

CORPORATE GOVERNANCE REPORT

2022

A photograph of two men walking on a city street. The man on the left is wearing a white thobe and ghutra, and the man on the right is wearing a dark suit. They are walking towards the right. In the background, there are tall buildings and a street lamp. The image is overlaid with a large red and black geometric shape on the right side.

Contents

1. Statement of procedures taken to complete the Corporate Governance system during 2022	3
2. Statement of ownership and transactions of the Board of Directors' members, and their spouses and children in the Company securities during 2022	4
3. Board Formation	4
3.1. Statement of the current Board formation	4
3.2. Composition of the Board of Directors for 2022	4
3.3. Statement of the percentage of female representation in the Board for 2022.....	6
4. Remunerations and Allowances	6
4.1. Total Remuneration paid to the Board members for year 2021	6
4.2. Total Remuneration proposed to the Board members for year 2022.....	6
4.3. Details of the allowances for attending the sessions of the Board Committees.....	6
4.4. Details of the additional allowances, salaries or fees received by a Board member	6
5. The Board meetings held during the fiscal year 2022	6
5.1. Number of the Board resolutions passed during the fiscal year 2022.....	7
5.2. Statement of Board duties and powers exercised by the Board members based on Board authorisation..	8
5.3. Statement of the details of transactions made with the related parties in 2022.	9
6. The Complete organizational structure of the company	9
7. Statement of the Senior Executive in the first and second grade.	11
8. External Auditor	12
8.1. An overview of the company auditor to shareholders	12
8.2. The fees and costs for the audit or services provided by the external auditor	12
8.3. The reservations that the company's external auditor included in the interim and annual financial statements for 2022.....	12
9. Audit and Risk Committee	13
9.1. The Audit and Risk Committee Chairman's acknowledgment of his responsibility.....	13
9.2. Names of the Audit and Risk Committee members	13
9.3. Number of the Audit and Risk Committee meetings held during the year 2022.....	17
10. Nomination & Remuneration Committee	18
10.1. The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility.....	18
10.2. Names of the Committee members.....	18
10.3. Number of the Nominations & Remunerations Committee meetings held during 2022	20
11. The Supervision and Follow-up Committee of insider's transactions	20

11.1.	The Chairman of the Supervision and Follow-up Committee of insider's transactions acknowledgment of his responsibility	20
11.2.	Names of the members of the Supervision and Follow-up Committee of insider's transactions	21
11.3.	Number of Supervision and Follow-up Committee of insider's meetings held during the year 2022.....	21
11.4.	Summary report on the Committee's activities during 2022	21
12.	Investment Committee	22
12.1.	Investment Committee for General Insurance	22
12.2.	Investment Committee for Life and Medical Insurance:	23
13.	Internal Control System.....	26
14.	Details of the Violations committed during the year 2022	28
15.	Statement of the cash and in-kind contributions made by the Company during 2022 in developing the local community and preserving the environmental.	28
16.	General Information.....	29
16.1.	Statement of Company's market share price in the Market during year 2022.....	29
16.2.	Statement of the comparative performance of company's shares with the market index and the sector index to which the company belongs during year 2022.	29
16.3.	Statement of Shareholders distribution as of 31December 2022(Individuals, companies, governments)..	30
16.4.	Statement of shareholders owning 5% or more of the Company's capital as at 31 December 2022.....	30
16.5.	Statement of shareholders distribution by the size of equity as 31 December 2022, as per the following	30
16.6.	Statement of measures taken regarding the controls of investor relationships.....	30
16.7.	Statement of the special resolutions presented to the General Assembly held in 2022	31
16.8.	Rapporteur of the Board meetings.	31
16.9.	Statement of the significant events that took place in the Company in 2022.	32
16.10.	A statement of the transactions carried out by the company during the year 2022 that are equal to 5% or more of the company's capital.	32
16.11.	Statement of Emiratisation percentage in the Company at the end of 2020-2021-2022.....	32
16.12.	Statement of the innovative projects and initiatives implemented by the Company or still under development in 2022.....	32

1. Statement of procedures taken to complete the Corporate Governance system during 2022, and method of implementing thereof,

Ras Al Khaimah National Insurance Company PSC (RAK Insurance or the Company) maintains a robust governance structure which is aligned to the “three lines of defense” model. It establishes a framework to embed a control culture committed to a high-level of ethical and behavioral standards in order to achieve the Company’s objectives. This is supported by the Company’s Corporate Governance Policy and Procedures to facilitate effective and prudent management of the Company to deliver enduring success.

During 2022, RAK Insurance focused its efforts and resources to align the Company’s governance policies, procedures and practices to comply with Decision no. (3/Chairman) of 2020 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority concerning Approval of Joint Stock Companies Governance Guide (the “SCA Corporate Governance Guide Decision 3/RM 2020”), and other applicable decisions and resolutions issued by regulatory authorities and international best practices.

RAK Insurance is committed to maintain the highest standards of corporate governance practices; devoting its time and effort to continuously identifying the best business practices and setting clear policies to be implemented across the Company. These practices ensure smooth, effective and transparent operations that aim to protect shareholder’s rights.

The primary role of the Board of Directors (the Board) is to protect and enhance long-term stakeholder values; including shareholders and clients. The Board is responsible for setting the overall Company strategy and has oversight of executive management to ensure robust corporate governance practices are followed within the Company.

Day-to-day operations are delegated to the executive management, led by the Chief Executive Officer. The executive management team is accountable for the performance of the Company and measured against a set of corporate goals and targets. The posts of the Chairman and Chief Executive Officer of the Company are clearly distinguished between the Chairman’s role to manage the Board, and the Chief Executive Officer’s responsibility to manage the executive management and supervise the Company’s business.

There are four established Board committees (the Audit Committee, the Nomination and Remuneration Committee, Investment Committee (Life and General) and Insider Committee). The Board delegates its power and authorities from time to time (as permitted by the laws, regulations and Company’s Articles of Association) to ensure that the operational efficiency and specific issues are being handled with diligence and scrutiny. Each committee has its specific duties and authorities defined with each of its Terms of Reference duly approved by the Board.

RAK Insurance, through its robust corporate governance, provides confidence that the Company’s overall business performance is properly monitored and ensures that its Directors, management and staff are acting to best serve the interests of the Company and its stakeholders.

2. Statement of ownership and transactions of the Board of Directors' members, and their spouses and children in the Company securities during 2022, according to the following schedule:

SN	Name	Position / Kinship	Shares owned as on 31-Dec-2022	Total sale	Total purchase
1	Ahmed Essa Al Naeem	Vice Chairman	19,252,200	-	20,200
2	Mohamed Ahmed Essa Ahmed al-Naeem	Son of the Vice Chairman	1,000	2,013	-

Attached the shareholders list as of 31 December 2022 issued by the market.

3. Board Formation

3.1. Statement of the current Board formation

The individuals comprising RAK Insurance Board of Directors provide a broad range of skills, relevant industry knowledge, experience and highly professional backgrounds contributing to the diversity appropriate for the Company's circumstances.

The Board consists of 5 members including the Chairman, two non-executive / independent Directors and three non-executive/non-independent Directors. Four members of the Board are UAE Nationals.

The Board of Directors welcomed Mr. Raheel Ahmed as a replacement for Mr. Peter England to complete the term of his predecessor and this appointment was ratified at the AGM meeting held on 14th April 2022. The subsequent pages have been updated to reflect this change in the Board formation.

As per the Company's Articles of Association, the Board should hold its meetings at least four times a year and may convene for additional meetings when the need arises upon the invitation of the Chairman or the Vice-Chairman in their absence. A meeting will only be held if a quorum has been reached. The Board members elected are as detailed below.

3.2. Composition of the Board of Directors for 2022

SN	Name	Category	Experience & Qualifications	Period served as a BOD since first election	Membership/positions in any other joint stock companies	Positions in any other important supervisory, governmental or business entities
1	Salem Ali Al Sharhan	Non-Independent/ Non-Executive	Bachelor of Science in Accountancy, UAE University	8 years and 8 months	Board Member – RAK Bank	Board Member – DIFC Board Member – RAK Medical & Health Sciences University Board Member – American University of Ras Al Khaimah Board Member – National Cement Company
2	Ahmed Essa Al Naeem	Non-Independent/ Non-Executive	Bachelor of Science in Electrical and Communication Engineering	16 years	Board Member – RAK Bank	Chairman – Emirates Travel Agency Chairman – RAK Trade Centre Chairman – Al Naeem Mall and Al Naeem City Centre Chairman – Khalifa Mall Board Member – Majan Printing and Packaging
3	Peter William England ¹	Non-Independent/ Non-Executive	Master of Business Administration	6 years and 8 months	Chief Executive Officer - RAKBANK	None
	Raheel Ahmed	Non-Independent/ Non-Executive	Master of Business Administration	1 year	Chief Executive Officer - RAKBANK	None
4	Jasem Ahmed Al Nuaimi	Independent/ Non-Executive	Bachelors of Public Administration	5 years and 9 months	None	Board Member – Emirates Insurance Association
5	Aarefa Saleh Al Falahi	Independent/ Non-Executive	Master of Business Administration	4 years 10 months	Vice President – Mashreq Bank	Board member at Emirates Sport Club. Board Member – Ras Al Khaimah Chamber of Commerce and Industry Board Member – Saud Bin Saqr Establishment for Youth Enterprises Development Adviser – Higher Colleges of Technology – the Information Technology and Marketing Program

Attached an acknowledgment issued by each member that the above information contained in clauses 2 and 3 are valid.

