



وطنية للتكافل  
watania

**National Takaful Company P.S.C. Watania**

**Corporate Governance Report**

**2018**

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## 1. Introduction:

The National Takaful Company P.S.C. "Watania", and since its establishment 12/7/2011, has proceeded to put systems and principles of corporate governance and disciplines amongst its priorities via preparing its articles of association which correspond to the regulations and principles stated in the ministerial resolution no. 518 of 2009 and its amendments and the provisions of the whole system; in addition, taking several measures that guarantee the implementation of the corporate governance in a sound and integral manner starting with preparing the internal list relative to governance and its implementation, the formation of committees emanating from the board of directors, the establishment of an administration to exercise internal control and set up a list of professional conduct and rules that govern the dealings of the members of the board of directors and the company's employees specialized in securities issued from the company and the issuance of procedural regulations relative to corporate governance in addition to implementing the latest administrative systems in practicing its commercial activities according to the provisions of the Islamic Sharia. The board of directors, via taking this bundle of special governance measures since the inception of the company, aims at activating the standards of governance scientifically, protecting the shareholders, developing investment and contributing actively in boosting economic growth in a balanced way to maintain stability. As such, the company would have contributed in rendering service to the society through its contribution in offering guarantees for the different commercial activities to achieve economic prosperity to its overall performance as follows:

## 2. The Company's Implementation of the Principles of Governance:

The Company in order to abide by and implement the Articles of Association as well as Chairman of Authority's Board of Directors Resolution No. (7 R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies and amendments thereof took several steps to form the applicable basis and carried out the following:

### A. To prepare the Internal Listing to Implement the Standards of Governance:

Believing in the importance and efficiency of the governance, the company translated its keenness to implement governance procedures practically through preparing an internal listing to implement standards of governance which included the main guidelines, standards, principles and adhoc measures related to the board of directors and the executive management related to the listing of the corporate governance public shareholding according to the related laws and Ministerial Resolutions.

It is worth noting that the company's articles of association has been duly prepared and adopted by official sources after the issuance of the adhoc Ministerial Resolution related to corporate governance, knowing that most of the companies are implementing this resolution which enabled the establishment and the preparation of the company's adhoc articles of association that correspond completely to the governance resolutions in line with the provisions of article (16) paragraph (2) of the Ministerial Resolution (518/2009) related to corporate governance and control.

**B. To prepare the Charter of Professional Conduct:**

Pursuant to the provisions stated in the aforementioned resolution, the company has prepared the regulations of the professional conduct related to the National Takaful Company and activated it amongst the members of the board of directors, the employees and the clients. It included in its items regulations related to the dealings of the members of the board of directors in securities. It also included so many other items that would insure, throughout its activation, leveling up the company to the highest levels of professional transparency and credibility contributing, as such, to the development of the company's effective economic performance.

**C. Review of Governance Procedures:**

Review the Governance Procedures as a whole by the Internal Control Department and Compliance Officer periodically to harmonize internal governance systems with legislation modified from time to time.

**3. Transactions of the Members of the Board of Directors and their Spouses and Children in the Company' Securities During 2018:**

No	Name	Positon	Shares held as at 31/12/2018	Total Sale Transaciton	Total Purchase Transacions
1	H. E. Ali Saeed Bin Harmal Al Dhaheri	Chairman	5,410,357	-	17,960,808
2	Eng. Usama Mohamed Al Barwani	Vice Chairmna	-	-	-
3	Dr. Mohamed Ali Al Barwani	Board Member	-	-	-
4	Mr. Fahad Ahmed Al Shaaer	Board Member	-	-	-
5	Mr. Abdallah Malik Osseiran	Board Member	-	-	-
6	Mrs. Rola Butros Abu Manneh	Board Member	-	-	-
7	Mr. Saleh Nasser Al Riyami	Board Member	-	-	-

