legitimacy of charitable organizations (the UAE Red Crescent and Beit Al Khair).

* The company also through the inspection department in the Motor Department has issued its instructions to conduct the optional examination and free inspection of its customers on vehicles to be insured as an additional service to ensure that it is free from defects harmful to public health or the environment.

12- General information:

A statement of the Company share price in the Market (closing price, highest price, lowest price) in the end of each month during year2019;

ASCANA		
Month	Opening	Closing
Jan-19	2.70	2.70
Feb-19	2.70	2.70
Mar-19	2.70	2.70
Apr-19	2.70	2.70
May-19	2.70	2.70
Jun-19	2.70	2.70
Jul-19	2.70	2.70
Aug-19	2.70	2.70
Sep-19	2.70	2.70
Oct-19	2.70	2.70
Nov-19	2.70	2.00
Dec-19	2.00	1.85

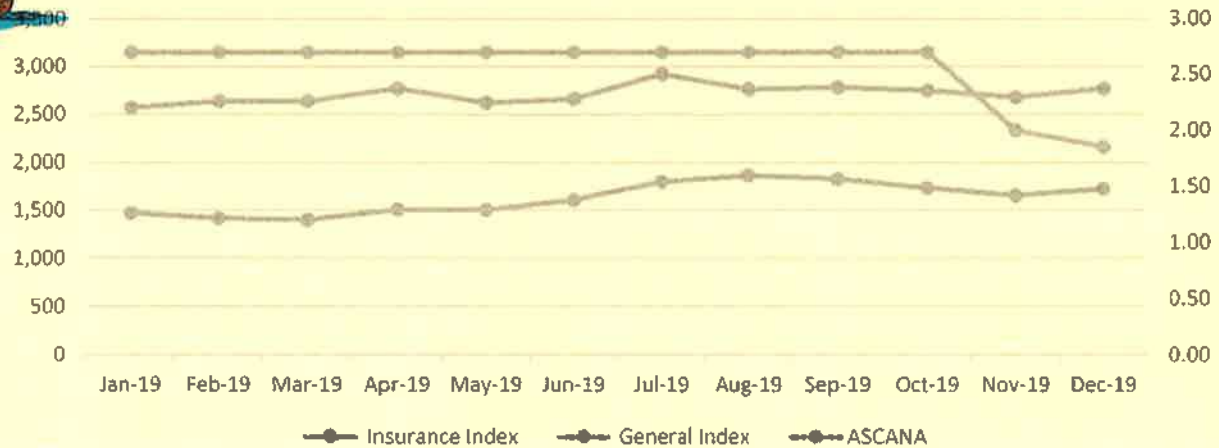
B-A statement of the comparative performance of the company's shares with the market index and the sector index to which the company belongs during year2019:

A chart showing the stock price and how it will interact with the DFM index and the sector index in 2019.

Month	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Insurance Index	1,471	1,413	1,396	1,506	1,585	1,608	1,793	1,862	1,826	1,731	1,655	1,721
General Index	2,568	2,636	2,635	2,767	2,620	2,659	2,918	2,759	2,781	2,747	2,679	2,765
ASCANA	2.70	2.70	2.700	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.00	1.85



ASCANA - TAKAFUL



C- A statement of shareholding distribution as of 31/12/2019(individuals, companies, governments) classified as follows: local, GCC, Arab, foreign using the table below

All shares are owned by UAE nationals.

Statement of Shareholders' Equity as of 31/12/2019

Local	No Of shares	Shareholding Ratio %
Company	545,351	0.36%
Individual	153,454,649	99.64%
Grand Total	154,000,000	100.00%

D- A statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2019 using the table below:

Serial No.	Name	Number of shares Held	%of Shares Held of the Company's capital
1	Fawzia Abdul Razzaq Al Kazim	7,937,702	5.15%
2	Rehab Mohammed Amin Al Kadhim	16,435,094	10.67%
3	Rawia Mohammed Amin Al Kazim	16,435,094	10.67%
4	Ahmad Mohammad Amin Al Kazim	18,650,000	12.11%
5	H. H Sheikh Butti Bin Maktoum Bin Juma Al Maktoum	28,644,000	18.60%
6	Majed Mohammed Amin Al Kazim	39,019,711	25.34%



F- A statement of shareholders distribution by the size of equity as of 31/12/2019 using the table below:

Share(s) Owned	No of Shareholders	No. of Share	% of the shares held of the capital
1-Less than 50,000	19	199,799	0.13%
2-50,000 - 500,000	7	1,586,034	1.03%
3-500,000-5,000,000	11	25,092,566	16.29%
4-Above 5Million	6	127,121,601	82.55%
Grand Total	43	154,000,000	100.00%

F- A statement of the procedures taken with respect to the controls of investors' relations, indicating the following:

The Company updated its website to be able to upload any disclosed information and any other information related to the shareholders rights ,such as corporate governance reports, Financials , Shareholders Structure, Contact details of the investor relations office.

*** Name and contact information of the Investor Relations Officer:**

Ms. Rabia Hannachi -04 2824403 EXT-165

*** The link of the Investor Relations web page on the website of the Company**

www.ascana.net

G- A statement of the special resolutions presented to the General Assembly held in 2019 and the procedures taken with respect there to

A special decision was taken regarding the sale of the property belonging to the company under the name of Al Karama Building, in compliance with the financial instructions of the Takaful Insurance Company. All the measures related to this decision were taken for approval by the respected Securities and Commodities Authority.

Also, a special decision was taken regarding the approval to provide voluntary contributions for the purposes of community service.

H- The name of the board secretary and the date of his/her appointment

*** - The board secretary is Ms. Rabia Hannachi and she was appointed on 11/07/2017**



Follow up the implementation of the board decisions, make minutes, follow up on their signature, coordinate the work agenda proposed among members, and coordinate attendance and dates.

*- A statement of the significant events that took place in the Company in2019.

- 1- The resignation of the CEO with effect 31/12/2019
- 2- Approval to appoint Mr. Khalid Al Kazim as Deputy CEO

I-A statement of the Emiratization Percentage as of 2019 in the company:

I-A statement of the Emiratization Percentage from 2017 till 2019 in the company:

	2017	2018	2019
Emiratization %	5.5%	6.5%	6.5%

*The company introduced a project related to the development called (Department of happiness). The aim is to look at the transactions of customers and respond to their requests and provide services to them as well as employees of the company and hopes to get the 1st place for this year.

Arabian Scandinavian Insurance Company PSC - Takaful - Ascana Ins

Chairman



Chairman of the Audit committee

Chairman of the Nomination and Remuneration Committee

Manager of the Internal Control Department