¹ Left the Board in April 2022, and Raheel Ahmed appointed as the Board member after the ratification of the AGM.

3.3. Statement of the percentage of female representation in the Board for 2022

RAK Insurance believes that good corporate decision-making requires the ability to hear and consider different points of view which come from people who have different backgrounds, experiences and perspectives. The Company's General Assembly held on 7th March 2018 appointed Ms. Aarefa Saleh Al Falahi as a Board member, and this decision is in compliance with the SCA Corporate Governance Guide Decision 3/RM 2020. As a result, female represents 20% of the Company's Board of Directors.

4. Remunerations and Allowances

4.1. Total Remuneration paid to the Board members for year 2021

Pursuant to Article 29 of the SCA Corporate Governance Guide Decision 3/RM 2020 and Article 39 of the Company's Article of Association, the amount of AED812,568 was approved in the Annual General Meeting held on 14th April 2022 and paid as remuneration of the Board of Directors for the financial year ending 31st December 2021.

4.2. Total Remuneration proposed to be paid to the Board members for year 2022, which will be presented in the AGM meeting for approval.

Due to the accumulated losses of the company amounting of AED 35m for the year ended 31 December 2022 and subject to the Annual General Meeting to be held on 12th April 2023, it is recommended not to distribute remuneration to the Board of Directors for the year ended on 31st December 2022.

4.3. Details of the allowances for attending the sessions of the Board Committees received by the Board members for year 2022.

No attendance fee, salaries or additional allowances have been paid to any of the members of the Board of Directors for the fiscal year 2022.

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

No additional allowances, salaries or fees received by a Board member for the fiscal year 2022.

5. The Board meetings held during the fiscal year 2022

The Board of Directors of Rak Insurance held seven (7) meetings during 2022. The agenda along with the Board documents were circulated in advance. The details of the names of the Board members and attendance of at the Board meetings are given below.

Names of the Board of Directors Members:

From 1st January 2022 up to 14th April 2022.

Member's Name	Position	Designation
Salem Al Sharhan	Chairman	Non-Independent
Ahmed Essa Al Naeem	Vice Chairman	Non-Independent
Raheel Ahmed	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent
Jasem Ahmed Al Nuaimi	Member	Independent

From 15th April 2022 up to 31st December 2022

Member's Name	Position	Designation
Salem Al Sharhan	Chairman	Non-Independent
Ahmed Essa Al Naeem	Vice Chairman	Non-Independent
Raheel Ahmed	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent
Jasem Ahmed Al Nuaimi	Member	Independent

Attendance at the Board meetings:

SN	Name	Board meeting dates - 2022							Total number of attendances
		10-Feb	24-May	8-Aug	18-Aug	30-Aug	1-Nov	13-Dec	
1	Salem Ali Al Sharhan	✓	✓	✓	✓	✓	✓	✓	7
2	Ahmed Essa Al Naeem	✓	✓	✓	-	✓	✓	✓	6
3	Peter England	✓	-	-	-	-	-	-	1
	Raheel Ahmed	-	✓	✓	✓	✓	✓	✓	6
4	Jasem Ahmed AlNuaimi	✓	✓	✓	✓	✓	✓	✓	7
5	Aarefa Saleh Al Falahi	✓	✓	✓	✓	✓	✓	✓	7

✓ : Attended; - Not attended;

No attendance by a proxy for the year 2022

Attached the Company disclosures on the Market website about the Board meetings.

5.1. Number of the Board resolutions passed during the fiscal year 2022

Six (6) Board resolutions were passed during the fiscal year 2022. These resolutions were operational in nature and what needed to be disclosed had been done the Abu Dhabi Exchange Market, as they do not impact the Company's share price.

- Board of Directors Resolution by passing No. 1/2022 dated 14th January 2022.
- Board of Directors Resolution by passing No. 02/2022 dated 17th March 2022.
- Board of Directors Resolution by passing No. 03/2022 dated 24th March 2022.
- Board of Directors Resolution by passing No. 04/2022 dated 13th April 2022.
- Board of Directors Resolution by passing No. 05/2022 dated 14th April 2022.
- Board of Directors Resolution by passing No. 06/2022 dated 21st June 2022.

5.2. Statement of Board duties and powers exercised by the Board members or the executives management members during 2022 based on Board authorisation

Name of the authorized person	Power of authorization	Duration of the authorization
Ewen John McRobbie	Power of Attorney	Unlimited <i>(cancelled in September 2022)</i>
Sanjeev Badyal	Power of Attorney	Limited for one year

Name of the authorized person	Special Power of authorization	Duration of the authorization
Sanjeev Badyal	In relation to the Traffic Department transactions issues	Limited for one year

The Executive Management supports the Chief Executive Officer (CEO) in the preparation of strategies, budget, policies and procedures, and handling of significant or fundamental operative matters as well as ensuring effective internal communications.

The CEO operates in accordance with the authority delegated to him by the Board of Directors through a Power of Attorney. The CEO, with support from the Executive Management team, is responsible for the day-to-day management of the business, in line with the annual Strategic Plan approved by the Board of Directors.

The major duties and responsibilities delegated to the Executive Management by virtue of a Power of Attorney are as follows:

1. Transact, manage, carry on and do all commercial, financial and insurance matters and powers requisite and necessary or in any matter connected with or having reference to the business and affairs of the Company's operations inside of the United Arab Emirates as per the provisions of the Power of Attorney and in the limits mentioned in the Delegation of Authority Matrix.
2. Manage the accounts of the Company with any Bank(s) as per the provisions of the Power of Attorney and in the limits mentioned in the Delegation of Authority Matrix.
3. Represent the Company in all financial agreements approved by the Board of Directors as per the provisions of the power of attorney and in the limits mentioned in the Delegation of Authority Matrix.
4. Settle, compromise, discharge or compound as per the provisions of the Power of Attorney and in the limits mentioned in the Delegation of Authority Matrix.
5. Purchase or take on leases for residential, business and other premises and facilities for the business of the Company compound as per the provisions of the Power of Attorney and in the limits mentioned in the Delegation of Authority Matrix.

The validity of the delegation of authority is limited to one year.

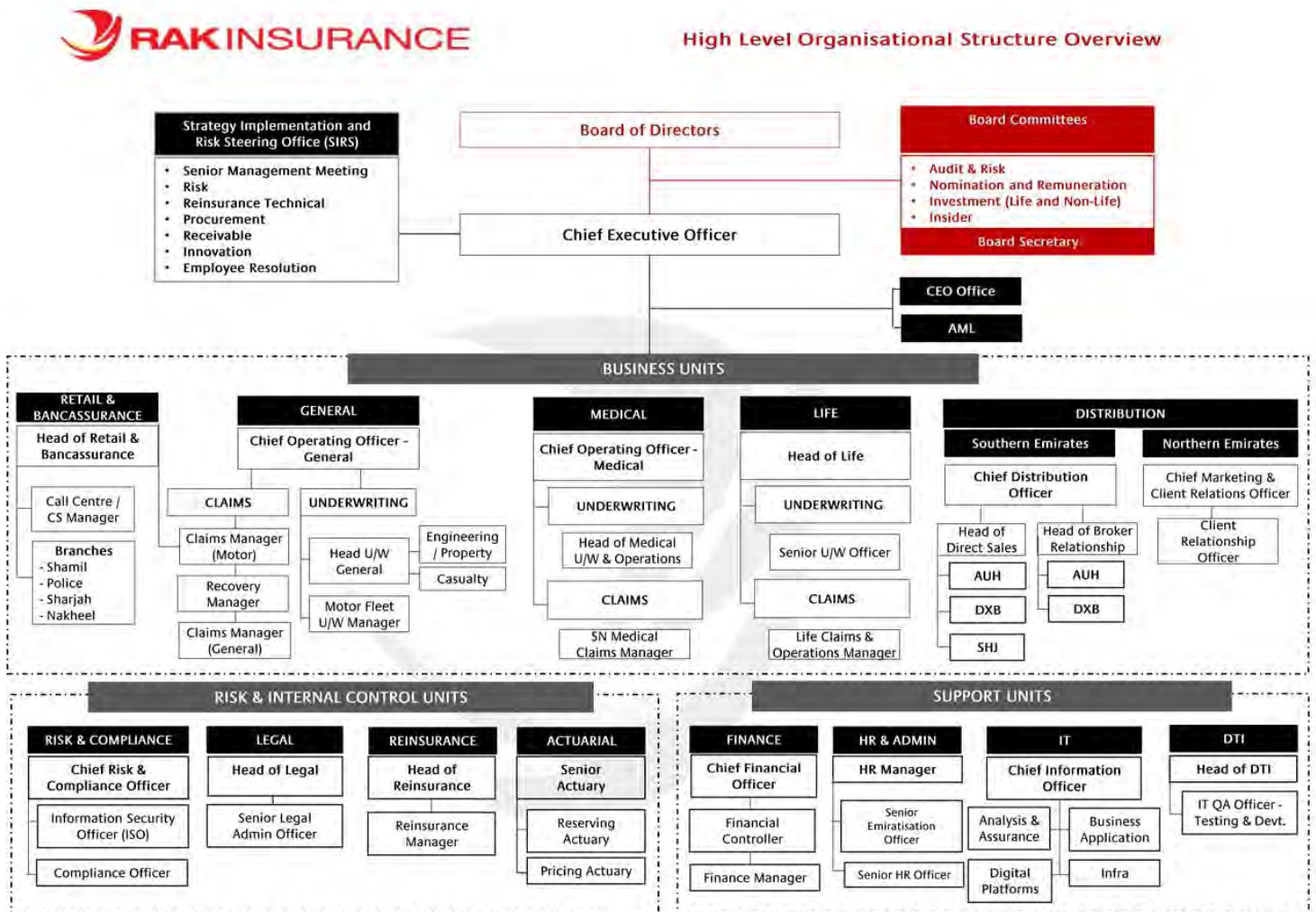
5.3. Statement of the details of transactions made with the related parties (stakeholders) in 2022.

