

# Corporate Governance Report

## Methaq Takaful Insurance Company

### For the Year 2022

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## **(1) Procedures taken to complete the corporate governance system, during 2022, and method of implementing thereof**

### **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, Labor 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 guideline for corporate governance, and the authority of supervision is assigned to the Audit Committee.

Subsequently after SCA issued the Chairman of Authority's Board of Directors No. 3 R.M of 2020 concerning the approval of the Corporate Governance manual of the Public Shareholding companies, the company reviewed this decision and amended its procedures to ensure full compliance in the specified time.

### **B. 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

**(2) Ownership and transactions of Board of Directors (Board members and their spouses, their children in the company securities during 2022**

S	Name	Position/Kinship	Owned Shares as on 31/12/2022	Total Sale	Total Purchase
1	Ahmad Humaid Almazrouei	Chairman	N/A	0	0
2	Musallam Ahmed Albaloushi	Vice Chairman/ Managing Director	N/A	0	0
3	Khalaf Mohamed Alnakkas	Member	N/A	0	0
4	Abdulla Khalaf AlHosani	Member	N/A	0	0
5	Abdelsalam Elsiddig abdelmutaleb	Member	N/A	0	0
6	Mohamed Abuelfuotoh Rashwan	Member	N/A	0	0
7	Hassan Ahmed Khodr	Member	N/A	0	0
8	Khawla Ismail Alhammadi	Member	N/A	0	0
9	Zainab Abdulrahman Ahmed Mohamed	Member	N/A	0	0

**(3) Board Formation**

**A. Statement of the current Board Formation (along with the names of both the resigned appointed Board members)**

<b>Name: Ahmad Humaid Almazrouei</b>	
<b>Category</b>	Independent
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>• Master in Economic sciences – Indiana State University</li> <li>• Master of Public Administration - Indiana State University</li> <li>• Bachelor of business finance and economics Indiana State University</li> <li>• Consultant of Abu Dhabi National Exhibition Center</li> <li>• Vice chairman of Al Ain football club</li> <li>• Managing Director of ADNIC</li> </ul>
<b>The period spent as Board member from the date of first election</b>	From 29/04/2022
<b>Membership and positions at any other joint-stock companies</b>	N/A
<b>Positions in any other important regulatory, government or commercial positions</b>	N/A

<b>Name: Musallam Ahmed Al Blooshi</b>	
<b>Category</b>	Executive
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>• Master in Sports law – American university – UAE</li> <li>• Bachelor in Media – Emirates College of Technology</li> <li>• Award in General Insurance Diploma Program of the Bahrain Foundation for Insurance and Financial Education FIFE</li> <li>• Insurance Underwriting, insurance claims – CII</li> <li>• Officer in the General Command of the Armed Forces of the United Arab Emirates</li> </ul>
<b>The period spent as Board member from the date of first election</b>	From 14/04/2019
<b>Membership and positions at any other joint-stock companies</b>	N/A
<b>Positions in any other important regulatory, government or commercial positions</b>	N/A

<b>Name: Khalaf Al Nakkas</b>	
<b>Category</b>	Independent
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>• Master of Human resources – Abu Dhabi university 2010</li> <li>• Bachelor of business administration – Ajman University 2001</li> <li>• Section Head Community Service Center 2013 till date</li> <li>• Section Head Public Housing – 2008 to 2013</li> <li>• Deputy Investment &amp; Business Development manager -1999 to 2008</li> </ul>
<b>The period spent as Board member from the date of first election</b>	From 29/03/2021
<b>Membership and positions at any other joint-stock companies</b>	N/A
<b>Positions in any other important regulatory, government or commercial positions</b>	N/A

<b>Name: Abdulla Khalaf AlHosani</b>	
<b>Category</b>	Independent
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>• Higher Diploma of Accounting – Higher Colleges of Technology</li> <li>• Head of Revenue Section – Abu Dhabi Municipality – 2015 till date</li> <li>• Team leader account receivable – Abu Dhabi Municipality 2011-2015</li> </ul>

