

دار التكافل

Dar Al Takaful



Premium Islamic Insurance التأمين الإسلامي الأمثل

CORPORATE GOVERNANCE REPORT

2018





Our Mission & Vision

Mission

To build a legacy of excellence through innovative Takaful products, services and mutually rewarding relationships that are strengthened by a Sharia compliant foundation.

Vision

To be a superior leader in Takaful innovations that is treasured by our clientele, respected by our industry and inspired by our Sharia compliant roots.



His Highness Sheikh
Khalifa Bin Zayed Al Nahyan

**President of the
United Arab Emirates
Ruler of Abu Dhabi**



His Highness Sheikh
Mohammed Bin Rashid Al Maktoum

**Vice President and Prime
Minister of the UAE
Ruler of Dubai**

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ABOUT DAR AL TAKAFUL

Dar Al Takaful PJSC was established in **2008** with a paid up capital of **AED 150** Million as an Islamic Insurance Company based in Dubai providing Shariah compliant solutions for their clients' insurance needs.

Dar Al Takaful PJSC is a local insurance company that is innovative, professional and principled. Corporate decision making is in close proximity to the needs and wants of their clients. Dar Al Takaful's clients' insurance needs and expectations are backed up by a strong group of investors who provide the support and solid financial foundation that allows them to feel safe and secure – no matter what line of business.

As an Islamic insurance company in the UAE, Dar Al Takaful PJSC's business operations are Shariah-compliant and this aspect is overseen by a distinguished Fatwa and Shariah Supervisory Board.



1. Statement of the Procedures Taken to Complete the Corporate Governance System During 2018, and How They Are Applied;

The Board of Directors of Dar Al Takaful PJSC is keen to implement the principles of corporate governance as set forth in Ministerial Decision No. (7) of 2016 on the standards of institutional discipline and corporate governance of public shareholding companies. The Company used best practices, guidelines and principles to match corporate governance controls to ensure transparency and integrity in transactions and guarantee the capacity and adequacy of the company's internal control system to improve business transactions. We can therefore summarize the measures taken in 2018 as follows:

1. Ensuring compliance with internal control systems by matching provided data with external audit data, and allowing members of the Audit Committee to do their supervisory role more effectively.
2. Company organized a training session for the members of the Board of Directors to explain the provisions and rules of corporate governance and the administrative decisions it organizes.
3. A female member has been appointed to the Board to empower the role of women in society in line with the instructions of the Government of the United Arab Emirates.
4. Board of Directors constituted the Nomination and Remuneration Committee, Risk Committee and Audit Committee in accordance with the provisions and controls of governance
5. Company was keen to carry out its work with transparency required in respect of the commitment to the dates and methods of disclosure of financial statements, in accordance with all provisions and decisions of the Securities and Commodities Authority.
6. Company is committed to appoint a Shareholder Relations Officer in order to meet our expectations of the highest standards of shareholders' satisfaction.
7. Investment Committee of the company applied the approved investment policy, reviewed the company's investments and made the necessary decisions to diversify investments and improve its returns.

2. Statement of the Transactions the Members of the Board of Directors, Spouses and Children Thereof in the Company's Securities During 2018;

S/N	Name	Position/Relationship	Shares Held as at 2018/12/31	Total Sale Transactions	Total Purchase Transactions
1	Adulaziz Mohammed Abdulla Al Bannai	Chairman	1,000,000	-	-
2	Shahab Ahmed Lutfi Al-Harmoozi	Vice Chairman	258	-	-
3	Yagub Bin Eisa Bin Nasser AlSerkal	Board Member	-	-	-
4	Salah Ibrahim Sharaf	Board Member	1,400	-	-
5	Ali Hamid Alowais	Board Member	-	-	-
6	Osama Ibrahim Seddiqi	Board Member (Resigned)	10,000	-	-
7	Saleh AbdulGhaffar Al-Hashimi	Vice Chairman & Man-aging Director (Resigned)	1,464,334	-	-
8	Meitha Mohammed-alsharif Yousef Al-Hashemi	Board Member	-	-	-
9	Abdulkaliq Ahmad Abdulla Kodarzi	Board Member	-	-	-

DAR AL TAKAFUL BOARD MEMBERS



Abdulaziz Al Bannai
Chairman



Shahab Ahmed Lutfi Harmoozi
Vice Chairman



Ali Humaid Al Owais
Member



Yagub Bin Eisa Bin
Nasser Al Serkal
Member



Salah Ibrahim Sharaf
Member



Meitha Yousef Al-Hashemi
Member



Abdulkhaliq Abdulla Kodarzi
Member

3. Board of Directors Composition:

The current members of the Board of Directors were elected during the General Assembly on 2018/04/25. The Board of Directors will have a term of three years. The Board is provided with the required information and periodic reports to discuss the major topics related to the Company's activity and any important matters at the Board meetings on the financial position of the Company and make decision when required. The Board consists of seven members with skills, competencies and long experience in the financial and business sector. They are as follows:

a. Statement of the current Board of Directors (BOD) composition (including the resigned members)



Mr. Abdul Aziz Al Bannai
Chairman of the Board
Category: Non-Executive/Independent Member
Date of first election: 2012
Term of membership: 7 years

Experience and qualifications: Retired after 36 years of police service, where he was the director of change and modernization of police forces and left a clear mark through many achievements during his career. During his years in the General Command of Dubai Police, held many leadership positions and was promoted to the rank of Major and Assistant Commander-in-Chief of the Armed Forces of the Dubai Police.