During the year 2022, the Company entered into the following transactions:

SN	The Related Party and the nature of relationship	Type of transaction	Total Value of all transactions
1	Board Members and Shareholders	Premium written	124,014,631
2	Board Members and Shareholders	Claims paid	56,934,870
3	Board Members and Shareholders	Dividends paid	9,225,629
4	Parent Company	Commission paid (including profit commission)	46,365,159
5	Parent Company	Fixed Deposit placements	124,017,267
6	Parent Company	Bank balances	8,634,651
7	Parent Company	Purchase of Investments	19,852,768
8	Parent Company	Rent expenses	475,000
9	Parent Company	Central function recharge	1,000,000
10	Parent Company	Interest income on fixed deposits	1,988,509
11	Parent Company	Interest expense on borrowing	480,359

Attached a statement of the transactions that the company made during 2022, which equal 5% or more of the company's capital.

6. The Complete organizational structure of the company².



Attached is a sealed copy of the company's complete organizational structure.

² Group Internal Audit (GIA) is independent of Management and reports directly to the Audit and Risk Committee, hence the Chief Internal Auditor and Internal Audit Team are not represented in the above Organisational Structure.

7. Statement of the Senior Executive in the first and second grade according to the Company's organisational structure.

SN	Position	Date of Appointment	Total salaries and allowances paid in 2022 (AED)	Total bonuses paid for 2022	Any other Bonuses in cash/in kind for 2022 or due to be paid in the future
1	Chief Executive Officer	01-Oct-18 ⁽¹⁾	1,177,600.00	These bonuses will be determined after review and approval by the Board	Not Applicable
	Acting Chief Executive Officer	18-Aug-22 ⁽²⁾	400,645.16		
2	Chief Financial Officer	01-Oct-20	736,600.00		
3	Chief Distribution Officer	01-Oct-13 ⁽³⁾	707,616.16		
4	Chief Marketing and Client Relations Officer	02-Nov-96	694,216.00		
5	Head of Life	26-Jan-14	443,130.00		
6	Chief Operating Officer - Medical	01 Aug- 21	742,600.00		
7	Chief Operating Officer- General Insurance	05-Jan-20	622,400.00		
8	Chief Risk and Compliance Officer	22-Mar-20	588,900.00		
9	Chief Reinsurance Officer	02-Feb-20	587,600.00		
10	Chief Information Officer	10-Oct-21	482,400.00		

⁽¹⁾ The Chief Executive Officer resigned from his position on 15th November 2022

⁽²⁾ The Acting Chief Executive Officer joined on 18th August 2022

⁽³⁾ The Chief Distribution Officer resigned from his position on 31st December 2022

8. External Auditor

8.1. An overview of the company auditor to shareholders

PricewaterhouseCoopers (PwC) is one of the world's largest providers of assurance, tax, and business consulting services. As one of the world's largest professional services firms, PwC offers a wide range of services and brings variety of skills and experience to bear on clients' issues. PwC has been established in the Middle East region for more than 40 years and has more than 5,600 people in 12 countries across the region: Bahrain, Egypt, Iraq, Kuwait, Jordan, Lebanon, Libya, Oman, Palestine, Qatar, Saudi Arabia and the United Arab Emirates.

The external auditor is completely independent from the executive management and the Board of Directors. No other external auditors were appointed other than the current external auditor during the year ended 31 December 2022.

8.2. The fees and costs for the audit or services provided by the external auditor

Name of the audit office	PricewaterhouseCoopers (PwC)	Name of the audit partner	Jigesh Shah
Number of years served as the company's external auditor.	Four years		
Number of years of the Engagement Partner auditing the financial statements	One year		
Total fees for auditing the (Interim and annual) financial statements of 2022.	Annual Audit – 143,000 Quarterly reviews – 272,250 Total Audit and Reviews – AED415,250		
Fees and costs of the special services other than the auditing of the financial statements in 2022 (in AED), if any, and in case there are no other fees, this shall be expressly stated.	Agreed upon procedures such as AML, E-forms, Investment Allocation etc along with a review of IFRS 17 accounting papers. AED 573,850		
Details and nature of other services provided (if any). If there are no other services, this shall be expressly stated.	No other services provided		
Statement of the other services that an External Auditor other than the Company's accounts auditor provided during 2022 (if any). In the absence of another external auditor, this matter is explicitly stated.	Name: N/A Details: There is no external auditor other than the Company's accounts auditor.		

8.3. The reservations that the company's external auditor included in the interim and annual financial statements for 2022. In case of the absence of any reservations, this matter must be mentioned explicitly.

There were no reservations mentioned by the auditors in their opinion on the financial statements for the year ended 31 December 2022.

9. Audit and Risk Committee

The Audit & Risk Committee is composed of three (3) non-executives directors.

9.1. The Audit and Risk Committee Chairman's acknowledgment of his responsibility for the Committee system at the company

Mr. Jaseem Ahmed Al Nuaimi, the Audit & Risk Committee Chairman acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

9.2. Names of the Audit and Risk Committee members

From 1st January 2022 up to 14th April 2022.

Member's Name	Position	Designation
Jaseem Ahmed Al Nuaimi	Chairman	Independent
Peter England	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent

From 15th April 2022 up to 31st December 2022

Member's Name	Position	Designation
Jaseem Ahmed Al Nuaimi	Chairman	Independent
Raheel Ahmed	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent

Audit & Risk Committee functions and duties assigned thereto

The responsibilities of the Audit & Risk Committee are in line with Article (58) and Article (60) of SCA Corporate Governance Guide Decision 3/RM 2020, and the terms of reference of the Audit & Risk Committee. The Audit & Risk Committee undertakes the following duties:

The Financial Statements and Reporting of the Company

- Monitor and review the integrity of the Company's financial and accounting policies and procedures, including the review of significant financial reporting issues and judgements contained in the financial statements.
- Monitor the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly) and other formal announcements relating to the financial performance and review thereof as part of its normal work during the year, and the Committee shall particularly focus on the following:
 - a) The consistency of, and any changes to, accounting policies and practices, on a year on year basis;
 - b) Highlighting the aspects that are subject to the management's discretion;
 - c) Methods used to account for significant and unusual transactions;
 - d) Substantial amendments resulting from audit work;
 - e) Supposing continuity of the Company's business;

- f) Commitment to the accounting standards approved by the Authority;
 - g) Commitment to the listing and disclosure rules and any other legal requirements related to preparation of financial reports; and
 - h) Clarity and completeness of disclosure in financial reports.
- Coordinate with the Company's Board of Directors, Senior Executive Management, and the financial manager or the manager doing such role in the Company, for the purpose of performing its duties;
 - Consider important and unusual disclosures that are or shall be mentioned in such reports and accounts, the committee shall also pay the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor;
 - Review, and challenge where necessary, the actions, estimates and judgements of management (and any changes in them), in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:
 - disclosures and estimates requiring a major element of judgement;
 - the extent to which the financial statements are affected by any unusual transactions in the year, the methods used to account for any significant or unusual transactions where different approaches are possible, and how such transactions are disclosed;
 - the clarity and completeness of disclosures, and the context within which financial statements are made;
 - compliance with accounting standards;
 - compliance with legal and regulatory requirements;
 - the going concern assumption;
 - the representation letter to the auditors; and
 - all material information presented with the financial statements including the business review, and corporate governance statements relating to the audit and risk management.
 - Wherever practicable, the Committee should review other statements containing financial information (which require Board approval, in advance of their consideration by the Board, subject always to not being inconsistent with the obligation to comply with prompt reporting obligations);
 - Review any significant adjustments to financial reporting resulting from the audit, and resolve any disagreements between management and the external auditors regarding financial reporting;
 - Review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy. The review undertaken by the Committee should assess whether the narrative is consistent with the accounting information;
 - Submit reports and recommendations to the Board of Directors concerning the above-mentioned responsibilities; and consider any other issues determined by the Board of Directors.