<b>Name: Abdulla Khalaf AlHosani</b>	
	<ul style="list-style-type: none"> <li>Accountant – Abu Dhabi Municipality 2007-2011</li> </ul>
<b>The period spent as Board member from the date of first election</b>	From 29/04/2022
<b>Membership and positions at any other joint-stock companies</b>	N/A
<b>Positions in any other important regulatory, government or commercial positions</b>	N/A

<b>Name: Khawla Al Hammadi</b>	
<b>Category</b>	Independent
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>Diploma in Executive Management (Sports Field) University of Sharjah, 2020</li> <li>Master of Sports Law, American University in the Emirates , 2019</li> <li>Master of Business Administration, Abu Dhabi College of Management, 2016</li> <li>Head of the Department of Designing Programs and Projects for Job Seekers, 2017 till date</li> <li>Official of the Sail Team, Abu Dhabi Sailing and Yachting Club 2015 till date</li> <li>Director of Training Department - Human Resources Authority 2009-2017</li> </ul>
<b>The period spent as Board member from the date of first election</b>	From 08/10/2020
<b>Membership and positions at any other joint-stock companies</b>	N/A
<b>Positions in any other important regulatory, government or commercial positions</b>	N/A

<b>Name: Abdelsalam Elsiddig Abdelmutaleb</b>	
<b>Category</b>	Independent
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>Bachelor's in law</li> <li>Consultant in Al Owais Company</li> <li>Consultant in Al Forsan Investment Company</li> </ul>
<b>The period spent as Board member from the date of first election</b>	From 24/04/2022
<b>Membership and positions at any other joint-stock companies</b>	N/A

<b>Name: Abdelsalam Elsiddig Abdelmutaleb</b>	
<b>Positions in any other important regulatory, government or commercial positions</b>	N/A

<b>Name: Mohamed Abuelfuotoh Rashwan</b>	
<b>Category</b>	Independent
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's in law</li> <li>• Consultant in Al Mansour law Firm</li> <li>• Consultant in Safwat Al Safwa Consulting</li> </ul>
<b>The period spent as Board member from the date of first election</b>	From: 24/04/2022
<b>Membership and positions at any other joint-stock companies</b>	N/A
<b>Positions in any other important regulatory, government or commercial positions</b>	N/A

<b>Name: Hassan Ahmed Khodr</b>	
<b>Category</b>	Independent
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor</li> <li>• Administrative Manager in Tasheel</li> <li>• Executive Manager in Silsila Group</li> </ul>
<b>The period spent as Board member from the date of first election</b>	29/04/2022
<b>Membership and positions at any other joint-stock companies</b>	N/A
<b>Positions in any other important regulatory, government or commercial positions</b>	N/A

<b>Name: Zainab Abdulrahman Ahmed Mohamed</b>	
<b>Category</b>	Independent
<b>Experiences and qualifications</b>	<ul style="list-style-type: none"> <li>• Masters in human resource management, Abu Dhabi University</li> <li>• Bachelors in management information system, University of Sharjah</li> <li>• Acting Director of Corporate Social Responsibility/ Abu Dhabi Municipality, 2018 till date</li> <li>• Acting Section head of Corporate Social Responsibility, Abu Dhabi Municipality, 2017-2018</li> </ul>



	<ul style="list-style-type: none"> <li>Unit Head public facilities - Abu Dhabi Municipality 2014-2017</li> </ul>
The period spent as Board member from the date of first election	From 29/04/2022
Membership and positions at any other joint-stock companies	N/A
Positions in any other important regulatory, government or commercial positions	N/A

#### B. Percentage of female representation in the Board for 2022

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 22% of the current Board of Directors, she is also a member of two Board Committees: Audit Committee and Nomination and Remuneration Committee.

#### C. Reasons for the absence of any female candidate for the Board membership

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

#### D. Statement:

##### 1. The total remunerations paid to the Board members 2021

None

##### 2. The total remunerations of the Board members, which are proposed for 2022, and will be presented in the annual general assembly meeting for approval.

As stated, Article (29) of the Corporate Governance Guide for Public Shareholding Companies issued pursuant to the Authority's Board Chairman Decision No. (3 / R.M) for the year 2020 that the remuneration of the Chairman and members of the Board of Directors consists of a percentage of the net profit, provided that it does not exceed (10%) of that Profits for the fiscal year after deducting both depreciation and reserves, there will be no bonuses for the year 2022.

3. Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for 2022 fiscal year, according to the following schedule:

None

4. Details of the additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees and their reasons.

None.

E. Number of the Board meetings held during 2022 fiscal year along with their convention dates, personal attendance times of all members, and members attending by proxy

S	Date of Meeting	Number of Attendees	Number of attendees by proxy	Names of absent members
1	20/01/2022	9	-	-
2	13/02/2022	9	-	-
3	15/02/2022	9	-	1
4	04/03/2022	9	-	2
5	18/03/2022	9	-	-
6	29/04/2022	9	-	-
7	21/05/2022	9	-	-
8	21/09/2022	9	-	-
9	26/10/2022	9	-	-
10	10/11/2022	9	-	-

F. Number of the Board resolutions passed during the 2022 fiscal year, along with its meeting convention dates

Number of Board of Directors decisions issued by passing during 2022: (3)

1. Decision on rolling number: 1/2021 dated 27/01/2022
2. Decision of passage No. 2/2021 dated 28/02/2022
3. Decision of passage No. 3/2021 dated 19/04/2022

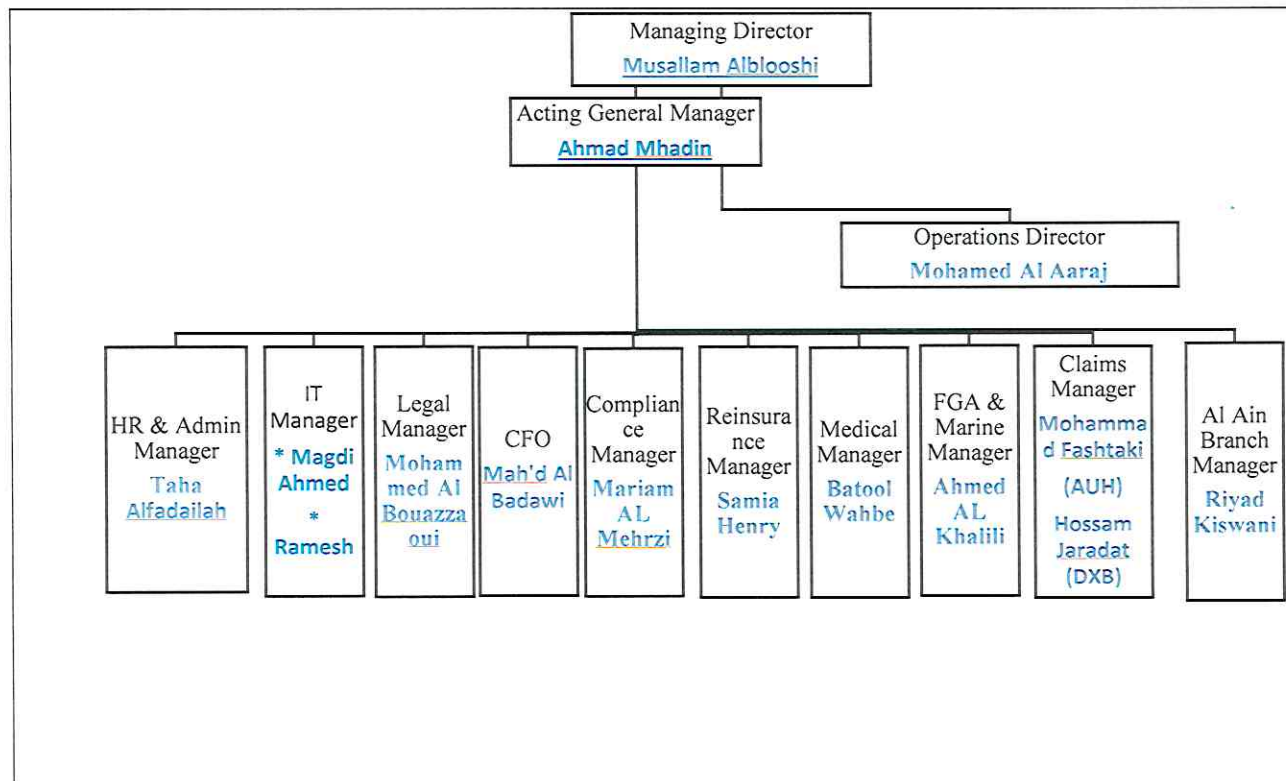
G. Board duties and powers exercised by Board members or the executive management members during 2022 based on an authorization from the Board, specifying the duration and validity of the authorization