#### 4- Formation of the Board of Directors:

The Board of Directors is composed of seven members who have the expertise and the skills that enable them to manage the company. They also have high capabilities that enable them to thoroughly read and understand the financial data due to their long experience in insurance and business management. All of the above made them qualified and capable of taking necessary decisions to achieve the interests of the shareholders such as to agree on the strategic plans and the investments and the budget and the company's financial status as a whole. We shall go through hereafter the names of the members of the board of directors, their educational certificates and practical expertise along with the positions that they are occupying in other joint stock companies and the sub committees of the board where the members participate in its establishment in line with the standards of governance and the mission of every committee:

##### a. Statement of the current Board of Directors composition and membership characteristics and experience:

Name	Experience and Qualifications	Position / Category	Membership Duration
Mr. Ali Saeed Bin Harmal Al Dhaheri	MBA from the American University in Washington. He is also a member of the Board of Directors of a number of local companies: Abu Dhabi University, Magna Investment, Emirates International Hospital and a number of other positions including, and previously held the position of Board Member and Managing Director of ADNEC Axel London.	Chairman Non -Executive Non-Independent	Since 23/3/2017
Eng. Usama Mohamed Al Barwani	Bachelor's degree in Petroleum Engineering from the University of Tulsa, Oklahoma, USA, and a Master's degree in Energy, Commerce and Finance from the Business School of City Case University in London. He is also the Managing Director of United Engineering Services, and is a member of the Board of Directors of Arcapita Bank of Bahrain, a Bahraini Islamic Commercial Bank, and a member of Oshino, the world leader in luxury yachts. Recently, Eng. Osama was appointed as Honorary Consul of the Republic of Uganda in the Sultanate of Oman.	Vice Chairman Non -Executive Non-Independent	Since 9/4/2018
Dr. Mohamed Ali Al Barwani	Bachelor of Science from the University of Miami in USA and a master's degree and Honorary PhD in Petroleum Engineering from the University of Heriot-Watt in the United Kingdom. He is the founder and chairman of the Mohammed Al Barwani Holding Group and has held several positions in the Sultanate of Oman. He served as a non-executive board member in a number of publicly traded companies, Oman Air, Al Madina Insurance Company, National Bank of Oman, Shell Oman Marketing and a leasing company in Oman.	Board Member Non -Executive Non-Independent	3 years

Mr. Fahad Ahmed Al Shaaer	Holds a BA in Accounting from the Higher Colleges of Technology at al-Ain City. He occupies currently the position of Managing Director of Abu Dhabi National Islamic Finance (ADNIF) company. It is worthy noting that Mr. Fahd worked for almost twenty years in the Banking Sector, 12 out of the 20 years in Islamic Banking.	Board Member Non-Executive Independent	4 years
Mr. Abdallah Malik Osseiran	Holds a Bachelor of Business Administration from the Lebanese American University (LAU) & Banking Diploma from the USJ. He is a board member of Abu Dhabi University Holding Company, Board member of Khwarizmi Holding Company, Acting Chairman for Abu Dhabi University Holding Audit Committee and Vice Chairman for Abu Dhabi University Finance Committee. He is the Managing Director for Magna Investment in Abu Dhabi since January 2006 that controls a number of entities in key sectors with investments covering, Education, Hospitality, Financials, Real estate, Private Equity, and Venture Capital.	Board Member Non-Executive Independent	2 years
Mrs. Rola Butros Abu Manneh	Bachelor's of Science (BS) in the University of London, Royal Holloway and Bedford New College, Mathematics & Operational Research. She was a Senior Managing Director - Head of CIB, Abu Dhabi Region, at First Abu Dhabi Bank (FAB). Previously, she was Senior Managing Director- Client Relationship within the Wholesale Banking division of National Bank of Abu Dhabi (now FAB).	Board Member Non-Executive Independent	Since 25/2/2018
Mr. Saleh Nasser Al Riyami	Bachelor of Business Administration from the American College of Atlanta and has more than 20 years of experience in administrative work and investment expert. He held several positions in the Sultanate of Oman, including investment expert at the rank of Director General of the Office of the Minister of the Royal Court Diwan, Chairman of the Board of Directors of Oman Ceramics Company SAOG, Chairman of the Audit and Auditing Committee, Member of the Executive Committee of Tajer Finance Company SAOG, Director of Al Madina Insurance Company SAOG and Chairman of the Board of Directors of the Vision Fund for the Oman Stock Exchange and Vice Chairman of the Fund Hills.	Board Member Non-Executive Independent	Since 9/4/2018

**b. Statement of women's representation in the Board of Directors in 2018:**

The Company abides by woman representation in the Board of Directors with a ratio of 1 member from a total of 7 board members.