Other positions:

- Chairman of the Board of Directors of Al-Bannai Group
- Chairman of Al-Bannai Investment Company
- Chairman of Axiom Telecom
- Chairman and Managing Director of First Security Group
- Member of Board of Directors of Mawarid Finance
- Member of Board of Directors of Jabl Ali Cement
- President of Squash Association



Mr. Shehab Ahmed Lutfi Harmoozi
Vice Chairman
Category: Non-Executive/Independent Member
Date of first election: 2015
Term of membership: 4 years

Experience and qualifications: He holds a BA in Business Administration from Boston University in the United States and an MBA from Cass Pennance School, UK. He has held important managerial positions in the banking and real estate sector, managing projects and facilities for several years, in addition to his family history in the field of business.

Other positions:

- CEO Bright Star (LLC).
- Founding member and executive in a company managing real estate projects.
- Former member of the Board of Dubai Capital.
- Head of Sales Division, Dubai Real Estate Group (formerly).
- Investment Manager National Bank of Dubai (formerly).



Mr. Ali Humaid Al Owais
Member
Category: Non-Executive/Independent Member
Date of first election: 2011
Term of membership: 8 years

Experience and qualifications: He holds a diploma in e-Commerce - Higher Colleges of Technology in 2005, and a Bachelor's Degree in Business Administration in Applied Science 2008. While still a student, Mr. Ali was appointed as Chairman of the Al Owais Group and related companies following the death of his father.

Other positions:

- Chairman of the Board - Al Owais Group.
- Chairman of the United Food Company.
- Vice Chairman of the Modern Bakery Company.
- Vice Chairman of Dubai Refreshments
- Board Member Oman Refreshments Company.
- Member of the Board of Directors of ENBD and EIB Banks.




Mr. Yagub Bin Eisa Bin Nasser Al-Serkal
Member
Category: Non-Executive/Independent Member
Date of first election: 2012
Term of membership: 7 years

Experience and qualifications: He holds a Master of Science degree from Boston University. Master of Science in Management Studies, specializing in financial economics, Bachelor of Science in Business Administration, specializing in finance.

Other positions:

- President and CEO of Yacoub Bin Issa Al Serkal LLC.
- General Manager of Nasser bin Abdul Latif Al Serkal Foundation.
- General Manager of Issa Travel Company.
- Director of Finance, Naser Ben Abdul Latif Al Sarkal Foundation.
- Chairman of the Board of Directors of Al-Sarkal Sports Company.



Mr. Salah Ibrahim Sharaf
Member
Category: Non-Executive/Independent Member
Date of first election: 2011
Term of membership: 8 years

Experience and qualifications:

He Holds a bachelor's degree in science - Boston University, USA - 1998. Working in shipping throughout Germany and Hong Kong.

Other positions:

- Head of Shipping, Logistics and Logistics at Sharaf Group.
- Member of the Board of Directors and General Manager of Sharaf Group.
- Member of the Board of Directors of the Shipping Association in the United Arab Emirates.



Ms. Meitha Mohamedalsharif Yousif Al-Hashemi
Member

Category: Non-Executive/Independent Member
Date of first election: 2018
Term of membership: 2 months

Experience and qualifications:

Holds a dual Bachelor's Degree in Business Administration and Computer Science from Switzerland. Banker with over 21 years of experience.

Other positions:

- Chief Risk Officer at Emirates Islamic
- Board member at ENBD Securities and Emirates Islamic Financial Brokerage.



Mr. Abdulkhaliq Ahmed Abdulla
Member

Category: Non-Executive/Independent Member
Date of first election: 2018
Term of membership: 2 months

Experience and qualifications:

MBA University of Toledo (USA) 1998
Specialized in Portfolio management
Certified Public Accountant (CPA) USA 1996
BBA University of Toledo (USA) 1995 Major Accounting

Other positions:

- Chief Financial Officer, Dubai Real Estate Corporation
- Head of Trading in Treasury, National Bank of Dubai

Resigned Board Members




Mr. Saleh Abdulghaffar Al Hashimi
Managing Director and Deputy Chairman of the Board

Category: Executive/Non-Independent Member
Date of first election: 2018
Term of membership: 10 years + 10 months

Experience and qualifications: He holds a BA in Business Administration from Boston University, USA and an MBA from Cass Business School, UK. Al Hashemi has held important managerial positions in the banking sector for several years in addition to his family history in business.