Whistleblowing arrangements

- Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations;
- Review arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters including consideration of the procedures for:
 - The reception, retention and treatment of complaints regarding accounting, internal accounting controls or audit matters; and
 - The confidential submission by employees of the Company (which may be anonymous) of concerns on any matter, including those regarding questionable accounting or audit matters;

- Submit reports and recommendations to the Board of Directors concerning the above-mentioned responsibilities; and consider any other issues determined by the Board of Directors.

Internal Controls and the Risk Management Framework

Internal Controls:

- Review management's reports on the effectiveness of systems for internal control and financial reporting to cover;
 - Critical control issues that have an impact on financial reporting;
 - Procedures for detecting financial reporting fraud; and
 - Consider the major findings of any relevant internal investigations into control weaknesses, fraud or misconduct and management's response (in the absence of management where appropriate).

The Risk Management Framework:

- Review reports of the management and the Chief Risk & Compliance Officer on the effectiveness of systems for risk management covering:
 - Its linkage to the Risk Management Strategy;
 - The robustness of the firm's risk management policies and processes and their fitness for purpose when tested against the Board's Enterprise Risk Management (ERM) strategy; and
 - The setting and changes in risk appetite.

Code of Ethics and Conduct

- Monitor the extent to which the Company complies with the Code of Ethics and Conduct which covers:
 - Reviews of Related Party Transactions with the Company, managing conflict of interests, and submitting recommendations concerning such transactions to the Board of Directors before concluding the contracts; and
 - Ensuring implementation of the Code of Ethics and Conduct related to the Committee's duties and powers assigned to it by the Board of Directors.

Others

- Submit reports and recommendations to the Board of Directors concerning the above-mentioned responsibilities; and
- Consider any other issues determined by the Board of Directors covering service quality and risk management, regulatory compliance, business resilience, contentious matters and other ad hoc reports covering such other matters relating to risk management and internal control as the Board may request from time to time.

Internal Audit/ Internal Control

- Ensure availability of the resources required for the Internal Audit/ Internal Control function, review and monitor the effectiveness of such function;
- Review and approve the Internal Audit/ Internal Control annual plan and ensure that the function is adequately resourced, has appropriate access to information, adequate standing within the Company and is free from management and other restrictions;
- Review Internal Audit / Internal Control reports on the effectiveness of internal control systems on a regular basis and follow up the implementation of corrective measures from the comments arising from such reports;

- Monitor and review the effectiveness of the Internal Audit/ Internal Control function in the context of the overall risk management system;
- Consider the appointment, resignation or removal of the Internal Audit/ Internal Control;
- Review and report on the results of the Internal Audit/ Internal Control work on a periodic basis and in particular consider the major findings of any significant internal control escalated to the Committee and consider management's response to Internal Audit/ Internal Control recommendations;
- Review and monitor management's responsiveness to the audit findings and recommendations of Internal Audit/ Internal Control;
- Review and approve the Internal Audit Charter;
- Approve the Internal Audit/ Internal Control annual budget;
- Discuss the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control;
- Consider the results of primary investigations in internal control issues as assigned to the Committee by the Board of Directors or based on an initiative on the part of the Committee and the Board of director's approval of such initiative;
- Submit reports and recommendations to the Board of Directors concerning the above-mentioned responsibilities; and consider any other issues determined by the Board of Directors.

External Audit

- Submit a recommendation to the Board of Directors in respect of the selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Audit Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Audit Committee recommendations and the reasons for the Board of Directors' rejection thereof;
- Set and implement the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the Committee deems necessary to take procedures in relation to, and submitting the Committee's recommendations concerning the steps required to be taken;
- Ensure the auditor's fulfilment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company's Articles of Association, and follow up and monitor auditor's independence;
- Review all matters related to the auditor's job, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up the Company's Board of Directors response thereto and provision of the facilities required for performing the auditor's job;
- Ensure timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter;
- Review of the auditor's assessment of internal control procedures and ensure coordination between the internal and external auditors;
- Consider and make recommendations to the Board, to be submitted to shareholders for their approval at the Annual General Meeting, on the appointment, reappointment and removal of the external auditor. The Audit Committee shall oversee the process for selecting the external auditor;
- Oversee the relationship with the external auditor, including:
 - approving the terms of engagement (and the engagement letter) of the external auditor, the remuneration to be paid and the scope of the audit;
 - assessing the external auditor's effectiveness, independence and objectivity, ensuring that key partners are rotated at appropriate intervals;

- agreeing the policy for, and where required by that policy, approving the provision of non-audit services by the external auditor and the related remuneration; and
 - agreeing with the Board a policy on the employment of former employees of auditor, and monitoring the implementation of this policy.
- Review and approve the annual audit plan, and ensure that it is consistent with the scope of the audit engagement, and coordinated with the activities of the Internal Audit/Internal Control function;
 - Discuss with the external auditor, before the audit commences, the nature and scope of the audit and review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;
 - Review the findings of the audit with the external auditor, considering the external auditor's management letter and management's responsiveness to the auditor's findings and recommendations;
 - Review the reports prepared by the external auditor as per Audit Committee request, considering management's response to any major external audit recommendations;
 - Develop and implement a policy on the supply of non-audit services by the external auditor, to avoid any threat to the auditor objectivity and independence;
 - Review annually and report to the Board on the qualification, expertise and resources, and independence of the external auditors and the effectiveness of the audit process, with a recommendation on whether to propose to the shareholders that the external auditor should be re-appointed;
 - Ensure that the Committee section of the annual report should include an explanation of how the Committee has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, including length of term, when the tender was last conducted and restructures on appointment;
 - Review the audit representation letters before signature, giving particular consideration to any non-standard issues within the representations;
 - Review any other matters referred to it by the Chairman or the Board;
 - Submit reports and recommendations to the Board of Directors concerning the above-mentioned responsibilities; and consider any other issues determined by the Board of Directors.

9.3. Number of the Audit & Risk Committee meetings held during the year 2022.

During the year 2022, RAK Insurance held four (4) Audit & Risk meetings. The details of attendance are as follows:

SN	Name	Meetings dates - 2022				Total number of attendance
		9-Feb	11-May	29-August	31-Oct	
1	Jasem Ahmed Al Nuaimi	✓	✓	✓	✓	4
2	Peter William England	✓	-	-	-	1
	Raheel Ahmed	-	✓	✓	✓	3
3	Aarefa Saleh Al Falahi	✓	✓	✓	✓	4

✓ : Attended; - Not attended;

10. Nomination & Remuneration Committee (REMCO)

The Nomination & Remuneration Committee is composed of three (3) non-executives directors.

10.1. The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the company.

Mr. Jaseem Ahmed Al Nuaimi, the Nomination & Remuneration Committee Chairman's acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

10.2. Names of the Committee members,

From 1st January 2022 up to 14th April 2022.

Member's Name	Position	Designation
Jaseem Ahmed Al Nuaimi	Chairman	Independent
Peter England	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent

From 15th April 2022 up to 31st December 2022

Member's Name	Position	Designation
Jaseem Ahmed Al Nuaimi	Chairman	Independent
Raheel Ahmed	Member	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent

Nomination & Remuneration Committee functions and duties assigned thereto

The scope of work of REMCO is to review and to recommend to the Board any decision in relation to its duties. The duties of the Committee shall be as follows:

- Setting and recommending to the Board a policy for nomination for Board and Executive Management membership with the aim of varying between the two genders respecting formation of both and encouraging female nominees through offering privileges and training and motivational programs, and submitting a copy of such policy to the Securities & Commodities Authority and any amendments thereof;
- Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and the provisions of the Chairman of the Securities & Commodities Authority's Board of Directors' Decision No. (3 R.M) of 2020 Concerning Approval of Joint Stock Companies Governance Guide;
- Constantly verifying independence of independent Board members;
- If the committee finds out that one of the members has lost independence, the committee shall bring the issue before the Board of Directors to serve a registered letter to such member at his/her address registered at the company, clarifying the reasons for the loss of independency; such member shall reply to the Board of Directors within fifteen days from the date of receiving notice thereof, and the Board of Directors shall issue a decision as to whether such member is independent or otherwise in its first

meeting following reception of the board member's reply or elapse of the period mentioned in the previous paragraph without replying;

