

# Corporate Governance Report

For the Year Ended 31/12/2018

## Methaq Takaful Insurance Company PJSC

### Corporate Governance Report for the Year Ended 31/12/2018

#### 1) The Procedures taken to complete the Corporate Governance system during 2018 and how they are applied

##### A. Introduction

The Board of Directors of Methaq has adopted an advanced stand toward the implementation of the Resolution of the Chairman of the Securities and Commodities Authority No. (7 R.M) of 2016 concerning "The Standards of Institutional Discipline and Governance of Shareholding Companies". The company has complied with the laws and regulations issued by the Securities and Commodities Authority, Abu Dhabi Securities Exchange, Insurance Authority, Health Authority, Labour Law and all laws and regulations set forth in the United Arab Emirates. The company is a public shareholding company listed in the Abu Dhabi Securities Market and carries out insurance business including health insurance products.

The Board of Directors has given a special and continuous attention to the rules and regulations of governance especially:

- Direct supervision of the efficiency of internal controls and corporate governance.
- Supervision of company's compliance with all laws, ministerial decrees and circulars issued by governing authorities.

Based on the ministerial decree stated above, the company has issued a specialized guidelines for corporate governance, and the authority of supervision is assigned to the Audit Committee.

Over the past seven years, Methaq has published its Corporate Governance Report in compliance with the Resolution No. (518) of 2009, and this is the seventh report in

##### B. Summary of the Company Performance in the Year 2018

Methaq has successfully executed its plans in 2018 based on achievable strategic objectives. This reflects the continued trust and support of shareholders, customers, together with a professional team with technical expertise. Our strategic direction is focused on the following key objects in order to achieve a sustainable return for both policyholders and shareholders:

- targeting profitable growth;

- Managing the takaful portfolios' performance;
- Excelling in customer service; and
- Arranging the optimal ReTakaful program for all portfolios.

The Company has achieved a net profit of AED 15,406,186 for the year ended 31 December 2018 compared to a net profit of AED 803,700 for the year ended 31 December 2017. The Company has achieved total comprehensive income of AED 8,318,186 during 2018 that led to the increase of the shareholders' equity to AED 83,735,723 as at 31 December 2018 compared to AED 75,417,537 as at 31 December 2017.

In 2018, the company has implemented successful strategies in managing the underwriting and claims operations, so the takaful portfolios has shown a positive performance.

Summary of results:

Summary of Financial Position	31 December 2018 (AED)	31 December 2017 (AED)
Total Assets	623,662,183	573,761,507
Total Liabilities	539,926,460	498,343,970
Shareholders Equity	83,735,723	75,417,537
Summary of Statement of Income	31 December 2018 (AED)	31 December 2017 (AED)
Gross Takaful Contributions	317,140,888	408,784,811
Net Profit/Loss for the Year	15,406,186	803,700
Basic Earning per share	10.3%	0.5%

With regard to the company's future plans for 2019, the company has prepared an ambitious business plan backed by a set of objectives relate to the takaful portfolios, retakaful program, operating expenses and profits. The company expects good improvement in performance and results in 2019.

### C. Corporate Governance Guidelines at Methaq

The Corporate Governance Guidelines manual of Methaq includes detailed policies and procedures for:

- Company's mission
- Board of Directors

- Tasks and responsibilities
- Appointment of BOD members
- Continuous company's development
- BOD meetings
- Evaluation of BOD performance and the annual comprehensive revision
- Formation of BOD Committees
- Transactions of the BOD and related parties in the stock market.
- Employees' Code of Conduct
- Anti-Money Laundering Law
- Shareholders' Equity
  - General Principles
  - Obtaining information about the company
- Internal Controls and Risk Management Systems
  - Internal audit
  - Internal controls
  - External auditor
- Insider's Trading Follow-up and Supervision Committee
- Disclosure and Transparency System
- Company's commitments
  - Audit Committee commitments
  - Nomination and Remuneration Committee commitment
- Company's social and environmental responsibility

#### **D. Anti-Money Laundering and combating Terrorism Crimes**

The company has set a database of transactions for all customers in accordance with the Circular No. (31) of the Year 2013, number 1267 for the year 1999 based on Federal Law No. (4) for the Year 2002 on the incrimination of Money Laundering and the Decree by Federal Law No. (1) for the Year 2004 on Combating Terrorism offences. And Circular No. (32) for the year 2013, number 1373 for the year 2001 on the implementation of the UN Council resolutions, and the two circulars issued by the Securities and Commodities Authority No. (1) and (2) on List of Terrorist Groups and Organizations approved by the United Arab Emirates, and the Decree by Federal Lay No. (20) for the Year 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations. This database was linked to the company's used software of operations and finance and review and update it on quarterly basis to ensure that there are no transactions have been made with the names stated on those lists issued by UN.

The company has also updated its software, so it will have an immediate alert in case it encounters any name similar to those listed, or of any transactions required from them. A blocking systems and blacklists have been created for those names to prevent transacting with them.

In respect of the Circular issued by the Insurance Authority on the implementation of the Cabinet Resolution No. (18) of the Year 2017, the company has created a list of personal and terrorist organization attached to it. A special database was prepared for the company's use to review the transactions and compare it with the names and organizations listed and confirm no financial or insurance transactions has been made.