**c. Statement of reasons for not nominating any woman as a board member:**

The Company abides by women representation in the BOD with a ratio of 1 member from a total of 7 board members.

d. **Total remuneration paid to the members of the Board of Directors for the year 2017:**

There was no remuneration paid to the BOD for the year 2017.

e. **Total remuneration proposed to be paid to the members of the Board of Directors for the year 2018, which shall be presented at the Annual General Assembly for approval:**

The remuneration for the BOD for the year 2018 amounting to AED 609,000 shall be discussed at the next General Assembly meeting, a resolution / decision will be taken, and the securities market will be updated accordingly.

f. **Details of the allowances for attending the sessions of committees derived from the BOD which were paid to the BOD members for the year 2018:**

There were no allowances paid to the BOD members for the year 2018 for attending the meetings of committees derived from the BOD.

g. **Board of Directors Meetings:**

Five meetings were held during 2018 as follows:

#	Board of Directors Number and Date of Meeting	Attendees				
		1/2018 5/3/2018	2/2018 2/5/2018	3/2018 9/8/2018	4/2018 8/11/2018	5/2018 15/11/2018
1	Mr. Ali Bin Harmel Al Dhaheri	✓	✓	✓	✓	✓
2	Eng. Usama Mohamed Al Barwani	-	✓	✓	✓	✓
3	Mr. Fahad Ahmed Al Shaaer	✓	✓	✓	✓	✓
4	Dr. Mohamed Ali Al Barwani	✓	✓	✓	✓	✓
5	Mr. Abdallah Malik Osseiran	✓	✓	✓	✓	✓
6	Mr. Saleh Nasser Al Riyami	-	✓	✓	✓	✓
7	Mrs. Rola Butros Abu Manneh	✓	✓	✓	✓	-

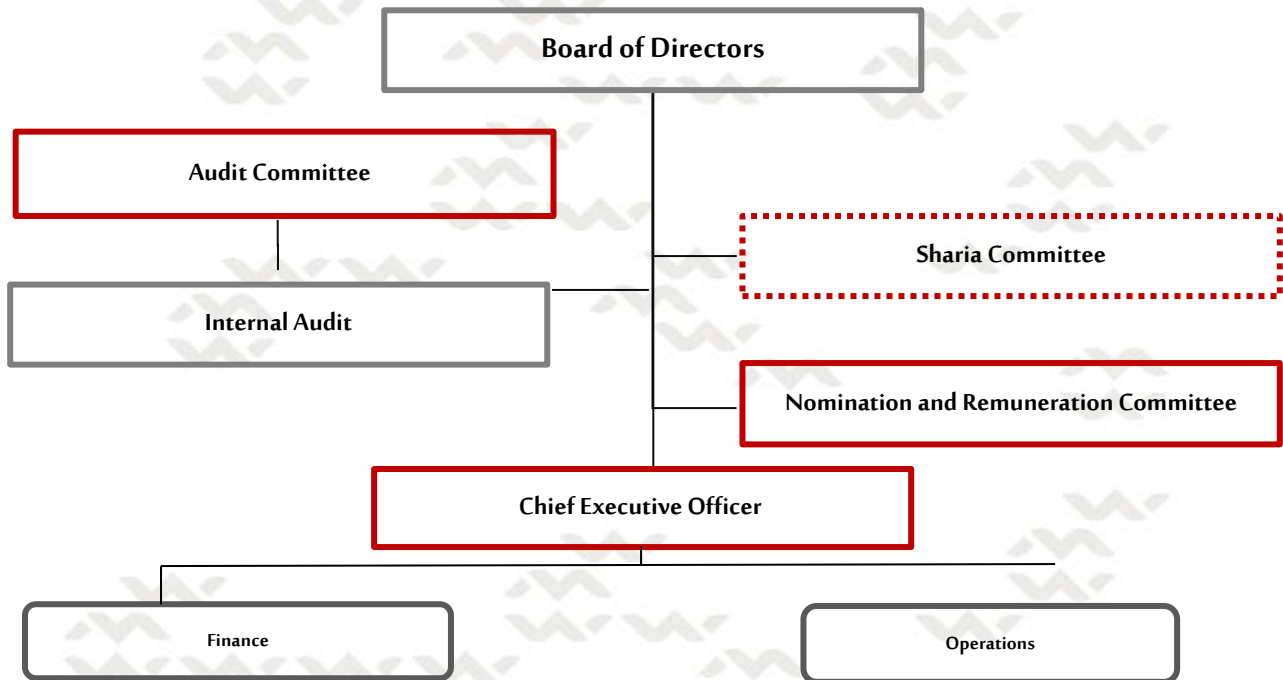
h. **Tasks and Functions of the Executive Administration according to the Board of Directors' Authorization:**