- With due diligence to Article (145) of the Federal Law no. (2) on 2015 concerning on Commercial Companies, if the Board of Directors' decision of a member's loss of independence affects the minimum percentage of independent Board members, the Board shall appoint an independent member to replace such member in case the latter submits his/her resignation for losing independence; if such member refuses to submit his/her resignation, the Board of Directors shall bring the issue before the general assembly to issue the decision of approval of appointing another Board member or open the door for nomination to elect a new Board member;
- Setting and recommending to the Board of Directors for approval the policy on which basis bonuses, privileges, incentives, and salaries shall be granted to the company's Board members and staff (the Remuneration Policy), reviewing such policy annually, and ensuring that the bonuses and privileges offered to the senior executive management are reasonable and in line with the company's performance;
- Annual review of the skills required for Board membership and preparation of the required capabilities and qualifications for Board membership including the time a member shall need to allocate to do his/her duties as a Board member;
- Review of the structure of the Board of Directors and submitting recommendation to the Board respecting the changes that may be made;
- Determining and recommending to the Board of Directors the company's need of competencies at the level of the Senior Executive Management and the staff and the basis for selection thereof;
- Setting and recommending to the Board of Directors the policy of human resources and training in the company, monitoring implementation of such policy, and review thereof on annual basis;
- Review and recommend to the Board of Directors the Board Secretary's job description and duties;
- Consider all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code of Ethics and Conduct and associated guidance. The objective of such shall be to attract, retain and motivate staff of the quality required to run and work with the company successfully;
- Delegate to the Chief Executive Officer the recruitment of and setting the individual compensation for all staff that do not report directly to the Chief Executive Officer and in line with the approved Remuneration Policy.
- Review and recommend to the Board any staff appointment that reports directly to the Chief Executive Officer and determine with the Chief Executive Officer the need for qualified staff at the level of Senior Management and agree the basis of their selection;
- To carry out exit interviews on Senior Management who report directly to the Chief Executive Officer;
- Review and recommend to the Board the annual Training and Development policy;
- Conducting an annual evaluation to the Board members supported by the Board Secretary and recommended by the Board of Directors.
- Conducting an annual evaluation to the Board members supported by the Board Secretary and recommended by the Board of Directors, or by appointing an external independent consultants;
- Review and recommend to the Board the Human Resource Plan and Budget;
- To help fulfil its obligations the committee shall have the full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary;
- Approve and recommend to the Board the staff compensation budget;
- Recommend to the Board for approval the annual compensation for the Chief Executive Officer;

- Recommend to the Board for approval the annual bonus scheme and payment for the Chief Executive Officer;
- Establish and recommend to the Board selection criteria, selecting, appointing and setting the Terms of Reference for any remuneration consultants who advise the committee.
- Determine and recommend to the Board the design of, and determine targets for, any performance-related pay schemes operated by the company and approve the total annual payments made under such schemes.
- Review the design of all share incentive plans for approval by the board and shareholders. For any such plans, determine and recommend to the Board each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, Board Secretary and other designated Senior Executives and the performance targets to be used.
- Review and approve the policy for authorising claims for expenses from the Directors.
- Work and liaise as necessary with all other Board committees.
- Any other matters determined and considered appropriate by the Board of Directors.

10.3. Number of the Nominations & Remunerations Committee meetings held during 2022

During 2022, RAK Insurance held three (3) Nominations & Remunerations Committee meetings. The details of attendance are as follows:

No.	Name	Meetings dates - 2022			Total numbers of attendance
		2-February	9-February	22-November	
1	Jasem Ahmed Al Nuaimi	✓	✓	-	2
2	Peter William England	✓	-	-	1
	Raheel Ahmed	-	✓	✓	2
3	Aarefa Saleh Al Falahi	✓	✓	-	2

✓ : Attended; - Not attended;

11. The Supervision and Follow-up Committee of insider's transactions

The Committee of follow-up and supervision of Insiders' Trading is composed of four (4) management members.

11.1. The Chairman of the Supervision and Follow-up Committee of insider's transactions acknowledgment of his responsibility for the Committee system at the company.

Mr. Sanjeev Badyal, the Supervision and Follow-up Committee of insider's transactions Chairman's acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

11.2. Names of the members of the Supervision and Follow-up Committee of insider's transactions:

Member's Name	Position	Designation
Sanjeev Badyal	Chairman	Acting Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer
Rajesh Thaper	Member	Chief Risk and Compliance Officer
Amjad Al Hayek	Member	Head of Legal

The Supervision and Follow-up Committee of insider's transactions functions and duties.

The duties of the Committee are in accordance with Article (33) of SCA Corporate Governance Guide Decision 3/RM 2020. The Committee undertakes the following duties:

- Manage, follow-up and supervise Insiders' Trading and their ownerships.
- Prepare and maintain a special and comprehensive register for all insiders, including persons who can be considered as insiders on a temporary basis and who are entitled to or have access to inside information of the Company prior to publication.
- Submit period statements and reports to the Board of Directors and to SCA and Abu Dhabi Securities Exchange as and when required.
- Submit and recommend to the Board the rules regarding the trading of Board members and employees of the company in the securities issued by the Company or its mother company, subsidiary or its sister companies.
- Consider any other issues determined by the Board of Directors.

11.3. Number of Supervision and Follow-up Committee of insider's meetings held during the year 2022

During the year 2022, The Committee of follow-up and supervision of insiders' trading held one (1) meeting due to the changes in the management structure and the composition of the committee.

The meeting details of attendance is as follows;

No.	Name	Meetings dates - 2022		Total numbers of attendance
		26-April	19 - December	
1	Sanjeev Badyal	✓	✓	2
2	Shehreyar Azim	✓	✓	2
3	Rajesh Thaper	✓	✓	2
4	Amjad Al Hayek	✓	✓	2

✓ : Attended; - Not attended

11.4. Summary report on the Committee's activities during 2022

The Committee held two meetings during 2022. And the results of these meetings were as follows:

- Reviewed the updated Insiders register.
- Reviewed the updated reports on the Insiders transactions.
- Approved the Insider's Committee Code, Rules and Guidelines
- Review the Shareholders lists.

12. Investment Committee

12.1 Investment Committee for General Insurance

A. The Chairman of the Investment Committee for General Insurance acknowledgment of his responsibility for the Committee system at the company.

Mr. Raheel Ahmed, the Investment Committee's Chairman acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

B. Names of the members of the Investment Committee for General Insurance.

The Investment Committee for General Insurance is composed of one (1) non-independent director and three (3) management members.

From 1st March 2022 up to 15th August 2022

Member's Name	Position	Designation
Raheel Ahmed	Chairman	Board Member
Ewen McRobbie	Member	Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer
Rajesh Thaper	Member	Chief Risk & Compliance Officer

From 18th August 2022 up to 31st December 2022

Member's Name	Position	Designation
Raheel Ahmed	Chairman	Board Member
Sanjeev Badyal	Member	Acting Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer
Rajesh Thaper	Member	Chief Risk & Compliance Officer

C. Statement of number of the Investment Committee for General Insurance meetings held in 2022

During 2022, the Investment Committee for General Insurance held four (4) meetings. The details of attendance are as follows:

No.	Name	Meetings dates - 2022				Total numbers of attendance
		15-Mar	16-June	26-Sept	20-Dec (by circulation)	
1	Raheel Ahmed	✓	✓	✓	✓	4
2	Ewen McRobbie	✓	✓	-	-	2
	Sanjeev Badyal	-	-	✓	✓	2
3	Shehreyar Azim	✓	✓	✓	✓	4
4	Rajesh Thaper	✓	✓	✓	✓	4

✓ Attended; - Not attended;

The Investment Committee functions and duties assigned thereto.

The Committee undertakes the following duties:

- Understand the investment objectives, risk/returns profile and investment guidelines of RAK Insurance;
- Periodically review and recommend to the Board, appropriate amendments to the investment guidelines;
- Recommend to the Board the appointment, retention or replacement of external investment manager/s as required;
- Monitor the performance of investment manager/s in accordance with the investment guidelines;
- Review investment/divestment proposals received and make recommendations to the Board;
- Select, monitor, and replace third-party advisors for investments/divestments, such as consultants;
- Resolve all questions of interpretation of the investment guidelines to the investment manager/s;
- Review all fees incurred by or on behalf of the portfolio for reasonableness;
- Review and regularly report the performance of the portfolio to the Board;
- Monitor and review the allocation of assets in the portfolio per the investment guidelines;
- Oversee the appropriateness of investment risk management;
- Maintain records of the administration of the portfolio and the actions of the Investment Committee.
- Be authorised to approve any investment per the following:
 - Any single investment except for primary issuance of bonds in a particular asset up to a limit of AED 30 million per transaction;
 - Any single investment for a primary issuance of bonds up to a bid limit of AED30 million.
 - All investment decisions should ensure that the investment portfolio remains in accordance with the asset allocation limits per the Financial Regulations No. 25 / 2014 for Insurance Companies;
 - Be authorised to dispose of any investment that the Investment Committee deems to be appropriate. The Investment Committee is further authorised to delegate certain responsibilities to either the Investment Manager or Additional Specialists (such as attorneys, auditors, others employed of the company).