## 2) Transactions of the members of the Board of Directors, and spouses and children thereof in the Company's securities during 2018

S/N	Name	Position/ Relationship	Shares Held as at 31/12/2018	Total Sale Transactions	Total Purchase Transactions
1	Ali Zaal Al Mansouri	Chairman	NIL	NIL	NIL
2	Khadem Sawayeh Al Mheiri	Vice Chairman	NIL	NIL	NIL
3	Mohamed Abdullah Mohamed	Managing Director	NIL	NIL	NIL
4	Youssef Hussein	Member	NIL	NIL	NIL
5	Ahmed Hassan Alrumaithi	Member	NIL	NIL	NIL
6	Mohsen Hamad Al Marri	Member	NIL	NIL	NIL
7	Abdullah Saif Al Shamsi	Member	NIL	NIL	NIL
8	Hamad Al Shamsi	Member	NIL	NIL	NIL
9	Noura Al Mazroui	Member	NIL	NIL	NIL
10	Bilal Tayara	Member	NIL	NIL	NIL

## 3) Board of Directors Composition

### A. Current Board of Directors (BOD) Composition

S/N	Name	Position	Category (Executive, Non-Executive, Independent)	Member since (date)	Audit Committee	Nomination & Remuneration committee	Investment Committee
1	Ali Zaal Al Mansouri	Chairman	Independent	22/04/2013			
2	Khadem Sawayeh Al Mheiri	Vice Chairman	Independent	24/04/2016			

S/N	Name	Position	Category (Executive, Non-Executive, Independent)	Member since (date)	Audit Committee	Nomination & Remuneration committee	Investment Committee
3	Mohamed Abdullah Mohamed	Managing Director	Executive	26/02/2008			
4	Youssef Hussein	Member	Independent	Joined 28/03/2018			
5	Ahmed Hassan Alrumaithi	Member	Independent	22/04/2013		✓	✓
6	Mohsen Hamad Al Marri	Member	Independent	22/04/2013	✓		✓
7	Abdullah Saif Al Shamsi	Member	Independent	22/04/2013	✓		
8	Hamad Al Shamsi	Member	Independent	22/04/2013		✓	✓
9	Noura Al Mazroui	Member	Independent	22/04/2013	✓	✓	
10	Bilal Tayara	Member	Independent	28/02/2010 Resigned on 23/03/2018	✓		

**Board of Directors Experience, Qualifications and membership and positions in any other companies:**

S/N	Name	Experience	Qualifications	memberships and positions in any other joint-stock companies	positions in any other important supervisory, governmental or business entities.
1.	Ali Zaal Saeed Al Mansoori	Up to Date	BSC	N/A	Zonescorp BOD Counselor
					Zonescorp General Manager
					Department of Economics Research and Retail Manager
2	Khadem Sawayeh Mheiri Al	2006 up to date	BSC	N/A	Chief Executive Director
		1996 to 2005			Projects Manager at National Security
		1986 to 1996			Project Manager at General Directorate of the Military Works
3	Mohammed Abdullah Moahmmed	2004 to 2011	BSC	N/A	Al Ain Club Company
		2004 to 2010			Al Ain Club Company
		2009 to 2011			Al Ain Distribution Company
4	Bilal Tayara	2004 up to date	BSC	N/A	Managing Director for Bin Salem Group
		2000 to 2004			Managing Director for B S Technology
		1997 to 2000			General Manager Al Taj Institute
		Up to date			Board Member Al Madar International School
5	Ahmed Hassan Al Rumaithy	2012 up to date	BSC	N/A	Expert at Executive Council
		2008 to 2011			Investment Chief at Bin Salem Group

S/N	Name	Experience	Qualifications	memberships and positions in any other joint-stock companies	positions in any other important supervisory, governmental or business entities.
		2004 to 2008			Manager of the Exctive Director office at Zonescrop
6	Mohsen Hamad Al Marri	2007 to 2012	BSC	N/A	Chief Managing Director of ARKAN Building Materials
		1981 to 2007			General Manager of Emirates Cement Factory
7	Abdullah Saif Ali	2011 to 2012	BSC	N/A	Project Manager at Abu Dhabi Farmer's Services Center
		1998 to 2011			Public Relation manager at Emirate University
8	Hamad Shamci Al	2012 up to date		N/A	Human Resource Manager at Al Ain Distribution Company
		2009 to 2012			Customer Support Manager at Al Ain Distribution Company
		2008 to 2009			Chief Human Resource Manager at Al Ain Distribution Company
		2007 to 2009			Chief of Services Division at Al Ain Distribution Company
		2006 to 2007			Head of the Consumption and Follow-up Division at Al Ain Distribution Company
		2004 to 2006			Deputy Director of Publications, Information and Publishing Department at Ministry of Media
		2003 to 2004			Manager of Information Technology Department at Ministry of Media
9	Noura Khalifia Al Mazrouie	2011 up to date	Master	N/A	Executive Transportation Manager at Al Sahara'a Group
		2009 to 2011			Diplomatic Officer at Ministry of Foreign Affairs
		2000 to 2009			Systems Analyst at GASCO
10	Yousif Hussain Al Sahlawi	2009 to 2004	BSC	N/A	Senior Executive Manager at Dubai Customs
		2007 to 2014			Policy and Legislation Sector Executive Manager at Dubai Customs
		2006 to 2007			Legal Affairs Manager at Dubai Customs
		1997 Up to date			Instituted of AL Sahlawi Advocates & Legal Consultants
		1998 to 2011			Board Member at Football Union
		2007			Chairman of the Technical Committee for the Gulf Session

## B. Women's Representation in the Board of Directors in 2018

Methaq believes in the importance of quality and diversity expertise and in enhancing the role of women, it has a female participation in its Board of Directors since the year 2013. Women's membership represents 11% of the current Board of Directors, she is also a member of two Board Committees: Audit Committee and Nomination and Remuneration Committee.