Other positions:

- Board Member - Mawarid Finance
- Member of the Board of Directors of Mawarid Technologies
- Vice Chairman - Emirates Insurance Association
- Chairman of the Higher Committee for Takaful and Life. Insurance - Emirates Insurance Association
- Member of - Insurance Business Group



Mr. Osama Ibrahim Siddiqi
Member

Category: Non-Executive/Independent Member
Date of first election: 2012
Term of membership: 6 years

Experience and qualifications: He holds a Bachelor of Business Administration from the National University of Denver, Colorado.

Other positions:

- Board Member of Siddiqui Holding Group (LLC)
- Vice President - Finance and Administration in Siddiqui & Sons Group of Companies
- Deputy General Manager, Siddiqui & Sons Investment Group LLC.

b. Statement of Women's Representation in the Board of Directors in 2018

Nomination for membership of the Board of Directors was opened in 2018 and Mrs. Meitha Mohammedalsharif Yousef Al-Hashemi was elected by the Assembly on 2018/04/25. The company committed to represent women in the Board of Directors by one member out of 7 members of the Board of Directors.

c. Statement of the Following:

- There was no remuneration paid to the BOD for the year 2017.
- There were no remunerations proposed to be paid to members of the Board of Directors for the year 2018.
- Details of allowances for attending the sessions of committees, which were paid to the BOD members for the fiscal year 2018:

#	Name	Allowances for attending the BOD Committees		
		Name of Committee	Allowance Amount AED	Number of Meetings
1	Shahab Lutfi Harmoozi	Remuneration	7,500	1
2	Yagub Bin Eisa Bin Nasser Alserkal	Remuneration	7,500	1
3	Salah Ibrahim Sharaf	Remuneration	7,500	1
4	Shahab Lutfi Harmoozi	Audit	22,500	3
5	Yagub Bin Eisa Bin Nasser AlSerkal	Audit	7,500	1
6	Salah Ibrahim Sharaf	Audit	7,500	1
7	Meitha Al Hashemi	Audit	15,000	2
8	Shahab Lutfi Harmoozi	Risk	22,500	3
9	Meitha Al Hashemi	Risk	22,500	3

d. Number of BOD Meetings:

#	Date of the meeting	Number of Attendees	Number of Attendance by proxy	Number of absentness
1	11/02/2018	5	NIL	Osama Siddiqi Salah Ibrahim Sharaf
2	21/03/2018	6	NIL	Osama Siddiqi
3	25/04/2018	5	NIL	Yagub Bin Eisa Al-Serkal Shahab Lutfi Harmoozi
4	15/05/2018	4	NIL	Salah Ibrahim Sharaf Ali Humaid Al Owais Abdul Aziz Al Bannai
5	2018/09/05	4	NIL	Salah Ibrahim Sharaf Ali Humaid Al Owais Meitha Al-Hashemi
6	2018/10/03	7	NIL	NIL
7	2018/10/30	5	NIL	Salah Ibrahim Sharaf Ali Humaid Al Owais
8	2018/12/10	3	1	Salah Ibrahim Sharaf Yagub Bin Eisa Al-Serkal

e. A statement of the BOD's Tasks and Functions Which Were Performed by the Executive Management pursuant to an authorization by the BOD to the Management, stating the period and validity of the delegation