12.2 Investment Committee for Life and Medical Insurance:

A. The Chairman of the Investment Committee for Life and Medical Insurance acknowledgment of his responsibility for the Committee system at the company.

Mr. Raheel Ahmed, the Investment Committee's Chairman acknowledges his responsibility for the Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

B. Names of the members of the Investment Committee for Life and Medical Insurance.

The Investment Committee for General Insurance is composed of one (1) non-independent director and three (3) management members.

From 1st March 2022 up to 15th August 2022

Member's Name	Position	Designation
Raheel Ahmed	Chairman	Board Member
Ewen McRobbie	Member	Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer
Rajesh Thaper	Member	Chief Risk & Compliance Officer

From 18th August 2022 up to 31st December 2022

Member's Name	Position	Designation
Raheel Ahmed	Chairman	Board Member
Sanjeev Badyal	Member	Acting Chief Executive Officer
Shehreyar Azim	Member	Chief Financial Officer
Rajesh Thaper	Member	Chief Risk & Compliance Officer

C. Statement of number of the Investment Committee for Life and Medical Insurance meetings held by the during the year 2022

During 2022, the Investment Committee for General Insurance held four (4) meetings. The details of attendance are as follows:

No.	Name	Meetings dates - 2022				Total numbers of attendance
		15-Mar	16-June	26-Sept	20-Dec (by circulation)	
1	Raheel Ahmed	✓	✓	✓	✓	4
2	Ewen McRobbie	✓	✓			2
	Sanjeev Badyal			✓	✓	2
3	Shehreyar Azim	✓	✓	✓	✓	4
4	Rajesh Thaper	✓	✓	✓	✓	4

✓ Attended; - Not attended;

The Investment Committee for Life and Medical Insurance's functions and duties assigned thereto.

The Committee undertakes the following duties:

- Understand the investment objectives, risk/returns profile and investment guidelines of RAK Insurance;
- Periodically review and recommend to the Board, appropriate amendments to the investment guidelines;
- Recommend to the Board the appointment, retention or replacement of external investment manager/s as required;
- Monitor the performance of investment manager/s in accordance with the investment guidelines;
- Review investment/divestment proposals received and make recommendations to the Board;
- Select, monitor, and replace third-party advisors for investments/divestments, such as consultants;
- Resolve all questions of interpretation of the investment guidelines to the investment manager/s;
- Review all fees incurred by or on behalf of the portfolio for reasonableness;

- Review and regularly report the performance of the portfolio to the Board;
- Monitor and review the allocation of assets in the portfolio per the investment guidelines;
- Oversee the appropriateness of investment risk management;
- Maintain records of the administration of the portfolio and the actions of the Investment Committee.
- Be authorised to approve any investment per the following:
 - Any single investment except for primary issuance of bonds in a particular asset up to a limit of AED 30 million per transaction;
 - Any single investment for a primary issuance of bonds up to a bid limit of AED 30 million.
 - All investment decisions should ensure that the investment portfolio remains in accordance with the asset allocation limits per the Financial Regulations No. 25 / 2014 for Insurance Companies;
 - Be authorised to dispose any investment that the Investment Committee deems to be appropriate.
 - The Investment Committee is further authorised to delegate certain responsibilities to either the Investment Manager or Additional Specialists (such as attorneys, auditors, others employed of the company).

13. Internal Control System

The Internal Control System of the Company is developed with a disciplined approach and designed to ensure integrity, ethical values and competence of its people and respond to changes in regulatory requirements as well as the market. It is based on the “three lines of defense” model where the second line contains the key control functions, Risk & Compliance, Finance and Legal. The second line provides oversight of material risks and is tasked with maintaining a robust control environment, including ensuring compliance and the reliability of financial and non-financial information.

Risk Based Approach: A detailed risk assessment methodology has been established as part of the risk management strategy which is set out in the Risk Management Strategy and Framework Document to assess the Internal Control environment of the Company and its business activities. Aligned to the organisational risk management processes, this methodology enables Risk & Compliance to be strategically and operationally aligned with the risks facing the organisation.

The Control Environment is driven by the “tone from the top” established by the Board and senior management which reflects the importance of integrity and ethical values and a commitment to reliable reporting. This is implemented through several policies such as the enforcement of the Company’s Code of Ethics and Conduct which every employee is expected to adhere to. It reflects the Company’s ethics and compliance standards and provides the Company with clarity and consistency that address specific requirements and laws.

There are also several operational policies such as the Credit Control policy and IT policy to strengthen governance and controls around these processes. Risk policies for all material risks are also in place. There are a number of control activities the Company performs such as segregation of duties and accountability and ownership of risks. For example, all significant approvals are required to adhere to the Delegation Authority Matrix. In addition, the Company is also working towards the ISO 27001 Standard accreditation to increase the robustness of its data and security framework.

Acknowledgement by the Board of its responsibility for the Company’s Internal Control System, review of its work mechanism and ensuring its effectiveness.

In response to the requirement of Article 8 of the Ministerial Resolution No. 518 of 2009, Internal Control, The Compliance and Internal Control/Audit function of the Company was established in 2010. The provisions pertaining to Article 68 of the SCA Corporate Governance Guide Decision 3/RM 2020 are also complied with. The Board of Directors acknowledges its responsibility for the application, review and efficiency of RAK Insurance’s internal control system. The Board Audit & Risk Committee in conjunction with the Chief Risk and Compliance Officer and the Chief Internal Auditor ensure the adequacy of the internal control framework within the Company.

Name of the Compliance Officer, his qualifications and date of appointment.

Mr. Rajesh Thaper, the Chief Risk and Compliance Officer was appointed on 22nd March 2020.

Rajesh holds a BSc (Eng) Degree in Engineering and Management from King’s College London. He started his career with the UK financial regulators (the PRA), and then moved into consultancy with the big four firms and then into industry in the UK, Europe, and Middle East with 20 year’s risk and compliance experience.

Name of the Chief Internal Auditor, her qualifications and date of appointment.

Ms. Nicola Thompson, the Group Chief Audit Officer (GCAO) was appointed by the Audit and Risk Committee of the Board of Directors on 10th June 2019. Ms. Thompson is a certified internal audit professional with over 20 years of internal audit, governance and risk management experience across regional and international markets. Ms. Thompson leads a team of dedicated, qualified internal audit staff members with significant regional and international financial services experience.

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 Risk Function: The Internal Control Department/Function is the second line of defense which includes Risk & Compliance, Finance and Legal. One of key objectives of the Risk & Compliance Function is to implement, embed and maintain robust risk governance and controls. This includes performing regular reviews of top risks and reporting to the Audit Committee and the Board. Risks are reported in The Risk Dashboard which contain all top risks and mitigating actions with a risk scoring (probability and impact scores) to determine the severity of the risks. In addition, any emerging risks are also reported and monitored closely. The risk framework is currently being refreshed to strengthen the governance and control environment.

Internal Audit: Internal audits and control effectiveness reviews are conducted throughout the year as per the Audit Plan approved by the Audit and Risk Committee. Key audit observations are captured in audit reports that are issued periodically. These reports are presented to the Audit and Risk Committee on a quarterly basis and summarise audit observations and opportunities for process and control improvement, implications from a risk perspective as well as management responses and action plans.

All audit observations are logged and tracked via the Internal Audit system to completion. Regular follow-up is done with Management to ensure that remedial actions are completed and open risks identified by Internal Audit are adequately mitigated. Long outstanding audit observations are reported to the Audit and Risk Committee.

Whistleblowing: A whistleblowing policy is designed as a control to help safeguard the integrity of RAK Insurance financial reporting, its business dealings and to support adherence with its code of conduct. Protocols by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, business conduct or relevant matters are defined within the policy, including procedures for the following:

- The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- The confidential submission by employees of the Company (which may be anonymous) of concerns on any matter, including those regarding questionable accounting or auditing matters.

Investigations and Resolution: All whistleblower cases will be recorded, reviewed and investigated under the direction of the GCAO who evaluates the complaint in accordance with the policy and reports findings to Audit Committee as appropriate.

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

No reports were issued by the Internal Control Department to the Company's Board of Directors during 2022.

14. Details of the Violations committed during the year 2022.

Rakinsurance has no major violations during the fiscal year 2022.

15. Statement of the cash and in-kind contributions made by the Company during 2022 in developing the local community and preserving the environmental.