None

H. Details of the transactions made with the related parties (Stakeholders) during 2022

S	Statement of related parties	Nature of relationship	Type of transaction	Value of transaction
1	N/A	N/A	N/A	N/A

I. The complete organizational structure of the company, which shall clarify managing director, the general manager and/or CEO, the deputy general manager and the managers working in the company such as financial manager



**J. Detailed statement of the senior executives in the first and second grade according to the company organizational structure (according to 3-l), their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them**

S	Position	Appointment Date	Total salaries and allowances paid for 2022(AED)	Total bonuses paid for 2021 (AED)	Any other cash/ in-kind bonuses for 2021 or due in the future
1	General Manager	16/02/2022	564,075.00	0	0
2	Chief Financial Officer	11/04/2022	689,333.00	0	0
3	Chief Underwriting Officer	14/09/2009	399,020.00	0	0
4	Compliance Manager	30/01/2022	214,000.00	0	0
5	Chief Business Development Officer	8/09/2020	50,000.00	0	0
6	IT Manager	21/12/2010	376,702.00	0	0
7	Legal Manager	4/06/2015	350,333.00	0	0

**(4) External Auditor**

**A. Overview of the company auditor to shareholders**

**Talal Abu-Ghazaleh & Co. International:** is a global leader in auditing, accounting, financial advisory, risk, tax, and related services. It offers a wide range of high-quality professional and Educational services according to the highest international standards Talal Abu-Ghazaleh and Partners International is a full member of the Companies Forum.

**B. Fees and costs for the audit or services provided by the external auditor**

Name of the Audit office and Partner auditor	Talal Abu-Ghazaleh & Co. International
Number of years he served as the company external auditor	1 Year
The number of years the partner auditor spent auditing the company's accounts.	1 Year
Total audit fees for 2022 (in AED)	210,000 AED
Fees and costs of other private services other than auditing the financial statements for 2022 (AED), if any	N/A
Details and nature of the other services (if any)	N/A
Other services that <b>an external auditor</b> other than the company accounts auditor provided during 2022 (if any)	Auditor Name: N/A Details of provided services: N/A

## C. Reservations that the company auditor included in the interim and annual financial statements for 2022

### *Qualified Opinion*

We have audited the financial statements of Methaq Takaful Insurance P.S.C. - Abu Dhabi, which comprise the statement of financial position as at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### *Basis for Qualified Opinion*

- Investment properties are carried in the statement of financial position amounting to AED 183,679,000, Note (12) (2021: AED 172,905,500). The valuation reports for these Investment properties are based on proposed plan assumptions. Moreover, The Company has taken two valuation reports for each property, and computed the properties' value on average basis. This treatment overstates the asset's value and profit for the year, by AED 6,380,000, resulting non-compliance of prudence concept, and International Financial Reporting Standards (IFRS), which dictates about recognizing the asset on lower of amounts.
- The Company has recognized Investments designated at fair value through other comprehensive income (FVTOCI), amounting to AED 17,000,000 as at 31 December 2022, Note (7) (2021: AED 17,000,000). These financial assets has been recognized on cost, rather than fair value. As a result, it is a non-compliance of International Financial Reporting Standard (IFRS), This is can create a major impact on financials.
- We have not received direct bank confirmations as at 31 December 2022. We were unable to obtain sufficient appropriate audit evidence about the carrying amount AED 2,477,546 (2021: AED 2,512,219) Note 5 as at 31 December 2022 by other audit procedures.
- The Company has recognized Contributions and retakaful balances receivables amounting to AED 372,833,125 (Note 9 (a)) as at 31 December 2022 included due from policyholder AED 78,546,278, due from insurance & reinsurance companies AED 207,142,928 and, Salvages and Subrogation, amounting to AED 81,947,113. The Company's financials indicate that, impairments of receivables as at 31 December 2022 was AED 44,012,402 which is not sufficient.
- Furthermore, the employees advances balance amounting to AED 685,926 are carried in the statement of financial position as at 31 December 2022 (2021: AED 852,097). We are unable to obtain sufficient appropriate audit evidence regarding the recoverability of the

outstanding balance. All stated receivables has not been tested for impairment as per IFRS 9 (ECL) resulting in non-compliance of International Financial Reporting Standard (IFRS), that can create major impact on financials.