S/N	Name of Authorized Person	Delegated Authority	Duration of Delegation
1	Saleh Abdulghaffar Al-Hashimi – Vice Chairman & Managing Director (Resigned) (on October 31, 2018)	<ol style="list-style-type: none"> Signing all transactions and correspondence related to the company's activities within the UAE and abroad. Representing the company in all ministries of the federal government in the UAE. Representing Board of Directors or company by signing for them at any of the local government departments in any of the emirates such as the Economic, Municipal, Health, Police, Courts, Notary Public and others. The right to sign and represent Board of Directors or the company at all official and non-official bodies and institutions within the UAE such as embassies, consulates, regional offices and branches. Signing all legal transactions and procedures that may be required of them at those bodies. To give power of attorney to lawyers and non-lawyers in all or part of their duties, and to remove, withdraw, cancel, increase or decrease the powers than the powers vested in him in any of the powers mentioned above. Prepare Annual budget. Appointing, suspending employees and advisers and determining their duties and rewards inside and outside the country. All powers to take appropriate steps to open branches of the company within UAE. The right to establish companies related to the activity of the company, to contribute, to participate in and own the companies and to purchase their shares and stocks as well as to establish, own and purchase institutions, companies and commercial enterprises that perform similar or complementary work. 	Executive Management of the company shall carry out the tasks and functions assigned to it by a delegated authority from the Board of Directors, subject to continuous review by the Board. This given authority shall remain in force unless it is canceled or undermined by the Board of Directors
2	Srinivasan Aduthurai Rajagopalan – Chief Executive Officer	<p>He commenced his duties in managing the daily operations of the company from October 2018, 11. Given authority is:</p> <ol style="list-style-type: none"> Signing all transactions and correspondence related to the company's activities within the UAE and abroad. Representing the company in all ministries of the federal government in the UAE. Representing Board of Directors or company by signing for them at any of the local government departments in any of the emirates such as the Economic, Municipal, Health, Police, Courts, Notary Public and others. The right to sign and represent Board of Directors or the company at all official and non-official bodies and institutions within the UAE such as embassies, consulates, regional offices and branches. Signing all legal transactions and procedures that may be required of them at those bodies. To give power of attorney to lawyers and non-lawyers in all or part of their duties, and to remove, withdraw, cancel, increase or decrease the powers than the powers vested in him in any of the powers mentioned above. Prepare Annual budget. Appointing, suspending employees and advisers and determining their duties and rewards inside and outside the country. 	Executive Management of the company shall carry out the tasks and functions assigned to it by a delegated authority from the Board of Directors, subject to continuous review by the Board. This given authority shall remain in force unless it is canceled or undermined by the Board of Directors

f. Statement of the Details of Transactions Made with Related Parties

Related party transactions are the transactions in which any party of our company has the power to control or exercise any material influence on the other party in making the financial and operating decisions. The related party transactions create potential or actual conflicts of interest for the company and can give the impression that the work decisions are based on considerations contrary to the interests of the company and the shareholders. However, there is a certain time in which the transactions of the related parties can be in the interest of the company and its shareholders.

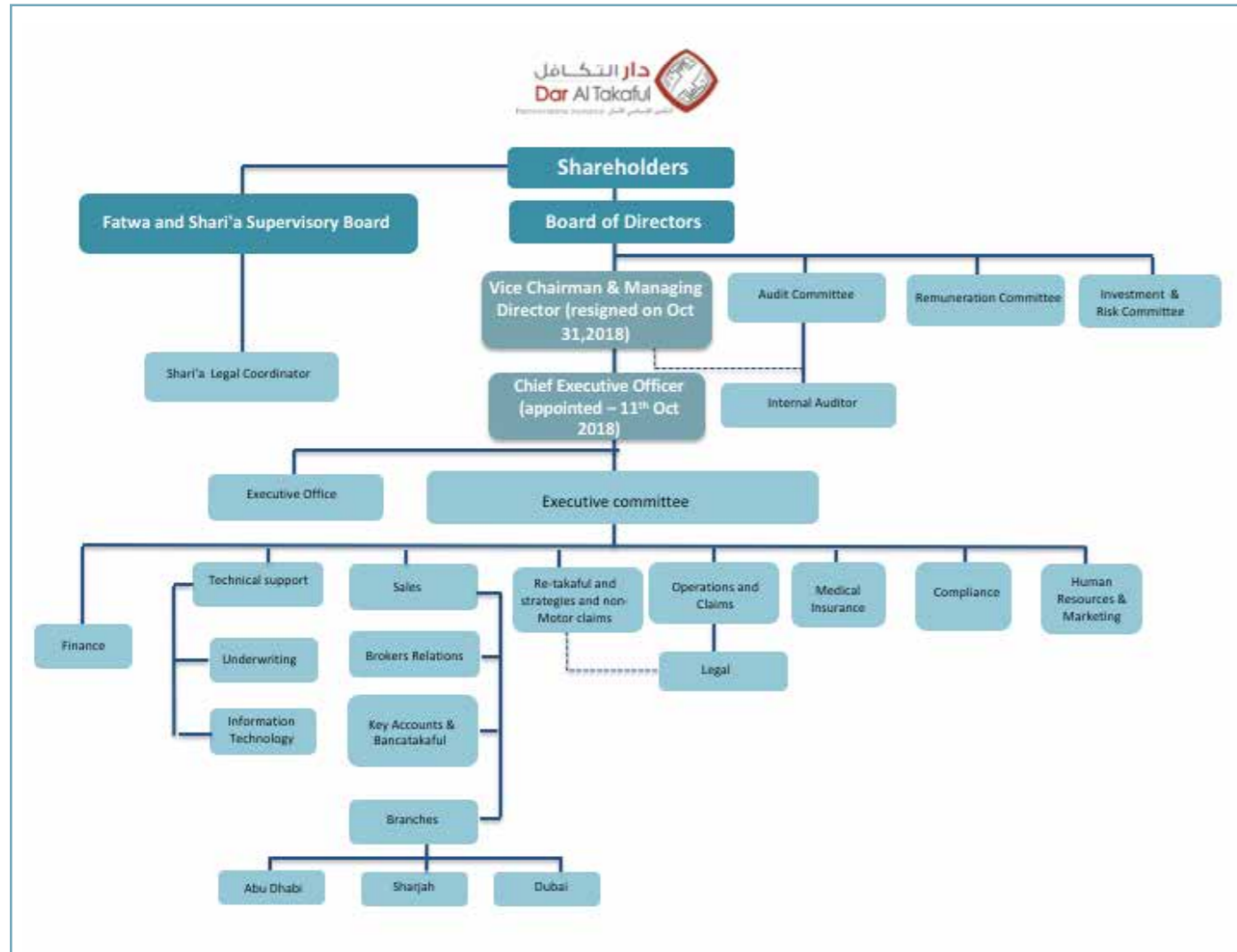
Accordingly, related parties' transactions are subject to the approval of our Board of Directors. Related parties represent the major shareholders, the Board of Directors, the key management personnel of the group and the companies that exercise significant influence over the Company. Management decides on the terms and conditions of the transactions with related parties.