During 2022, Rakinsurance continued its focus and effort on CSR initiatives and implementing its CSR plan. This entailed a number of initiatives such as promoting a "greener" business, promoting our employee's health and well being as well as serving our community better. These are outlined as follows:

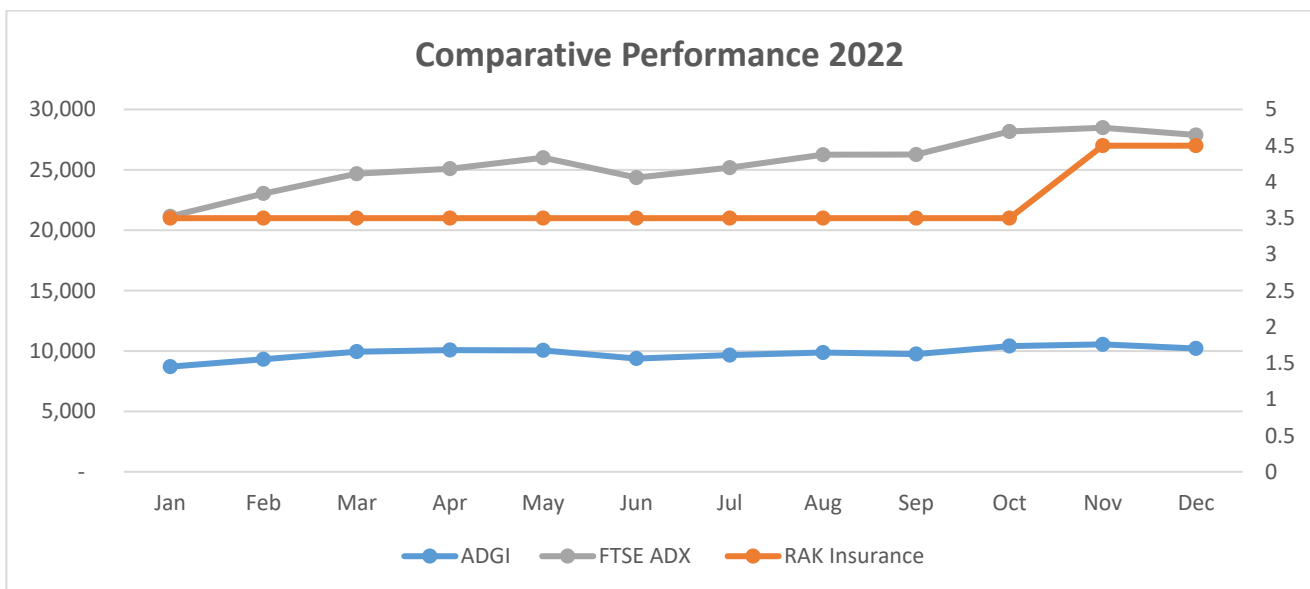
- Encouraging staff to restrict printing and ensuring green waste disposal. Shred-It was commissioned to ensure proper paper disposal and recycling which resulted in RAKINSURANCE saving the equivalent of 15 trees.
- Fifty (50) RAKINSURANCE staff participated in the RAK Terry Fox Run for Cancer Research, a 5km fun run held in the Corniche, Ras Al Khaimah. AED 3000 was donated to the cause. The event was under the patronage of HH Sheikh Saud Bin Saqr Al Qasimi, Supreme Council Member and Ruler of Ras Al Khaimah in cooperation with Saqr Bin Mohammad Al Qasimi Charity and Humanitarian Foundation and RAK Hospital. The proceeds were donated to the University of Al Ain to support Terry Fox cancer research projects.
- Rakinsurance staff formed a 'RAKINSURANCE' basketball team and joined the Filipino Club Basketball League 36th Conference. RAKINSURANCE won 1st runner up during the finals.
- Rakinsurance donated 50 sets of used computer desktops to Beit Al Khair Society based in Ras Al Khaimah with value of AED 10,000. Ms. Aarefa Al Falahi, one of our Board Members, attended the event and led the handover.
- During the Holy month of Ramadan, RAKINSURANCE distributed 700 food packs to several labour campsites in Ras Al Khaimah which included companies such as RAK Ceramics, Al Ali Constructing and Best Cleaning Company.

16. General Information

16.1. Statement of Company's market share price in the Market during year 2022.

Month	High	Low	Close
31-Jan	3.5	3.5	3.5
28-Feb	3.5	3.2	3.5
31-Mar	3.5	3.5	3.5
30-Apr	3.5	3.1	3.5
31-May	3.5	3.4	3.5
30-Jun	3.5	3.5	3.5
31-Jul	3.5	3.5	3.5
31-Aug	3.5	3.5	3.5
30-Sep	3.5	3.5	3.5
31-Oct	3.5	3.5	3.5
30-Nov	4.5	3.5	4.5
31-Dec	4.5	3.5	4.5

16.2. Statement of the comparative performance of the company's shares with the general market index and the financials index for year 2022.



Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ADGI	8,704	9,319	9,949	10,081	10,055	9,375	9,663	9,875	9,751	10,412	10,552	10,211
RAKNIC	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.5	4.5
FTSE ADX	12,445	13,718	14,729	15,010	15,949	14,984	15,517	16,379	16,512	17,762	17,935	17,669

16.3. Statement of Shareholders distribution as of 31st December 2022 (Individuals, companies, governments) classified as follows: Local, GCC, Arab or Foreign.

SN	Shareholder Classification	Number of Shares			
		Individuals	Companies	Governments	Total
1	Local	20.76%	79.24%	0.00%	100.00%
2	GCC	0.00%	0.00%	0.00%	0.00%
3	Arab	0.00%	0.00%	0.00%	0.00%
4	Foreign	0.00%	0.00%	0.00%	0.00%
	Total	20.76%	79.24%	0.00%	100.00%

16.4. Statement of shareholders owning 5% or more of the Company's capital as at 31 December 2022.

SN	Name	Number of Shares	Percentage % of shares
1	National Bank of Ras Al Khaimah PSC	96,088,366	79.24%
2	Ahmed Issa Ahmed Al Naeem	19,252,200	15.87%

16.5. Statement of shareholders distribution by the size of equity as 31 December 2022, as per the following.

SN	Share Ownership	Shareholders number	Owned Shares	Percentage % of Shares
1	Less than 50,000	31	271,255	0.24%
2	From 50,000 to less than 500,000	8	1,230,836	1%
3	From 500,000 to less than 5,000,000	7	4,452,543	3.67%
4	More than 5,000,000	2	115,320,366	95.09%

16.6. Statement of measures taken regarding the controls of investor relationships:

RAK Insurance appointed the Investor Relations Manager who will assist in all of the Investor Relations enquiries.

The name and contact details of the Investor's Relations Manager:

Name : Mrs. Abeer Hilwenji
 Email : investorrelations@rakinsurance.com
 Mobile/WhatsApp No. : +971 503770708

The link of the Investor Relations webpage on the website of the Company:

Website page : <https://www.rakinsurance.com/investor-relations/>

16.7. Statement of the special resolutions presented to the Annual General Meeting held in 2022 and the procedures taken with respect thereto.

There was one Special Resolution in the Agenda of the Annual General meeting held in 2022 as below;

- Approve the Board of Directors' proposal to amend the Company's Article of Association to comply with the provisions of the Federal Law number No. 32/2021 in relation to Commercial Companies, and the decision of the Securities and Commodities Authority's Board of Directors No.(3/R.M) for the year 2022, subject to obtain the necessary approvals from the relevant regulatory authorities.

16.8. Secretary of the Board of Directors

The Board of Directors appointed Mrs. Abeer Hilwenji as the Secretary of the Board of Directors by a resolution by circulation dated 13th May 2020 to be effective on 15th June 2020. The appointment was ratified at the Board meeting held on 4th June 2020.

Qualifications and experiences

Abeer Hilwenji has five years competent and practical experience in Board and Board Committees meetings, and highly experienced in paralegal services and providing secretarial and administrative services to the Board of directors. Abeer has significant exposure to the Board members, stakeholders, shareholders and the management team while performing her role and managing the challenges as a result to ensure adherence to internal and external regulatory stakeholders.

In September 2020, Abeer obtained a recognized certificate in Board Secretarial Practice issued from Informa Connect Institution certified by CPD.

In 2022, Abeer successfully achieved certification as A Certified Board of Director Secretary from the Hawkamah Institute for Corporate Governance and DFM.

Statement of her duties during the year:

The Duties of the Board Secretary are as follows:

- Documenting meetings of the Board of Directors and preparing their minutes, which shall include the discussions and deliberations that took place during these meetings, and place of these meeting as well as dates of their start and end.
- Recording resolutions of the Board of Directors and voting results and keeping them in a special and organized record, including the names of attendees and any expressed reservations (if any).
- Keeping all reports submitted to the Board of Directors and reports prepared by the Board.
- Providing members of the Board of Directors with the agenda of the Board's meeting and the related papers, documents, and information and any additional information related to subjects contained in clauses of the agenda requested by any member of the Board of Directors.
- Notifying members of the Board of Directors of dates the Board meetings well in advance of the meeting date.
- Submitting draft of the minutes to members of the Board to express their opinion thereon before signing it.
- Informing the Company's executive administration about resolutions of the Board of Directors and its committees and reporting on their implementation and application.
- Coordinating between members of the Board of Directors and executives.

16.9. Statement of the significant events that took place in the Company in 2022.

There are no significant events or changes that took place in the company in 2022.

16.10. A statement of the transactions carried out by the company with the related parties during 2022 that are equal to 5% or more of the company's capital.