- Moreover, the Company has written off receivables and investment payable amounting to AED 20,184,142 and AED 4,412,108 (Exhibit-B) relating to Smart and Secure (Broker) and other respectively. These have been written off directly from respective receivable accounts. The management has written off bad debts without approval of Board of Directors. As a result, this can create a significant impact on financials of the Company.
- The Company has recognized changes in gross claims recovery amounting to AED 51,394,160 (Net balance amounting to AED 39,896,347) as an income which consist of Salvages and subrogation's (salvage, direct customer and recovery from insurance Companies). As a result current year losses has been reduced by AED 51,394,160. It is a non-compliance of International Financial Reporting Standard IAS 37. Moreover, related to this recovery, the Company has recognized receivables, amounting to AED 81,947,113 (2021: 42,050,766) under Contributions and retakaful balances receivables (Note 9 (a)) as at 31 December 2022. We were unable to obtain sufficient and appropriate audit evidence regarding the accuracy of this balance. We are also unable to verify whether these outstanding balances are recoverable or not.
- During the audit, we observed that "On Account" balance AED 151,266,015 has been deducted from gross Contributions and retakaful balances receivables, resulting to balance AED 372,833,125 (Note 9 (a)). As a result, gross Contributions and retakaful balances receivables is understand by this figure. We are unable to verify the existence of these transactions by using other audit procedures.
- During the year, the Company has recognized gross claims paid, amounting to AED 212,837,191 (2021: AED 244,000,892) after deducting direct claim recovery, amounting to AED 42,049,162. We have found that approximately AED 18,855,112 of amount is mismatching with their respective claims paid. Beside this, some of the recovery recorded is more than their claims paid. In addition to this, we are unable to satisfy ourselves whether these balances are also recognized under salvage and subrogation's. As a result, it can create major impact on the financials.
- In 2021, we observed unusual differences between outstanding claims and retakaful share of outstanding claims their balances (outstanding claim AED (3,123,974) and retakaful share of outstanding claims AED 19,725,320). We have not received sufficient and appropriated evidences regarding for these transactions. We have not been able to satisfy ourselves by using other audit procedure.
- In 2021, the Company has reduced claim paid and outstanding claim balances amounting to AED 35,786,547 and AED 7,852,270 respectively, which can create major impact on financials, current year losses and payables balances are understated. We have not received

sufficient and appropriated evidences regarding for these adjustments. Consequently, also we were unable to determine the basis of calculation.

- The Company is dealing with Smart and secure Services, which is a major broker for the Company. The total sales for this individual broker amounting to AED 60,499,853, and the Company is paying AED 25,842,673, approximately 43% commission and also paying 7.5% cashback. We have not received any agreement between the Company and the broker for such financial treatments. Moreover, we observed that 8 individuals are generating sales for the Company, amounting to AED 107,031,416, and taking commission amounting to AED 39,878,328, approximately 37% and 7.5% cashback as well. We have not received any engagement or agreement for these individuals as well, to verify this treatments. As a result, it can create major impact on financials of the Company.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **(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**

Ms. Khawla Ismael Al Hammadi, Audit Committee Chairman, acknowledges her responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

##### **B. Names of the Audit Committee members and their competences and tasks assigned to them**

The Audit Committee members:

- 1) Ms. Khawla Ismael Al Hammadi - Chairman
- 2) Mr. Abdullah Khalaf Al Hosani - member
- 3) Ms. Zainab Abdul Rahman - member

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.