Balances with related parties:

Balances with related parties include in the consolidated statement of financial position are as follows:

Amount	Description
AED 270,000	Expenses paid by the Company to Mawarid Finance Company LLC for services of the Shari'a Supervisory Board and the Information Technology.

g. Organizational Structure of the Company:



h. Statement of Senior Executive Staff:

#	Position	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	Managing Director	06-Oct-14	2,300,000	950,000	-
2	& SVP - Retakaful Corporate Strategy	09-May-24	659,980	79,600	-
3	Chief Financial Officer	11-Jan-23	720,120	140,000	-
4	SVP - Technical	11-Jul-1	676,420	112,400	-
5	Head of Sales	10-Jul-20	566,520	72,000	-
6	CEO	18-Oct-11	267,742	-	-

4. External Auditor:

a. Brief on Auditor

We have updated the Governance Guide and added the policy of appointing the External Auditor to regulate the appointment of the External Auditor, which sets out the framework, scope and terms of reference of the External Auditor, while ensuring full independence to exercise their assigned tasks. The Board makes recommendations for selecting the auditor as well. The Board of Directors shall submit its recommendations for the selection of the auditor to be reviewed with the General Assembly to express its opinion and approve the recommendations.

The General Assembly decided to appoint of Deloitte & Touche (Middle East), at its meeting held on 2018/04/25. Deloitte & Touche is a member of Deloitte Touche Tohmatsu Ltd., which considered as a leading professional firm that delivers high quality services. Deloitte performs auditing, taxation, management consulting and financial advisory services. More than 2,500 partners, managers and employees are working in 26 offices in 15 countries in the Middle East (including 6 offices in the UAE), with a global network of connected companies in more than 150 countries more than 225,000 people.

b. Statement of the Fees or Costs of Auditing or the Services Provided by the External Auditor:

Name of Auditing Firm	Deloitte
Number of years served as an external auditor for the Company	6 Years
Total fees for auditing the financial statements of 2018	AED 285,000/-
The fees and costs of the special services other than the auditing of the financial statements in 2018, if any, and in case there are no other fees, this shall be expressly stated	AML Audit – AED 40,000/-
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	None
auditor in 2018 (if any), and in case there is no another auditor, this shall be expressly stated	None

c. Statement of the Qualified Opinion Made by the Company's External Auditor in the Interim and Annual Financial Statements for 2018:

In Deloitte's opinion, the attached consolidated financial statements is presented fairly, in all major respects, the consolidated financial position of the group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

5. Audit Committee

a. Names of Members of the Audit Committee, and a Statement of its Functions and Duties Assigned Thereto:

The Audit Committee oversees follow-up with the auditors and maintains good relationship with them, reviewing the reports of the Audit Court, in addition to reviewing the financial reports periodically and progressively. Audit Committee supervises the internal control and risk management department. Audit Committee plays an active role in ensuring that the company follows the legal and regulatory requirements, as well as to ensure their accounting practices.

Audit Committee Members are:

- Mr. Shahab Lutfi Harmoozi (Chairman)
- Mr. Salah Ibrahim Sharaf (Member)
- Mr. Abdulkhaliq Ahmed Kodarzi (Member)
- Mrs. Meitha Al Hashemi (Member)

Their duties are summarized as follows:

1. Make recommendations on dealing with external auditors and monitoring their independence and objectivity.
2. Review and report to the Board of Directors on the interim annual financial statements, the policy and practices of the accounts.
3. Review, monitor and report to the Board on the effectiveness of the Internal Control System and review and approve the annual internal control plan.
4. Review the External Auditors' action plan, ensuring that the Board of Directors and Executive Management respond in a timely manner to the clarifications and major issues raised in the auditor's Report
5. Review and monitor the company's financial applications, internal control and risk management activities.
6. Review the stock trading policy.
7. Review the policy of transactions of related parties.
8. Ensure the mechanism of coordination between the internal and the external auditors
9. Follow up any other matters delegated by the Board to the Audit Committee.