As per the authorization given to the CEO from the Board of Directors, the company's CEO is authorized to sign all documents, conclude contracts in the interest of the company and conduct all of its businesses.

i. **Transactions made with the related parties (Stakeholders):**

There were no transactions made with the related parties during the year 2018.

j. The Organizational Chart of the Company:



k. Detailed statement of the Senior Executive staff in the first and second levels according to the Company's Organizational Chart:

Sr.	Position	Date of appointment	Total salaries and allowances paid in 2018 (AED)	Total salaries and allowances paid in 2018 (AED)
1	Chief Executive Officer	11/1/2016	2,061,000	0
2	Chief Technical Officer	1/8/2016	660,000	0
3	Chief Financial Officer	11/1/2016	645,000	0

## 5- External Auditor:

The ordinary General Assembly, in its meeting held on the 9 April 2018, and according to what has been showcased before the Board of Directors, decided to appoint (KPMG) as external auditors for the financial year which ended 31/12/2018, to carry out the quarterly financial revision and to audit the yearly financial data. KPMG is considered one of the biggest operating offices in the country in the field of external auditing. Its presence in the UAE for so long gave it a good reputation within the commercial milieu due to their long experience in this field. The external auditors are subjected to the supervision of an auditing committee appointed by the Board of Directors. The number of years KPMG spent as external auditor is the following:



Name of Auditing Firm	KPMG
Number of years served as an external auditor for the Company	5 years
Total fees for auditing the financial statements of 2018 (AED)	AED 293,750
The fees and costs of the special services other than the auditing of the financial statements in 2018 (AED)	AED 15,750
The details and nature of other services provided	ICV Certificate
A statement of the other services performed by an external auditor other than the Company's auditor in 2018	NIL

## 6- Audit Committee:

### a) Names of Members of the Audit Committee and its functions and the Duties:

No.	Committee Members	Position in the Committee	Membership status in the BOD
1	Mr. Fahad Ahmed Al Shaaer	Chairman	Independent
2	Mr. Saleh Nasser Al Riyami	Member	Independent
3	Mrs. Rola Butros Abu Manneh	Member	Independent
4	Eng. Usama Mohamed Al Barwani	Member	Non-Independent

### b) The Auditing Committee Tasks:

The committee convenes once every three months at least. Minutes of the meetings are documented by the members and the committee's rapporteur. The tasks are the following:

- Establish and apply the policy of contracting with the external auditors and submit a report to the board of directors. In the said report, specify the issues which the committee sees important to take decision accordingly, and submit recommendations on the necessary steps to be taken.
- Follow up and control the independence of the external auditor and the extent of their objectivity. Discuss the nature and scope of the auditing work and the extent of its effectiveness pursuant to the approved auditing standards.
- Monitor the integrity of company's financial statements and reports (annual, semi-annual and quarterly) and verify the same as part of its ordinary work during the year. The committee shall focus on the following:
  1. any changes in the accounting policies and practices.
  2. Highlight the issues that are subject to management's evaluation/judgment.
  3. Substantial amendments resulting from the auditing