**C. Number of meetings held by the Audit Committee during 2022 and their dates to discuss the matters related to financial statements and any other matters, and demonstrating the members’ personal attendance times in the held meeting**

S	Date of Meeting	Number of Attendees	Number of attendees by proxy	Names of absent members
1	06/10/2022	3	-	-
2	19/10/2022	3	-	-

**(6) Nomination and Remuneration Committee**

**A. The Nomination and Remuneration Committee Chairman’s acknowledgment of his responsibility for the Committee system at the Company, his review of its work mechanism and ensuring its effectiveness**

Ms. Zainab Abdul Rahman, Nomination and Remuneration Committee Chairman acknowledges her responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness.

**B. Names of the Nomination and Remuneration Committee members and their competences and tasks assigned to them**

Nomination and Remuneration Committee members:

- 1) Ms. Zainab Abdul Rahman Ahmed - Chairman
- 2) Mr. Abdullah Khalaf Al Hosani - member
- 3) Mr. Khalaf Al Nakkas - member

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.

**C. Number of meetings held by the Committee during 2022 and their dates, and statement of all Committee members' personal attendance of times**

S	Date of Meeting	Number of Attendees	Number of attendees by proxy	Names of absent members
	28/03/2022	3	-	
	14/4/2022	3	-	
	5/10/2022	3	-	

**(7) Investment Committee**

**A. Acknowledgment by the Committee Chairman or the authorized person of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness**

Mr. Khalaf Al Nakkas acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness

**B. Names of members of Investment Committee of insiders' transactions and their competences and tasks assigned to them**

Investment Committee members:

1. Mr. Khalaf Al Nakkas - Chairman
2. Mr. Abdulla Khalaf Al Hosani - member
3. Ms. Khawla Ismael Al Hammadi - member

Duties and tasks of the Investment Committee:

- 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.

**C. Number of meetings held by the Committee during 2022 and their dates, and statement of all Committee members' personal attendance of times**

S	Date of Meeting	Number of Attendees	Number of attendees by proxy	Names of absent members
1	07/10/2022	3	-	-

**(8) Internal Control System**

**A. Acknowledgment by the Board of its responsibility for the Company internal control system, review of its work mechanism and ensuring its effectiveness**

The Board of Directors acknowledges its responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness through the Internal Control Departments which provides regular and periodic reports to the Board and Audit Committee.

**B. Name of the Department Director, his qualifications and date of appointment**

The Head of Internal Control Department: Mr. Abdul Fattah Odeh, he holds a bachelor's degree in accounting from "Ain Shams University", Egypt 1968. He has the CRMA & CPA International, he has over 50 years of experience in auditing and accounting - Date of appointment 2012.

**C. Name of Compliance Officer, his qualifications and date of appointment**

Compliance Manager: Ms. Mariam Rashid Al Mehrazi, she holds a bachelor's degree in Communication Science and Media, date of hiring April 4, 2021.

**D. How the Internal Control Department dealt with any major problems at the Company or those that were disclosed in the annual reports and accounts**

The Internal Control Department provides the Board with periodic reports on its work including the problems experienced by the company and the manner of dealing with, and the best solution as well.

The company faced several matters during the year 2022 which have been resolved by the management with coordination with the Internal Audit Department.

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

The Internal Control Department issued four reports in the year 2022.

**(9) Details of violations committed during 2022, explaining their causes, how to address them and avoid their recurrence in the future**

None.

**(10) Statement of the cash and in-kind contributions made by the Company during 2022 in developing the local community and preserving the environment**