Their authority is summarized as follows:

The Audit Committee is empowered by Board of Directors to examine any activity within its audit requirements and is authorized to have unrestricted access to external auditors and to obtain professional advice on any matter relating to the Company's accounts. The Committee has the authority to request any information it requires from any employee or Board Member. Directors and employees are directed to cooperate with any request submitted by the Committee.

The Chairman of the Committee shall submit periodic reports to the Board of Directors on matters that the Committee shall evaluate and make recommendations. The Chairman of the Committee shall attend the annual meeting of the General Assembly and answer any queries submitted by the shareholders about the activities of the Company.

b. Number and Dates of Audit Committee Meetings held in 2018

Attendance	Dates of Meetings		
	21/03/2018	15/05/2018	06/09/2018
Shahab Ahmad Lutfi	1	1	1
Salah Ibrahim Sharaf	1		
Yagub Al Serkal	1		
Meitha Al Hashimi		1	1

6. Nomination and Remuneration Committee

a. Names of Members of the Nomination and Remuneration Committee, and a Statement of its Functions and Duties Assigned Thereto:

Nomination and Remuneration Committee Members are:

- Mr. Shahab Ahmad Lutfi (Chairman)
- Mr. Salah Ibrahim Sharaf (Member)
- Mr. Yagub Al Serkal (Member)

The role of this committee is to establish and review the policy of nomination and remuneration for the Board and Executive Management, and to determine the total compensation to be inline with the approved salary and remuneration systems. It is keen to match these rewards with the company's performance.

Duties of the Nomination and Remuneration Committee are as follows:

1. Review the independence of the members of the Board of Directors.
2. Prepare and review the compensation policy of the Board of Directors and Executive Management on yearly basis. The committee shall ensure that the remuneration granted to the senior executive management of the company is reasonable and consistent with the company performance.
3. Determine the company's needs of competencies at the level of executive management.
4. Organize and review the procedures for the nomination of the Board of Directors.
5. Prepare and review Human Resources policies.

b. Statement of the number and dates of the meetings held by the committee during 2018,

Attendance	Dates of Meetings
	06/02/2018
Shahab Ahmad Lutfi	1
Salah Ibrahim Sharaf	1
Meitha Al Hashemi	1

7. Insider's Trading Follow-Up and Overseeing Committee

In 2018, Dar Al Takaful PJSC has not established an independent committee to manage, monitor and oversee the transactions of insiders. The Company's Internal Audit and Compliance Officer is responsible of this task and Dar Al Takaful PJSC will consider forming an independent committee to manage, follow up and oversee the transactions of insiders and their property, maintain their register and submit the periodic reports to the market in accordance with the resolution of Chairman of the Board of Directors of Securities & Commodities Authority No. (7 / R) for the year 2016 on the standards of institutional discipline and governance of public shareholding companies.

8. Other Committees approved by the Board of Directors

a. Name of the committee:

Risk Management

b. Names of Members of the committee, and a Statement of its Functions and Duties Assigned Thereto:

- Mr. Shahab Ahmad Lutfi
- Mr. Salah Ibrahim Sharaf
- Mrs. Meitha Al-Hashimi

Statement of Risk Management Committee duties is to review the performance considering the risk limits & exposure to the company's investment activities periodically to ensure that they are appropriate to current market conditions & company's overall risk appetite.

c. Statement of the number and dates of the meetings held by committee during 2018,

Attendance	Dates of Meetings		
	02/07/2018	06/09/2018	11/09/2018
Shahab Ahmad Lutfi	1	1	1
Salah Ibrahim Sharaf			
Meitha Al Hashimi	1	1	1

9. Internal Control System

The Board of Directors of Dar Al Takaful is responsible for the internal control and review of its effectiveness by maintaining the assets, keeping the financial statements, disclosing errors and fines. The Board of Directors shall review the report of the Audit Committee on the results of the internal control activities and the related periodic reports.

Internal controls define a clear organizational structure, codifying policies and guidelines, identifying authorities and performance monitoring mechanisms that have been established to monitor the operations of the company effectively and regularly. It ensures compliance with the laws of governance.

Ms. Hessa Saeed is the Manager of Internal Control and Compliance. She was appointed on 2012/4/15 and is responsible for completing the work frame plan to monitor compliance yearly. She has the following qualifications:

- International Certificate of Compliance from the CCL Academy, 2014
- Bachelor of Financial Services from Dubai Women’s College, 2013.
- Higher Diploma in Business Administration and Financial Services, Dubai Women’s College, 2012.
- Member of the Board of Directors of the Association of Accountants – UAE.