4. Assuming the continuity of company's work as a going concern.
  5. Comply with the accounting standards prescribed by the Authority
  6. Comply with the rules of listing and disclosure as well as the other legal requirements related to preparation of the financial reports.
- Co-ordinate with the board of directors, executive management and the Head of Finance in the process of carrying out its assignments. The committee shall meet with the external auditor at least once a year.
  - examine any important unusual issues stated in or should be stated in the reports and accounts. The committee shall give necessary attention to any issue furnished by the company's Head of Finance or compliance officer or external auditor.
  - Review company's financial control, internal control and risk management systems.
  - Discuss the internal control system with the management and ascertain that the management is performing its duties with regard to the establishment of an effective internal control system.
  - examine the results of the main investigations related to internal control issues assigned to it by the board of directors or at the initiative of the committee with approval from the board of directors.
  - Ensure coordination between internal and external auditors. Ensure availability of the necessary resources to the Internal Audit function and review/control the effectiveness of Internal Audit
  - Review the financial and accounting policies and procedures of the company.
  - Review the mission and action plan of the external accounts auditor and any material inquiries raised by the auditor to the management in respect of accounting records, financial accounts or control systems, respond thereto and approve the same.
  - Ensure the board of directors replies within the required time to the enquiries and essential issues stated in the mission report of the external auditor.
  - to develop rules that enable the employees of the Company to secretly report any potential violations in financial reports, internal control or other issues and adequate steps to conduct independent, fair investigations into these violations.
  - Verify the company's extent of compliance with its code of conduct.
  - Ensure application of the rules of the work related to its assignments and the powers vested in it by the board of directors.
  - Submit a report to the board of directors regarding the issues stated in this charter.
  - Consider any other issues as determined by the board of directors.

c) The Audit Committee conducted four meetings during 2018 , dates provided below:

	Names	1st Meeting 25/2/2018	2nd Meeting 1/5/2018	3rd Meeting 6/8/2018	4th Meeting 4/11/2018
1	Mr. Fahad Ahmed Al Shaaer	✓	✓	✓	✓
2	Mr. Saleh Nasser Al Riyami	✓	✓	✓	✓
3	Mrs. Rola Butros Abu Manneh	-	✓	✓	✓
4	Eng. Usama Mohamed Al Barwani	✓	✓	✓	✓

**7- Nomination & Remuneration Committee:**

a) **Names of Members of the Nomination & Remuneration Committee, and its Function and the Duties:**

No.	Committee Members	Position in the Committee	Membership status in the BOD
1	Mr. Abdallah Malik Osseiran	Chairman	Independent
2	Mr. Saleh Nasser Al Riyami	Member	Independent
3	Dr. Mohamed Ali Al Barwani	Member	Non-Independent
4	Mr. Ali Bin Harmel Al Dhaheri	Member	Non-Independent

b) **Duties and Responsibilities of the Nomination & Remuneration Committee:**

- Verifying ongoing Independence of Independent Board members.
- Formulating and revising annually the policy on granting remunerations, benefits, incentives and salaries to board members and employees of the company.
- Determining the company's needs for qualified staff at the level of the senior executive management and employees and the basis of their selection.
- Reviewing periodically and making recommendations to the Board on Human Resources Management, Training and Compensation policies and overseeing its implementation.

c) **Nomination & Remuneration Committee Meetings held during 2018:**

	Names	1 <sup>st</sup> Meeting 5/3/2018	2 <sup>nd</sup> Meeting 5/11/2018
1	Mr. Abdallah Malik Osseiran	✓	✓
2	Mr. Saleh Nasser Al Riyami	✓	✓
3	Dr. Mohamed Ali Al Barwani	✓	✓
4	Mr. Ali Bin Harmel Al Dhaheri	✓	✓