## C. Reasons why no women were nominated for the membership of the Board of Directors

The company has women membership in its Board of Directors and welcomes further nominations from female members.

## D. Statement of:

### (1) Total remunerations paid to the members of the Board of Directors for the year 2017

The total remunerations paid to the members of the Board for the Year 2017 is AED 72,330.

### (2) Total remunerations proposed to be paid to the members of the Board of Directors for the Year 2018

The Board of Directors will put a recommendation to the General Assembly to approve the remuneration of the Board members by an amount of AED 1,386,557.

### (3) Details of allowances for attending the sessions of committees derived from the BO paid the BOD members for the fiscal year 2018:

S/N	Name	Allowances for attending the BOD Committees		
		Name of Committee	Allowance Amount	Number of Meetings
1	Ahmed Hassan Alrumaithi	Nomination & Remuneration	12,000	3
		Investment	19,000	4
2	Mohsen Hamad Al Marri	Audit	4,000	1



S/N	Name	Allowances for attending the BOD Committees		
		Name of Committee	Allowance Amount	Number of Meetings
3	Abdullah Saif Al Shamsi	Audit	14,000	2
4	Hamad Al Shamsi	Nomination & Remuneration	12,000	3
		Investment	19,000	4
5	Noura Al Mazroui	Audit	4,000	1

#### E. Number and dates of BOD meetings held during the year 2018

The Board of Directors held (5) meetings during the year 2018, at least five members out of nine must be present to constitute the quorum:

#	Date of Meeting	Number of Attendees	Number of Attendance by Proxy	Names of absent members
1	12 February 2018	7	0	<ul style="list-style-type: none"> <li>• Khadem Sawayeh Al Mheiri</li> <li>• Noura Al Mazroui</li> </ul>
2	28 March 2018	7	0	<ul style="list-style-type: none"> <li>• Ahmed Hassan Alrumaithi</li> <li>• Noura Al Mazroui</li> </ul>
3	12 May 2018	5	0	<ul style="list-style-type: none"> <li>• Ahmed Hassan Alrumaithi</li> <li>• Noura Al Mazroui</li> <li>• Abdullah Saif Al Shamsi</li> <li>• Youssef Hussein</li> </ul>
4	28 June 2018	7	0	<ul style="list-style-type: none"> <li>• Abdullah Saif Al Shamsi</li> <li>• Mohsen Hamad Al Marri</li> </ul>
5	13 November 2018	7	1	<ul style="list-style-type: none"> <li>• Khadem Sawayeh Al Mheiri</li> <li>• Noura Al Mazroui</li> </ul>

#### F. BOD's tasks and functions which were performed by the Executive Management pursuant to an authorization by the BOD to the Management

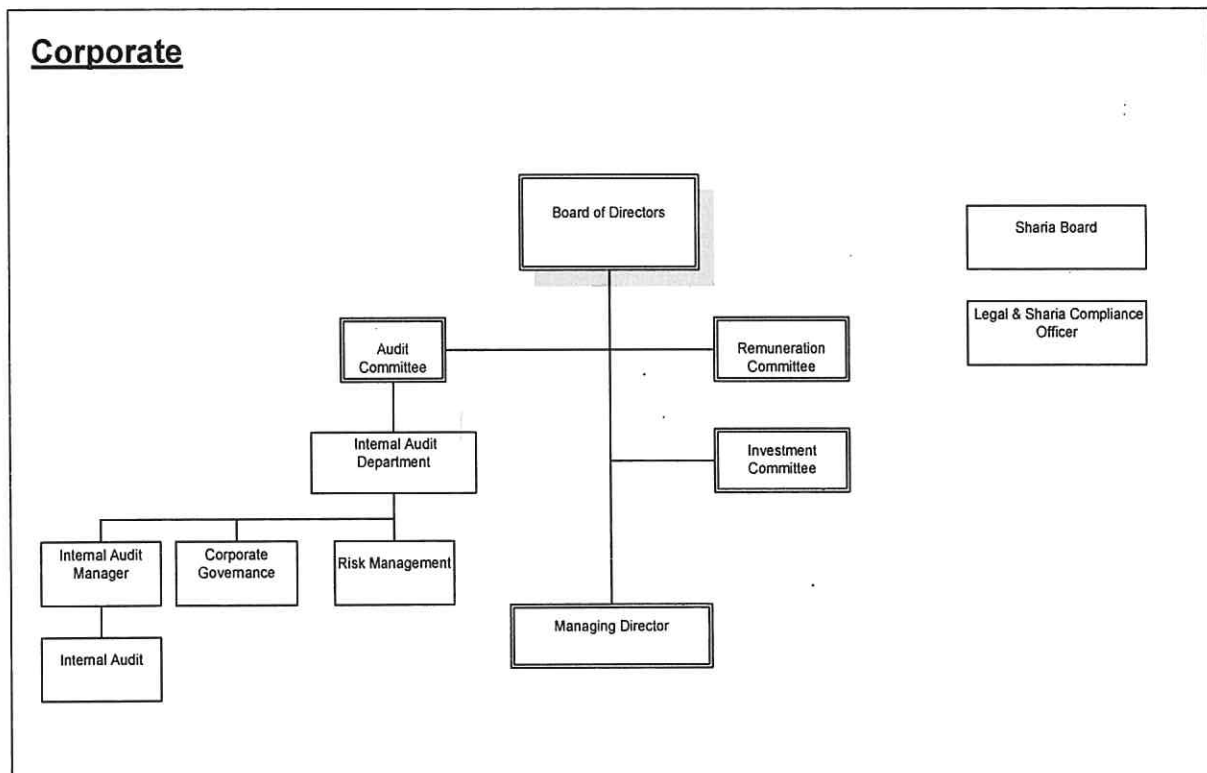
The General Manager of the company, Mr. Tareq Al Absi, is authorized by the Managing Director until 18/12/2020, to follow up on the matters related to the management of the company and running its day-to-day operations, including the conducting of company's transactions with all governmental and non-governmental entities,