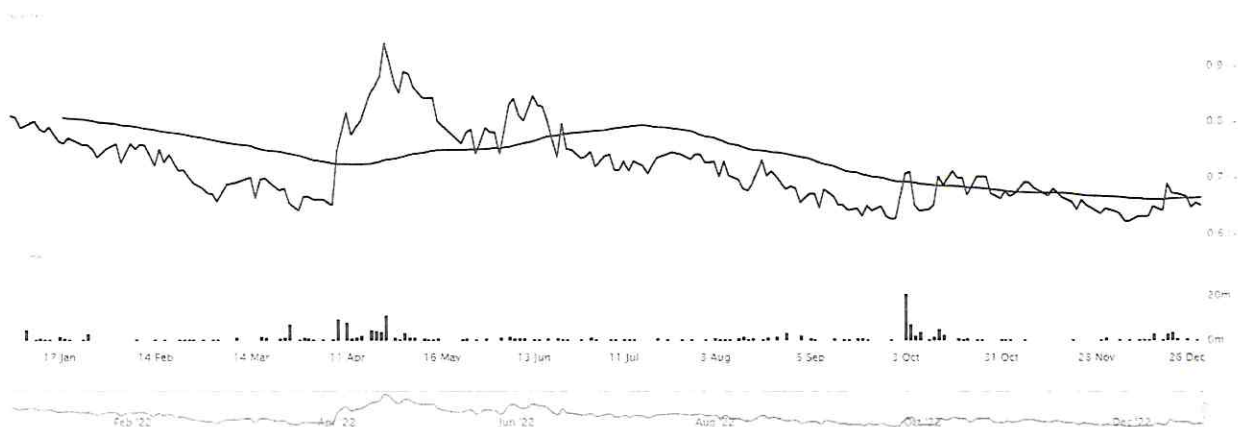
None

**(11) General Information**

**A. Statement of the Company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2022**

Month-end	High	Low	Close	Volume
January 2022	0.76	0.75	0.75	76,667
February 2022	0.69	0.68	0.68	277,206
March 2022	0.66	0.64	0.66	533,115
April 2022	0.90	0.87	0.89	1,237,560
May 2022	0.79	0.76	0.78	70,791
June 2022	0.75	0.71	0.72	567,083
July 2022	0.75	0.71	0.74	247,085
August 2022	0.71	0.68	0.68	33,729
September 2022	0.67	0.62	0.65	13,487,971
October 2022	0.70	0.66	0.66	592,803
November 2022	0.65	0.63	0.64	1,701,859
December 2022	0.65	0.64	0.64	226,305

**B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2022**



**C. Statement of the shareholders ownership distribution as on 31/12/2022 (individuals, companies, governments) classified as follows:**

S	Shareholders Classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
1	Local	48.57%	11.19%	-	59.76%
2	Arab	28.42%	9.99%	-	38.41%
3	Foreign	1.80%	0.0005%	-	1.800513%
<b>Total</b>		<b>78.79%</b>	<b>21.210%</b>	<b>-</b>	<b>100%</b>

**D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2022:**

S	Name	Number of owned shares	Percentage of owned shares of the company's capital
1	Abdallah Bin Abdelaziz bin Mohammed Al Motlek	15,894,382	10.596255
2	Sama Al Madinah for real-estate investment	11,589,040	7.726027
3	SNB Capital company	8,541,516	5.694344

**E. Statement of how shareholders are distributed according to the volume of property as on 31/12/2022:**

S	Share(s) Ownership	Number of Shareholders	Number of owned Shares	Percentage of owned shares of the capital
1	Less than 50,000	6,964	5,857,898.00	3.91%
2	From 50,000 to less than 500,000	239	36,246,773.00	24.16%
3	From 500,000 to less than 5,000,000	43	46,574,377.00	31.05%
4	More than 5,000,000	7	61,320,952.00	40.88%

**F. Statement of measures taken regarding the controls of investor relationships**

- ❖ Name of the investor relationships officer: Mr. Mazen Al Inbatawi
- ❖ Data of Communication with the investor relationships:
  - E-mail : [Mazin.Anabtawy@methaq.ae](mailto:Mazin.Anabtawy@methaq.ae)
  - Phone : +971 4 2601601
  - Fax : +971 4 2601600
- ❖ The link of investor relationships page on the Company's website:  
<https://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. Statement of the special decisions presented in the General Assembly held during 2022 and the procedures taken in their regard**

**1. Strategic partner Entry :**

The entry of Al Fursan Investment as a strategic partner has been submitted to the AGM with the Objective to increase capital by 50 million cash at a price of AED 1 per share. This strategic partner will be within the company at lease for one year . the power has been delighted to the board to obtain all necessary approvals from the insurance and concerned authorities.

The proposal was accepted by a special resolution at 86.49% of all votes

**2. Empowerment of board of directors to conduct contracts which its period extend for more than three years including bank loans.**

This proposal has been rejected by the AGM.