The Internal Control Department is responsible of ensuring that the procedures applied to control operations and maintain well designed operation processes in accordance with annual plan approved by the Audit Committee delegated by the Board of Directors. Moreover, the Internal Control System is responsible of preparing reports on the effectiveness and efficiency of the Company’s internal control systems and present them to Executive Management and the Audit Committee, including ideas and recommendations related to the improvement of such systems. Internal Control Department is not responsible of preparing and maintaining the internal control procedures of other departments; each department is accountable for that.

The Internal Control Department appoints a Compliance Officer with clear and independent responsibilities to supervise compliance with internal laws, regulations and procedures. The Compliance Department monitors the activities in the company and ensures that they comply with internal and external laws and regulations in accordance with the annual work frame plan of Compliance Department.

The Internal Control Department only provides reasonable assurance to the Audit Committee on the effectiveness of the operations in achieving the Company’s objectives by applying and adhering to the company’s governance rules. Internal Control Department ensures the availability of internal and external audit activities and ensure the full independence of their activities.

a. Internal Control Department handling any significant issues in the company:

The Internal Control Department studies the problems in details, if any, by identifying the nature of the problem and classifying it in terms of the degree of risk and by determining the size of the problem and the possible outcomes that may affect the company. In order to limit its recurrence in the future, the Department reports on the observations of the problem effect and submits proposals to be addressed by the Audit Committee.

10. Details of the violation committed during 2018 and a statement of reasons thereof,

Dar Al Takaful PJSC is responsible for providing the appropriate atmosphere and reliable procedures for employees to disclose any potential violations. The Corporate Governance Guide includes a whistleblower policy which is explained through reliable procedures for employees to disclose any potential violations. Internal Control Department is responsible of supervision and implementation of the reporting policy of the irregularities to in the company and responsible of providing the appropriate atmosphere to facilitate this task.

11. Statement of the cash and any kind of contribution made by the company during 2018 towards the local community development:

- May 2018, Dar Al Takaful PJSC have spent AED 15,200 to less fortunate kids to buy Eid clothes.
- September 2018, Dar Al Takaful PJSC have donated AED 50,000 for Kerala flood relief.

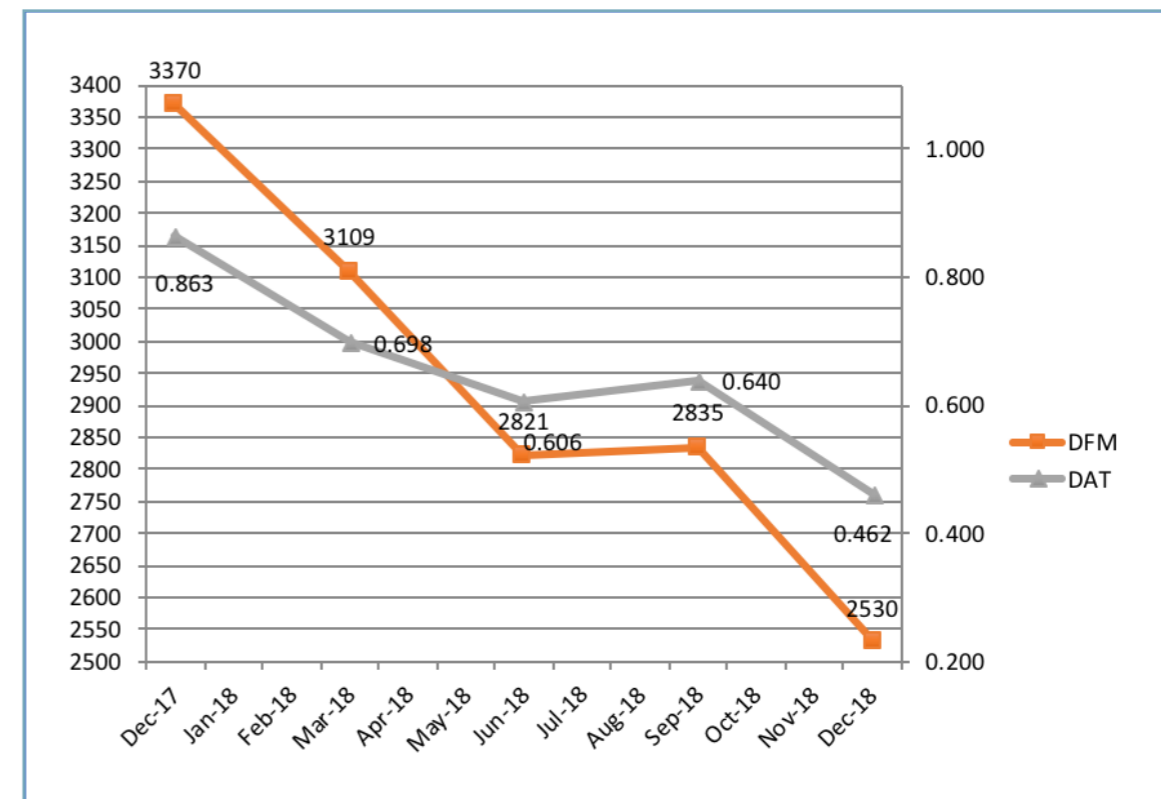
12. General Information

a. Statement of the company share price in the market (closing price, highest price, lowest price) in the end of each month during 2018