recruitment and termination of employees and all related transactions, completion of all services related transactions as needed by the company, sale; ownership transfer of vehicles; leasing, mortgage and unmortgage, and all procedures related to the vehicles owned by third parties, follow up with the courts in respect of all legal proceedings relating to the company, and the right to authorize others to all or some of the foregoing authorization.

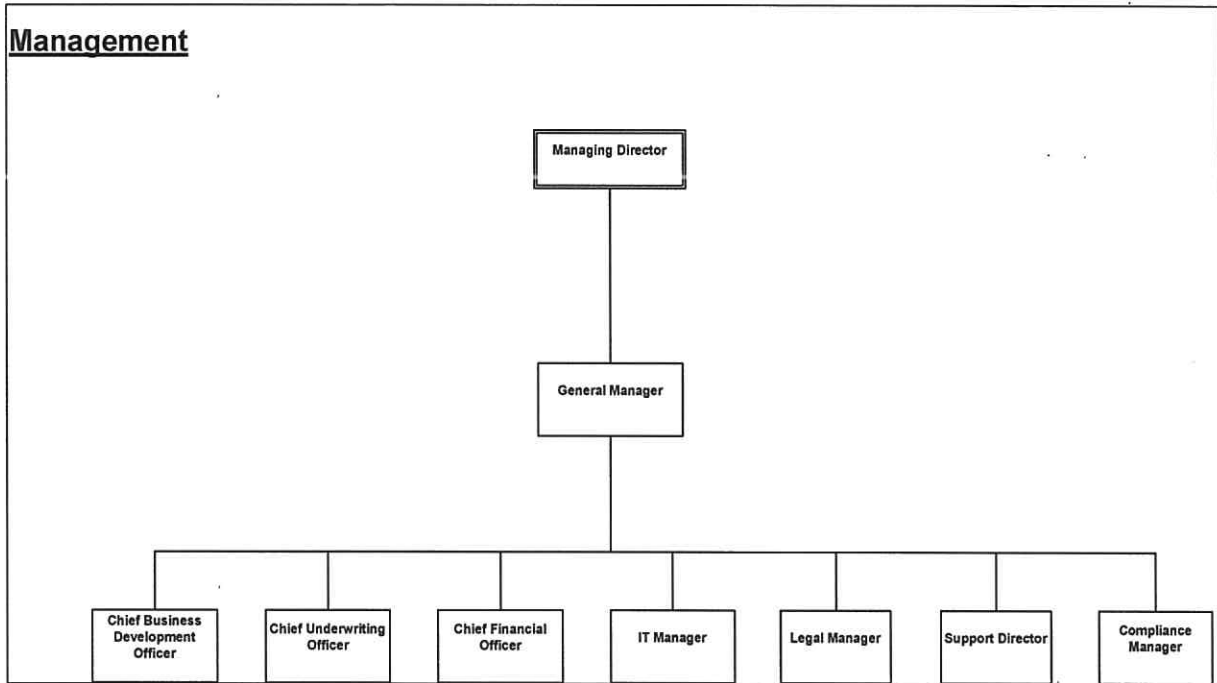
### G. Transactions made with the Related Parties (Stakeholders)

No transactions were made in 2018.