Name of the party	Type of transaction	Amount
National Bank of Ras Al Khaimah	Fixed Deposit placements	101,695,447
National Bank of Ras Al Khaimah	Fixed Deposit maturities	36,217,519
National Bank of Ras Al Khaimah	Maturity of Investment	7,346,000
National Bank of Ras Al Khaimah	Purchase of Investments	20,036,943
National Bank of Ras Al Khaimah	Settlement of bank borrowing	33,138,164
National Bank of Ras Al Khaimah	Dividends paid	7,687,069
National Bank of Ras Al Khaimah	Premium collection - Medical policy	35,000,000

16.11. Statement of Emiratisation in the Company at the end of 2020,2021,2022

Reference to the Notice No.2705/2022, Central Bank of the UAE has allocated the new target below. The target points are segregated into operational target points and recruitment target points.

The Company has fully completed the Emiratisation targeted points for the year 2022.

Target Points	2022	Achieved Points
Operational	51	59
Recruitment	6	6

The Company's Emiratisation percentage for year 2022 is 12%. As for the previous years, the Company achieved Emiratisation percentages of 9% in 2021 and 7% in 2020.

16.12. Statement of the innovative projects and initiatives implemented by the Company or are still under development in 2022.

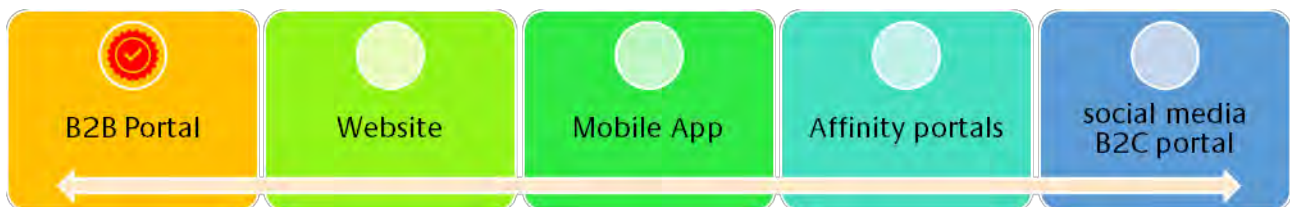
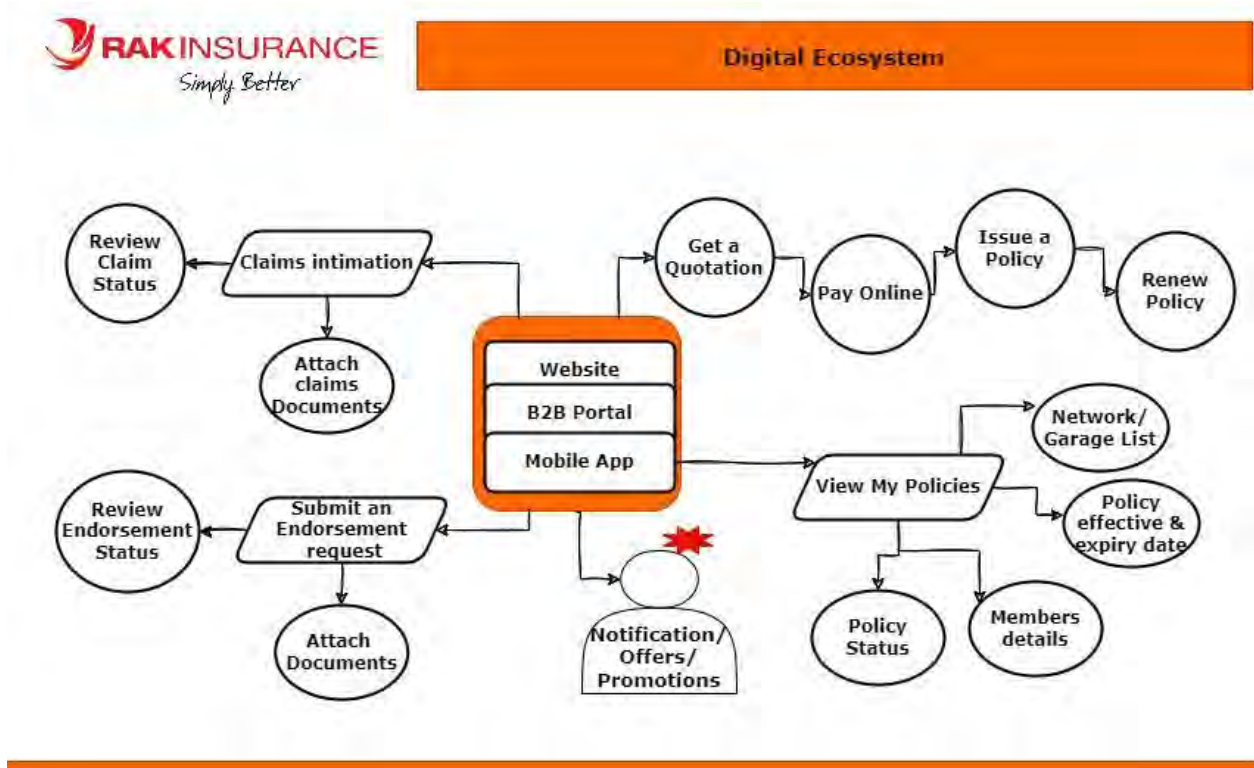
Continuing our journey on transformation and process improvements initiatives, Year 2022 also witnessed great momentum in digital transformation and innovation. Among various initiatives, continuous improvement of our core system to improve efficiency and developing products & portal for our partners to empower them with an end-to-end solution to sell retail products were on top of the list.

- ✓ DIGITAL PORTAL FOR SALES & DISTRIBUTION: Our digital portal referred as "Vinyl plus" has empowered our sales partners to perform end to end process of generating a quotation, making online payment, and issuing an insurance policy within 2-3 minutes of turnaround time. Each product journey is specifically designed with minimal underwriting questions to reduce turnaround time and competitive pricing for better conversions of sales enquiries. Platform is equipped with document upload and KYC functionality in compliance to UAE central bank regulations. Additionally, we are using AI powered Optical character Recognition

(OCR) to detect and scan cards (Emirates ID, Mulkiya, etc.,) thus reducing the data entry time while on-boarding a customer. Vinyl Plus current offers pre underwritten products for;

- Motor insurance
- Travel insurance
- Individual life insurance
- Quotation for Medical insurance. Policy issuance is currently in progress and would be launched in February 2023.

Our digital ecosystem:



- ✓ **SME PORTAL:** SME pre-underwritten products for general and life insurance are under review. SME Products would include Property insurance, public liability, Engineering, Group life and workmen Compensation, Marine cargo.

- ✓ AUTOMATION OF COI (Certificate of Insurance): Automation of Certificate of insurance for Credit life (conventional and Islamic) to save time and efforts was successfully implemented. The benefits are multi fold as it enables the user to generate and send multiple certificates in an approved format with a single click. Customer satisfaction is also a key achievement in this automation by eliminating any typo errors causing inconvenience to the customer.
- ✓ ONLINE COMPLAINTS/FEEDBACK OPTION RINGFENCED TO CUSTOMER SERVICES TEAM: An option was developed for our customers to submit their complaints of feedback online by visiting our website to ensure swift response from our customer services team. Online feedback/complaints workflow is developed with suitable options, enabling our customer services team to resolve any issues/complaints real-time and in adherence to UAECB regulations.
- ✓ BUSINESS DASHBOARD: Deployment of MIS software to create business dashboard to monitor business performance at various level (overall performance, at Business, at each line of business or product level). Business use this tool evaluate customer profile for last 5 years loss ratio across all line of business to make an informed decision while offering renewal quotations to customers. Other real-time dashboard includes Broker dashboards, Renewal pipeline and many others.
- ✓ Other ongoing initiatives include.
 - GO DIGITAL GO GREEN, hashtag #Lets press for paperless, aimed to reduce printing paper and support digital solution.
 - LEAN & GREEN Initiative at Operations Dept. This project had also multi-faceted benefits, including reduction of carbon emissions, though transportation services.

RAK Insurance continues to re-energies its efforts to bring innovation in its process, systems, and other areas to enhance customer services, employee satisfaction and fulfill our responsibility towards society.






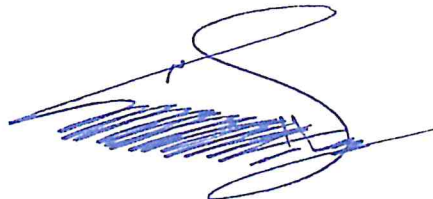
**Board of Directors
Chairman**

**Audit & Risk
and
Nomination & Remuneration
Committees' Chairman**

**Chief Internal Auditor
(Independent Group Internal
Auditor)**



Jasem Ahmed Al Nuaimi



Salem Ali Al Sharhan



Nicola Jane Thompson

Date *6 March 2022*

Company's Stamp





6/F RAKBANK Building Al Jazeera, Sheikh Saqr Bin

Mohammad Al Qasimi R/18 RAK UAE

www.rakinsurance.com

800 7254

Copyright @ 2020 RAKINSURANCE