Dar Al Takaful Monthly equity stock movement 2018			
Month	(High (AED	(Low (AED	(Closing (AED
Jan-18	0.989	0.880	0.901
Feb-18	0.928	0.666	0.708
Mar-18	0.754	0.662	0.698
Apr-18	0.699	0.603	0.680
May-18	0.690	0.620	0.647
Jun-18	0.695	0.606	0.606
Jul-18	0.929	0.586	0.724
Aug-18	0.748	0.628	0.640
Sep-18	0.710	0.581	0.640
Oct-18	0.648	0.580	0.587
Nov-18	0.649	0.488	0.488
Dec-18	0.503	0.405	0.462

b. Statement of the comparative performance of the company’s shares with the market index and the sector index to which the company belongs during 2018

Year	DFM	DAT
Dec-17	3370	0.863
Jan-18	3394	0.901
Feb-18	3244	0.708
Mar-18	3109	0.698
Apr-18	3066	0.680
May-18	2964	0.647
Jun-18	2821	0.606
Jul-18	2956	0.724
Aug-18	2840	0.640
Sep-18	2835	0.640
Oct-18	2785	0.587
Nov-18	2669	0.488
Dec-18	2530	0.462



c. Statement of shareholding distribution as 2018/12/31 (individuals, companies, governments) classified as follows: local, GCC, Arab, Foreign

S/N	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Government	Total
1	Local	44.0363%	31.3194%	-	75.3557%
2	GCC	3.138%	0.0133%	-	3.1513%
3	Arab	14.5634%	0.1255%	-	14.6889%
4	Foreign	5.9278%	0.8987%	-	6.8265%
5	Total	67.6655%	32.3569%	-	100.0224%

d. Statement of the shareholders who hold %5 or more of the company's capital as of 2018/12/31

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital
1	Mawarid finance	32,776,331	21.8509%

e. Statement of shareholders distribution by the size of equity as of 2018/12/31

S/N	Share(s) Owned	Number of Shareholders	Number of Shares Held	of the Shares % Held of the Capital
1	Less than 50,000	1542	6,219,500	4.1687%
2	From 50,000 to less than 500,000	273	47,561,320	32.0995%
3	From 500,000 to less than 5,000,000	47	62,855,175	41.9033%
4	More than 5,000,000	1	32,776,331	21.8509%

f. Statement of the procedures taken with respect to the controls of investors' relations

Dar Al Takaful PJSC has developed and modernized its investor relations section on our website inline with the requirements and regulations of the Securities and Commodities Authority (SCA). One can visit our website and browse it by the shareholders, investors, stakeholders and the public. This is the link to our website www.dat.ae

Investor Relations Contact Details:

Mrs. Nawal Ma'ali, Investor Relations Manager

Email: IR@dat.ae

Contact Number: -800TAKAFUL (8252385)

g. Special resolution adopted at the 2018 General Assembly is the following:

Article 39 of the Articles of Association of the Company shall be amended to comply with Article 169 of the Commercial Companies Law No. 2 of 2015 to read: "The remuneration of the Chairman and members of the Board of Directors shall consist of a percentage of the net profit for the fiscal year ending not exceeding %10 of such profits for the fiscal year after deduction of depreciation and reserves and approval of the General Assembly. Before the amendment, it was: "The remuneration of the Chairman and members of the Board of Directors shall consist of a percentage of the net profit for the fiscal year ending not exceeding %10 of such profits for the fiscal year after deduction of depreciation and reserve and distribution of profit of not less than %5 of the capital to the shareholders and approval of the General Assembly.

h. Name of the Board Secretary and the date of his appointment

Hamad Sharaf, appointed on 2018/10/03

i. Statement of the significant events that took place in the company in 2018

Dar Al Takaful PJSC achieved profits of AED 6.7 million.

The resignation of Vice Chairman & Managing Director, Mr. Saleh Al-Hashimi on 2018/10/31 and the appointment of Chief Executive Officer, Mr. Srinivasan Aduthurai Rajagopalan, on 2018/10/11.

j. Emiratisation percentage

Dar Al Takaful PJSC Emiratisation is %4 in 2018

k. Statement of innovative projects and initiatives implemented by the company during 2018

The newest initiative introduced is our collaboration with ISAAD.

Chairman Signature:





Company's Stamp:



Date: 11 / 04 / 2019

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