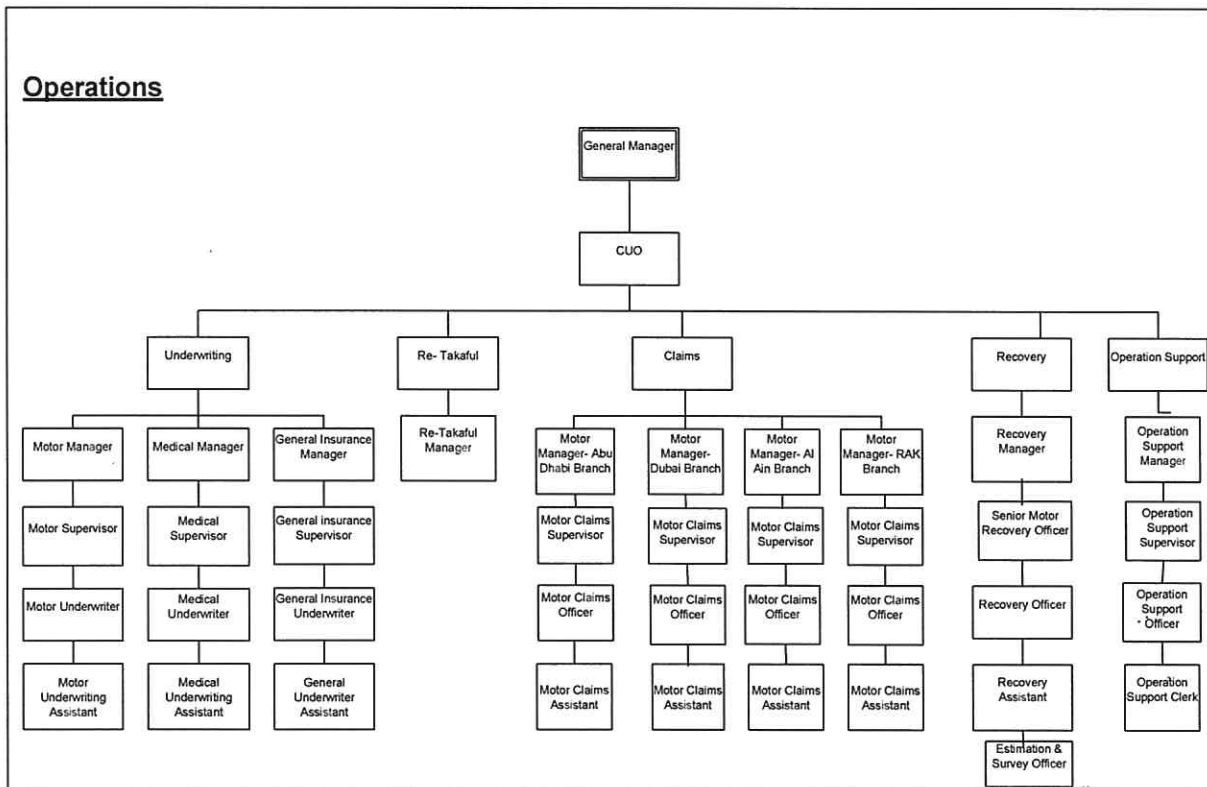
### H. The Organizational Structure of the Company



**Management**



**Operations**



### Senior Executive Staff in the first and second levels

S/N	Positions	Date of Appointment	Total Salaries & Allowances paid in 2018 (AED)	Total Bonuses paid in 2018 (AED)	Any other cash/in-kind benefits for 2018 or payable in the future
1	General Manger	04/01/2012	1,584,000	None	None
2	Finance Manager	19/12/2012	726,000	None	None
3	Support Director	03/03/2014	541,200	None	None
4	Dubai Branch Manager	14/19/2009	504,000	None	None
5	Insurance UW Manager	14/03/2010	278,400	None	None

#### 4) External Auditor

##### A. A Brief about the Company's External Auditor

Ernst & Young carries out the company's external audit, it has been renewed based on shareholder's resolution at the General Assembly meeting held in April 2018, and their fees was set at AED 335,000.

The external auditor was selected based on the following criteria:

- High qualification and experience as being one of the top four auditors in the world with many branches in the Middle East.
- Independent from the company and its management.

Ernst & Young has opened its office in the Emirate of Abu Dhabi in 1966 and has witnessed remarkable success ever since. The office has more than 322 staff, including 13 resident partners and 9 executive managers.

Ernst & Young has been working in the UAE since 1966 and is considered one of the largest professional services' providers in the country. Ernst & Young provides services for various sectors including: financial services, insurance, energy, construction and real estate, chemical and utilities sectors, retail consumer products, sales, communication and entertainment sectors worldwide.

The external audit company is independent from the company and its board of directors. It conducts audit work, verifies the financial statements and monitors the company's accounts for the fiscal year in which it was appointed. To perform its duties, it always has the right to inspect all company's books, records and documents and to request data and clarifications which it deems necessary to obtain, and to check the company's assets and liabilities.

The external auditor has been committed to attend the General Assembly meeting to present their report to the shareholders in independent and neutral manner.

#### B. Fees of Audit Services provided by the External Auditor

Name of Auditing Firm	Ernst & Young
Number of years served as an external auditor for the Company	7 years
Total fees for auditing the financial statement of 2018	AED 335,000
Total fees and costs of the special services other than the auditing of the financial statements in 2018	Included in the total fees
The details and nature of other services provided	<ul style="list-style-type: none"><li>• Preparation of E-Forms in accordance with IA Financial Regulations for Insurance Companies No. (24) of 2014.</li><li>• Preparing the supplementary financials required by the Insurance Authority.</li></ul>
Statement of other services performed by the <u>external auditor other than</u> the Company's auditors in 2018	None

Ernst & Young has conducted the external audit of the company for seven years 2012, 2013, 2014, 2015, 2016, 2017 and 2018 and has also carried out the implementation of the "eXtensible Business Reporting Language".

Except Ernst & Young, no other external auditor provided any services for the company in 2018.

#### C. The qualified Opinion made by the External Auditor in the interim and annual financial statements for 2018

None.