## 8- Insider Trading Supervision Committee:

### a) Names of Members of the Insider Trading Supervision Committee:

No.	Committee Members	Position in the Committee
1	Mrs. Rola Butros Abu Manneh	Chairman
2	Mr. Saleh Nasser Al Riyami	Member
3	Mr. Fahad Ahmed Al Shaaer	Member
4	Eng. Usama Mohamed Al Barwani	Member

### b) Duties and Functions of the Insider Trading Supervision Committee:

- 1) Inform all Insiders with the trading prohibition periods and informed by ADX or regulators.
- 2) Supervision the transactions of Insiders and their ownership of the shares of the company.
- 3) Keep a record of the transactions of the Insiders.
- 4) Update the Insiders register/ record for all Insiders on ADX portal & website.
- 5) Provide Abu Dhabi Securities Exchange with periodic reports on the transactions of the Insiders.

### c) Summary of the Insiders Trading Supervision Committee's Activities in 2018:

- 1) A Charter of Insider Supervision Committee has been prepared and approved by the BOD at its meeting No. 2/2018 dated 2/5/2018.
- 2) Preparation of the "Insider Trading Policy".
- 3) Following the election of the BOD members during the Annual General Assembly Meeting held on 9/4/2018.
  - No meetings held for The Insider Trading Supervision Committee in 2018.

## 9- Internal Control System:

- a) The Internal Control Management was established 28/9/2011. It follows directly the board of directors. The Internal Control Management relies in absolute transparency, periodically, a written report to the board of directors about the procedures, results and recommendations that it is reaching. Knowing that the board, in

its meeting #1/2012 convened 25/1/2012, decided to give out in details the responsibilities assigned to the Internal Control management in line with the special Ministerial Resolution related to governance.

**b) Work mechanism of the Internal Control management in the Company:**

The responsibilities of the Internal Control management are as follows:

1. To evaluate procedures of risk management in a company
2. To follow up the sound implementation of governance rules.
3. To make sure the company and the employees comply with the applicable provisions of the laws, regulations and resolutions that organize its work, policies and internal procedures.
4. To evaluate the work of the internal committees and its efficiency to reduce risks faced by the company and to relay proper recommendations to rectify the weaknesses therein.
5. To review the financial data relayed to the company's higher management used in preparing the financial statements.
6. To compare and analyze the actual financial results along with its previous estimates and to put the explanations, solutions and recommendations about it.
7. To coordinate with the company's external auditors and other control authorities regarding the provision and exchange of information, answering their explanations and remarks in cooperation with the company's relevant entities and to follow up on rectifying the violations and recommendations contained in its reports.
8. To prepare periodical reports, upon request, when necessary, regarding the process of control and auditing, relaying it to the board of directors to take decisions accordingly.
9. To impose additional controls over some departments through following up on:
  - a. Effectiveness and efficiency of the company's related activity operations
  - b. Restraints of the financial operations (payment, cashing, transfer, deduction,.....etc)
  - c. Accountants' accurate records
  - d. Data transfer and the company's information systems and internal programs operations
  - e. Matching the internal data with the data emanating from external sources
  - f. Matching the accounts' yearly results with the records and books
  - g. Appropriate measures taken to preserve tangible assets and records
  - h. Internal Control management dealing with any arising big problem

**c) The Name and qualifications of the Head of the Internal Controls Department:**

Mr. Abraham George who assumes the internal control management – of Indian nationality specialized in accounting. Holder of BA in accounting from Kerala University in India 1985 and holder of professional Insurance degrees from Fellowship - The Chartered Insurance Institute in London. He assumed the internal control management at Watania insurance company with an experience of 22 years in the UAE. As for the Internal Control management mechanism, it is following up on the internal control environment along with the auditing committee on behalf of the board of directors, where the management meets with the committee almost every three months to review the reports and the suggested recommendations verifying the extent of commitment of the company's departments and entities to the higher management's instructions, the objectives and the company's special policies that the board of directors have stipulated.

**d) The Name and qualifications of the Compliance Officer:**

Mrs. Hubba Sabbagh was appointed as a Compliance Officer at Watania, she holds a master's degree in business management from Atlanta University, she joined the Company in 2013.