## 5) Audit Committee

The Audit Committee monitors the quality and integrity of the financial statements and related disclosures, develop the internal control systems in respect of risk management, finance and accounting, and compliance with the legal and regulatory frameworks.

Duties and tasks of the Audit Committee:

- Selecting the External Auditor and make recommendations to the BOD
- Monitoring the relationship with External Auditors and their independence.
- Overseeing the External Auditor's work plan including the approach and time frame of the process.
- Reviewing the outcome of the Audit carried out by the concerned authorities, and the company's response to their findings.
- Discussing and reviewing the company's accounting policies, financial principles and reserves and ensuring the integrity of financial statements and the extent to which it complies with the International Financial Reporting Standards.
- Reviewing the procedures and actions taken by the management regarding the company's financial reports, financial reviews, interim financial reports and report any material findings to the BOD.

**Members and attendance of the Audit Committee:**

The Audit Committee held three meeting during the year 2018 as follows:

S/N	Name	Position	11 February	26 March	11 November
1	Bilal Tayara	Chairman	✓	✓	✗
2	Mohsen Hamad Al Marri	Chairman	✗	✗	✓
3	Abdullah Saif Al Shamsi	Member	✓	✓	✗
4	Noura Al Mazroui	Member	✗	✗	✓

## 6) Nomination and Remuneration Committee

The role of Nomination and Remuneration Committee is to recommend on bonuses and other compensations for the Executive and senior management.

#### Duties and tasks of the Nomination and Remuneration Committee:

- Reviewing the executive and senior management remuneration packages based on performance and related information and provide professional expertise when needed. Packages include – in addition to basic salary – pensions, retirement benefits, end of service compensation, performance bonuses and additional allowances.
- Decide the amount of remuneration for executive and senior management.

#### Members and attendance of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee held three meeting during the year 2018 as follows:

S/N	Name	Position	12 February	28 June	13 November
1	Ahmed Hassan Alrumaithi	Chairman	✓	✓	✓
2	Hamad Al Shamsi	Member	✓	✓	✓
3	Noura Al Mazroui	Member	x	x	x

#### 7) Insiders' Trading Follow-up and Supervision Committee

The committee carry out the follow-up and supervision of insiders and keep a record for their transactions and provide the periodic reports to Abu Dhabi Securities Exchange.

Members of the Insiders' Trading Follow-up and Supervision Committee:

S/N	Member Name	Position at the Committee	Position according to the Organizational Structure
1	Mohammed Abdullah Mohammed	Chairman	Managing Director
2	Tareq Ibrahim Al Absi	Member	General Manager
3	Mahmoud Mohammed AbdulAtti	Member	Finance Manager
4	Caroline Bruto	Member	Internal Auditor
5	Mohammed El-Bouazzaoui	Member	Legal Advisor

#### Duties and tasks of the Insiders' Trading Follow-up and Supervision Committee:

- Set written rules for transactions related to the company's BOD members and employees in the securities issued by the company.

- List the names of the insiders who are aware of company's data that may have an impact on its market share price to ensure the highest transparency and disclosure standards.
- Keep a special register contains all data of insiders and the duration of their permission.
- Determine the duration of each insider (permanent / temporary)
- Ensure that all insiders have made the necessary representations.
- The committee hold at least one meeting a year.

#### Members and attendance of the Insiders' Trading Follow-up and Supervision Committee:

Insiders' Trading Follow-up and Supervision Committee held two meetings during 2018 as follows:

S/N	Name	Position	2 April 2018	1 November 2018
1	Mohammed Abdullah Mohammed	Chairman	✓	✓
2	Tareq Ibrahim Al Absi	Member	✓	✓
3	Mahmoud Mohammed AbdulAtti	Member	✓	✓
4	Caroline Bruto	Member	✓	✓
5	Mohammed El-Bouazzaoui	Member	✓	✓

#### 8) Other Committees approved by the Board of Directors

##### INVESTMENT COMMITTEE

The investment committee assists the Board of Directors in developing, supervising and monitoring the company's investments by:

- Developing the investment strategy and policy
- Reviewing and monitoring investments
- Ensuring all investments are in accordance with the all applicable law and regulations and meets the Shari'a approval.

#### Members and attendance of the Investment Committee:

The Investment Committee held four meeting during the year 2018 as follows:

S/N	Name	Position	24 January	12 February	28 June	13 November
1	Ahmed Hassan Alrumaithi	Chairman	✓	✓	✓	✓
2	Hamad Al Shamsi	Member	✓	✓	✓	✓
3	Mohsen Hamad Al Marri	Member	✗	✗	✗	✗



## 9) Internal Control Systems

The Board of Directors is fully responsible for the implementation, revision and effectiveness of the company's internal control systems. The Board has delegated some of those responsibilities to the Audit Committee.

The Internal Audit Department prepared quarterly audit reports and presented it the Audit Committee. All points raised by them has been dealt with by the Board of Directors. The management has also worked on the following:

- Prepare the internal audit work plan for the year 2018
- Direct communication with all departments' heads to identify and assess risks.
- Revision of the internal control guidelines and address the significant matters especially the investment-related matters.
- Discussing all notes made with the Internal Control Unit and addressing it, especially the investment and disclosure matters submitted to the external auditor and how it was treated in the company's financial statement.
- Discuss all disclosures and address any significant matters which the external auditors state in their annual financial report.

**The company did not face any significant matters during the year 2018.**

The Head of Internal Control Department: Mrs. Caroline Bruto, she holds a Bachelor's degree in Accounting from "La Consolacion University", Philippines. She has over 12 years of experience in auditing and accounting - Date of appointment 1<sup>st</sup> October 2014.

The Compliance Department has also performed the following tasks:

- Prepare internal audit checklists to ensure compliance with the company's policies and procedures manual.
- Conduct periodical analytical reviews of internal control systems for all departments and identify weakness in these systems and develop it properly.
- Review and assist the technical departments' work in order to ensure compliance with the approved policies and procedures.
- Review the corporate governance regulations and ensure the company's compliance with it.
- Prepare Risk Management and Audit systems.

Compliance Officer: Mrs. Fatima Al Marzouki, holds a B Bachelor's degree in Business Administration – Date of appointment 4<sup>th</sup> July 2017.



### 10) Violations committed during the year 2018

The company did not commit any violations during the year 2018.

### 11) Contributions toward the local community development and environmental conservation during the year 2018

In 2018, Methaq continued working to create mechanisms for communication with local community. It has developed insurance programs with preferential services for various community sectors such as: Civil & Military Pensions, the Red Crescent, various governmental entities, and for the residents in remote areas and those with limited income. The company has already succeeded in achieving some of these programs, and will continue to deliver those to a other sectors in the future.

The company also contributed to the following projects and events:

S	Event	Description	Amount
1	"Year of Zayed" celebration by the Insurance Authority	The company sponsored "Year of Zayed" celebration held by the Insurance Authority as Golden Sponsor in order to increase the insurance awareness about insurance amongst UAE nationals and residents by presenting the various insurance products offered by the company on the celebration venue in addition to competition games and awards.	60,449
2	Specialist Center for Children with Disabilities	Contribution to provide electronic chairs offered or used by specialist Center for Children with Disabilities.	5,000
3	Emirates Police Women Association	Support the Emirates Police Women Association by contributing to the UAE Police Magazine.	12,000
4	R.A.K Chamber	Contribution to "The Chamber" magazine which includes the targets, vision and mission of the R.A.K Chamber of Commerce and Industry highlighting its role and activities in collaboration with both	3,500

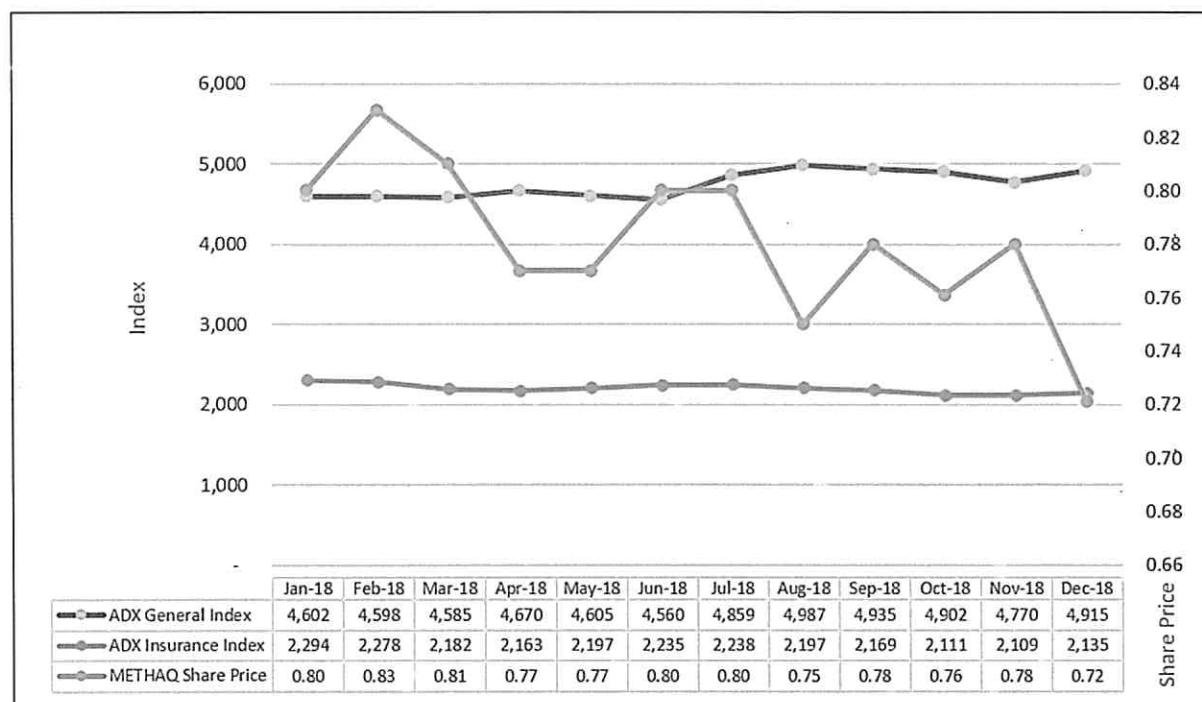
S	Event	Description	Amount
		governmental and private sectors for the development of economy and the country.	
5	UAE National Day Celebration	On UAE National Day, the company has organized a big celebration. It hosted a Lunch for all workers in various areas surrounding the company's offices as well as the distribution of souvenirs.	24,534