**e) Internal Control Management deals with any bid Problem:**

In case of an emergency or any exceptional issue that would affect the company's course of action such as big problems and others, the internal control management shall define the problem and evaluate its impact on the company then call on the auditing committee to meet urgently to discuss the problem and its reasons and the means to solve it and mitigate its impact and to put the measures aimed at limiting its impact and keeping it from recurring in the future along with relaying its recommendations to the board of directors to take the suitable decision. The company did not face any big problem during 2018.

## **10- Violations Committed during Financial year 2018:**

No violations were committed during 2018.

## **11- In the Service of the Local Society:**

**The environmental policy that the company implements towards the local society and the social contributions:**

One of the major priorities of the Board of Directors as its main objective is to preserve the company as a whole financially and administratively to achieve its objectives for which it was established and to represent, according

to the nature of the activity i.e. Islamic Insurance, an effective contribution in preserving the environment and achieving the stability of the local society through giving insurance to individuals and companies, preserving their properties and covering their legal responsibilities towards others to help them continue in their endeavor to give and work hard in pushing forward the wheel of the national economy. In an effort to achieve these objectives, the company shall implement the legally determined governance principles and systems emanating from the public system and the principles of justice decided upon by the provisions of the Islamic Sharia; in addition to:

1. To commit to all systems and rules related to preserving the environment and avoiding sources of pollution in any form possible. As a result, the company forged an agreement with one of the specialized companies to recycle the company's paper wastes.
2. To commit to eliminating any source of environmental pollution that might result from the company's activities such as papers, storing properly the wreckage of cars and properties whose owners have been compensated.
3. To work on refurbishing the company, its offices and the surrounding areas by providing green spaces as much as the company's available areas allow.
4. To commit to providing firefighting tools at the company's offices and to put them at the disposal of neighboring companies in case fire erupts.
5. To contribute to the country's programs to counter-smoking, drug addiction and other scourges and social illnesses.
6. To implement the country's policy towards nationalization, contributing to the development of local human resources and providing the opportunity for the young nationals to get the training in Islamic Insurance at the company's offices.
7. To offer financial help to the poor and the needy according to whatever decision to be taken by the internal legitimate committee or the general assembly even if it were a proportion of the company's profits so as not to be in contradiction with the applicable systems and the interest of the shareholders and participants and company's potential. Knowing that no financial donation in 2018 has been given due to the company's novelty. This is what the company is planning to do in the next few years in line with its productive plan, god willing.
8. Knowing that all what has been aforementioned represents headlines that the company implements for the purpose of serving the local society.

## 12- General Information:

### a) The Company Share Price in the Market in AED in the end of each month during 2018:

Motnh / 2018	Highest Price (AED)	Lowest Price (AED)	Closing Price (AED)
01	0.450	0.450	0.450
02	0.510	0.450	0.510
03	0.520	0.480	0.480
04	0.480	0.460	0.460
05	0.570	0.420	0.570
06	0.750	0.630	0.730
07	0.660	0.660	0.660
08	0.600	0.500	0.500
09	0.535	0.450	0.530
10	0.545	0.536	0.545
11	0.600	0.545	0.600
12	0.620	0.620	0.700

### b) The Comparative Performance of the Company's shares with the market index and sector index to which the Company belongs during year 2018:





**c) Shareholding Distribution as of 31/12/2018:**

No.	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Governement	Total
1	Local	19.040%	67.890%	0.00%	86.93%
2	GCC	0.403%	11.167%	0.00%	11.57%
3	Arab	0.441%	0.00%	0.00%	.441%
4	Foreign	1.059%	0.00%	0.00%	1.059%
	Total	20.943%	79.057%	0.00%	100%

**d) Shareholding who hold 5% or more of the Company's capital as of 31/12/2018:**

List of Shareholders owning more than 5%	Number of Shareholders Held	% of the Shares Held of the Company's Capital
MB UAE Investment LLC	76,500,000	51%
Mangna Investment	23,854,000	15.90%
H. E Ali Saeed Bin Harmel Al Dhahiri	17,960,808	11.97%
Al Madina Insurance Company	14,303,596	9.54 %