## 12) General Information

### A. Methaq share price in the market (closing price, highest price, lowest price) in the end of each month during year 2018

Month-end	High	Low	Close	Volume
January 2018	0.81	0.78	0.8	4,219,703
February 2018	0.84	0.83	0.83	20,000
March 2018	0.81	0.79	0.81	17,044
April 2018	0.77	0.77	0.77	25,000
May 2018	0.77	0.77	0.77	18,005
June 2018	0.8	0.75	0.8	40,701
July 2018	0.8	0.77	0.8	58,010
August 2018	0.76	0.75	0.75	219,356
September 2018	0.78	0.78	0.78	70,811
October 2018	0.773	0.761	0.761	103,000
November 2018	0.78	0.75	0.78	37,400
December 2018	0.76	0.72	0.721	910,782

**B. Comparative performance of Methaq's shares with the market index and the insurance index during the year 2018**



**C. Shareholding distribution as of 31/12/2018 (individuals, companies, governments) classified as local, GCC, Arab, and Foreign Countries:**

S/N	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Government	Total
1	Local	96,610,747.00	23,463,597.00	-	120,074,344.00
2	GCC	15,304,276.00	1,239,561.00	-	16,543,837.00
3	Arab	9,889,893.00	518,280.00	-	10,408,173.00
4	Foreign	2,973,646.00	-	-	2,973,646.00
5	Total	124,778,562.00	25,221,438.00	-	150,000,000.00

Note: No shares held by any governmental sector.

**D. Shareholders holding 5% or more of Methaq's capital as of 31/12/2018:**

S/N	Name	Number of Shares Held	% of Shares held of the Company's Capital
1	Sama Al Madina Real Estate Investment LLC	19,297,764	12.865%

**E. Shareholders distribution by the size of equity as of 31/12/2018**

S/N	Share(s) Owned	Number of Shareholders	Number of Shares Held	% of Shares Held of the Capital
1	Less than 50,000	7072	5,962,694	4%
2	From 50,000 to less than 500,000	260	39,365,933	26%
3	From 500,000 to less than 5,000,000	55	63,893,369	43%
4	More than 5,000,000	4	40,778,004	27%

**F. Procedures taken with respect to the Controls of Investors' Relations**

In response to the Resolution of the Chairman of the Securities and Commodities Authority No. (7 R.M) of 2016 concerning "The Standards of Institutional Discipline and Governance of Shareholding Companies" concerning Investor Relations, the company has appointed Mrs. Mona Saeed as responsible for the management of investors' relations, contact details are as follows:

- Investors' relations responsible email address: [mona.saeed@methaq.ae](mailto:mona.saeed@methaq.ae)
- The Investors' relations page on company's website:

<http://www.methaq.ae/investor-relations.aspx>

The company publishes the information of interest to shareholders, such as financial statement and corporate governance report, on the above link.

**G. Special Resolutions presented to the General Assembly held in 2018 and the procedures taken with respect thereto:**

None.

**H. Name of the Board Secretary and the date of his/her appointment**

Mr. Mohamed Bouazzaoui, date of appointment 4<sup>th</sup> June 2015.

**I. The Significant Events at Methaq in 2018**

None.

**J. Emiratization percentage in Methaq as of 2018**

8%

**K. Innovative Projects and Initiatives implemented by Methaq during 2018**

**The first Initiative "Happiness Station"**

Based on the Insurance Authority instructions to create a happiness stations that aims to increase the happiness levels amongst the insurance sector's customers and to smoothly facilitate the completion of their transactions, Methaq Takaful Insurance Company has provided the following:

- (1) Photocopying and printing services
- (2) Electronic business services center for all customers dealing with the company.

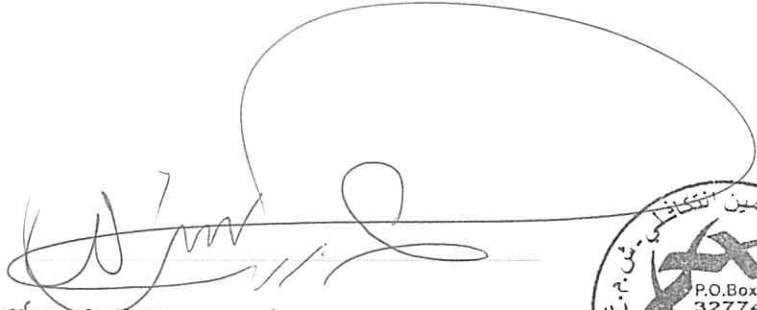
The company is keen to provide happiness to its customers based on the national program of happiness and positivity adopted by the UAE Government which includes a range of positive lifestyles.

**The second Initiative "Innovation Corner"**


Adopting the UAE policy innovation strategy in all fields including Insurance Sector, and based on the Insurance Authority's eagerness to be amongst the innovative nations, we at Methaq Takaful Insurance Company have dedicated an "Innovation Corner" that includes:

- (1) Library contains awards and certificates of honor in recognition of the company's activities.
- (2) Library for employees and customers aiming to set forth the importance of reading.
- (3) Display of the insurance products and services on video screens.

The company has adopted an innovation policy that ensures long-term continuity and ability to develop it to achieve sustainable growth and to encounter the rapid changes in the business world.



**Ali Zaal Al Mansouri**  
**Chairman of the Board of Directors**



**Date: 14/03/2019**