**e) Shareholders Distribution by the size of equity as of 31/12/2018:**

No.	Share(s)	Number of Shershlders	Number of Share Held	% of the Shares Held of the Capital
1	Less than 50,000	621	4,093,775	2.729%
2	From 50,000 to Less than 500,000	38	6,286,993	4.19%
3	From 500,000 to Less than 5,000,000	5	7,000,828	9.52%
4	More than 5,000,000	4	132,618,404	88.41%
	Total	(668)	150,000,000	100%

**f) Procedures taken with respect to the Investors Relation Controls:**

- Appointed an Investor Relations Manager:

Name : Mr. Jaspreet Singh Chhabra

Tel: +971 2 613 8888

Mobile : +971 56 733 2889

E-mail: [jaspreet.chhabra@watania.ae](mailto:jaspreet.chhabra@watania.ae)

- Publication of information and data disclosed by the Company by creating a section specialized for investor relations on the Company's website. Investor Relations webpage link is :

<http://www.watania.ae/about-watania/investor-relations>

**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:**

Name : Mr. Jaspreet Singh Chhabra

Date of appointed : 1/2016

**i) Significant Events that took place in 2018:**

1. Rating of "BB+" has been reaffirmed by A. M. Best
2. Certified for ISO 9001:2005 by LRQA (Lloyds Registered Quality Assurance)

**j) Emiratization Percentage in the Company as of 2018:**

Watania have recruited and trained national talents to enable them to assume managerial positions in the Company, in support of the initiative of "Governmental Accelerator" launched by His Highness Sheikh Mohammed Bin Rashid Al Maktoum. The Emiratization rate has reached 12% and we in the process of increasing this percentage.

**k) Innovative Projects and Initiatives Implemented by the Company or which were under development during 2018:**

- Successfully implemented VAT related changes in Insurance system on timely manner
- Social Media initiatives on FB, Instagram and Twitter to spread takaful product awareness
- Developed various MIS reports, most prominent one is the 'Daily P & L Report'
- User profile Re provisioning activity was carried out for entire staff in Core Insurance Application. This was done as part of Internal audit procedure to cross verify that user's authority matrix and access rights are based on updated job Descriptions.
- SMS Alert facility enabled for Policy Issuance and Motor Claim LPO issuance
- Implemented new Document Management System (DMS) and Integrated with Core Insurance Application. Barcoding embedded on all major business output printouts to ease the DMS uploading process.
- Project Kicked off on Digital Platform comprising of Product Configurator, Rating Engine, Rule Engine, Renewal Engine, CRM with B2B & B2C portals, Mobile App & chat bots. This is an ambitious project with nature of its scope, and it will enable Watania to take the customer/ business partners experience to a different level.

- Implementation of New Business Intelligence tool 'Tableau' project has been started.
- Migration of physical server's to virtual server's activity rolled on.
- Video conferencing facility enabled for meetings and training between the branches.
- Leadership workshops for middle management with external HR consultant
- New HR manual

### 13- Communicating with the Shareholders:

Watania for Takaful is communicating with its shareholders via available channels of communication represented by :

- Announcement in the official gazette
- Statements rendered by the Chairman of the Board of Directors or the Chief Executive Officer
- Certified Mail

Knowing that the 2018 governance report shall be made available to the shareholders via the Internet through its official site <http://www.watania.ae/about-watania/corporate-governance> in both languages Arabic and English or through the site of the Abu Dhabi Securities Exchange ([www.adx.ae](http://www.adx.ae)) which makes the information and the data available to everyone especially traders, dealers and shareholders who are all keen on acquiring it through the different means known for clarity and transparency in announcement and disclosure fostering the demands of corporate governance. In the event that any dealer or shareholder desires to get additional information or details or clarification, they can communicate with the company's executive administration, give ones opinion and discuss for the sake of everyone's interest.



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**Ali Saeed Bin Harmal Al Dhaheri**  
**Chairman of the Board of Directors**