

الاتحاد للتأمين  
UNIONINSURANCE



Union Insurance Company

Public Joint Stock Company

Corporate Governance Report  
For the Financial Year Ended on 31/12/2024

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### **Company Overview**

Union Insurance Company is one of the leading national insurance providers in the United Arab Emirates, operating under the supervision of the UAE Central Bank and listed on the Abu Dhabi Securities Exchange. Established in 1998 with a paid-up capital exceeding AED 331 million, the company has since been offering a comprehensive range of innovative insurance products tailored to meet the needs of individuals and businesses across various sectors.

With a specialized team of insurance experts, the company provides flexible and reliable insurance solutions, including standard and customized policies. These solutions cater to individuals, small and medium-sized enterprises (SMEs), large corporations, and government entities, ensuring high-quality coverage. Additionally, Union Insurance offers advanced advisory services, such as risk assessment and insurance gap analysis, under the guidance of highly experienced professionals.

Union Insurance's offerings encompass a wide array of insurance solutions, including but not limited to; life insurance, health insurance, motor insurance, property insurance, engineering insurance, liability insurance, and

marine insurance. These products enable clients to focus on their core operations while benefiting from effective and comprehensive insurance policies to manage various risks.

Recognizing the evolving nature of business risks, the company employs a team of professionals who hold the Associate of the Chartered Insurance Institute (ACII) certification from London. These experts possess the expertise to design sophisticated insurance solutions that align with market demands. Through this professional approach, Union Insurance ensures accurate pricing and high levels of reliability for its clients.

Moreover, the company benefits from strategic partnerships with leading global and regional reinsurance firms, including Swiss Reinsurance Company, SCOR Reinsurance, Hannover Reinsurance Company, Lloyd's, Generali, and QBE Europe.

Union Insurance follows a customer-centric approach, fostering a corporate culture built on teamwork and innovation. Supported by a workforce of approximately 164 professionals, the company is committed to delivering exceptional service that meets client expectations. Understanding that filing an insurance claim often results from an unforeseen incident or financial loss, Union Insurance strives to provide fast and personalized support, alleviating client concerns during critical times.

To align with this commitment, the company has enhanced its claims processing and operational procedures to ensure a smooth and efficient experience. Its approach is centered on transparency, efficiency, and prompt responsiveness, reinforcing client trust and providing them with peace of mind in managing future risks.

### 1- Statement on Corporate Governance Implementation in 2024 and Its Application

In line with the principles of good governance, Union Insurance Company places significant emphasis on adhering to the highest corporate governance standards by fully complying with the laws, regulations, and resolutions in force in the United Arab Emirates. This includes compliance with the Corporate Governance Guide for Public Joint Stock Companies, issued under Decision No. (3/R.M) of 2020 by the Chairman of the Securities and Commodities Authority (SCA). This guide defines corporate governance as:

"A set of controls and rules that ensure institutional discipline in relationships and management within the company, in accordance with global standards and practices, by defining the responsibilities and duties of board members and senior executive management while ensuring the protection of shareholder and stakeholder rights."

Accordingly, the Board of Directors is committed to adopting and continuously updating a comprehensive governance framework that aligns with best global practices, thereby supporting the company's growth and strategic objectives. The key governance standards applied by the company include:

#### **1- Transparency and Disclosure:**

The company adheres to the highest standards of disclosure and transparency, in accordance with the Securities and Commodities Authority's directives. This includes periodic financial reports (quarterly and annual), board meeting schedules, board resolutions, and all required data and statistics as mandated by regulatory authorities and financial markets.

## **2- Effective Board Management:**

The Board of Directors actively oversees the formulation and execution of the company's strategic objectives in collaboration with senior executive management. It also supervises the board committees to ensure compliance with best governance practices.

## **3- Formation of Permanent Committees:**

The Board has established permanent committees in accordance with regulatory provisions, defining their roles, tenure, and assigned authorities. The performance of these committees is continuously monitored to ensure efficient and effective achievement of their objectives.

## **4- Enhancing Internal Control and Risk Management Systems:**

The Board, in coordination with the Audit Committee and Risk Management Committee, periodically reviews and updates the internal control system to ensure its effectiveness and continuity, ensuring compliance with regulatory requirements.

## **5- Regulating Insider Transactions:**

The company updates and adopts the regulatory framework governing insider transactions, as approved by the Board. A dedicated register is maintained to document all relevant information, and a specialized committee is formed to oversee and manage these transactions, providing periodic reports to the SCA and the Abu Dhabi Securities Exchange.

## **6- Investor Relations Management:**

Committed to transparency and effective communication, the company has appointed Ms. Riham Osama as the Investor Relations Manager. It has also established a dedicated section on its official website, providing all necessary data, including financial reports and disclosures issued to regulatory and supervisory authorities.

## **7- Preparation and Publication of the Annual Governance Report:**

In compliance with regulatory requirements, the company prepares and submits an annual governance report, publishing it on the SCA's website. This report includes all financial and non-financial data and actions taken throughout the year, ensuring clear and accurate information for shareholders.

## **8- Appointment of an External Auditor:**

The external auditor is appointed, and their fees determined by a resolution of the General Assembly, in accordance with applicable laws and regulations, ensuring the independence and objectivity of the company's financial audits.

## **[2- Ownership and Transactions of Board Members and their Spouses, and Children in the Company's Securities During 2024:](#)**

The company adheres to the provisions of SCA Board Decision No. (2) of 2001 concerning the trading, clearing, settlement, transfer, and custody of securities. Article 14 of this decision states:

\*"The chairman, board members, general manager, or any employee with access to material information about a listed company shall not engage in transactions for themselves or on behalf of others in the securities of the company, its parent company, subsidiaries, sister companies, or affiliates, if any of these companies are listed in

the market, during the following periods:

- Within ten (10) working days before the announcement of any material information that may impact the share price, either upward or downward, unless the information results from an unforeseen and sudden event.
- Within fifteen (15) days before the end of the quarterly, semi-annual, or annual financial period, until the financial statements are disclosed."\*

The company also complies with SCA Board Decision No. (3) of 2000 concerning disclosure and transparency regulations, as well as the regulations and directives issued by the Abu Dhabi Securities Exchange.

The securities owned by board members and their first-degree relatives are as follows:

no	Name	Position/Relationship	Shares Owned as of 31/12/2024	Total Sales Transactions	Total Purchase Transactions
1	Al Salem Limited Company	Board Member	66,710,022	-	-
2	Salem Abdullah Al Hosani	First-degree relative of Board Member Mohammed Salem, Representative of M/S Al Salem Limited Company, and Chairman of Al Salem (Corporate Board Member)	76,614,519	-	-
3	Sheikh/ Nasser bin Rashid Al Mualla (Family Transfer)	Chairman of the Board	10,000,000	-	-

### 3- Board of Directors:

The Board of Directors consists of seven members, each serving a three-year term. Members whose terms have expired may be re-elected multiple times. They are elected by the General Assembly through cumulative secret voting in accordance with the Articles of Association of Union Insurance Company. The Board has full authority to exercise all necessary powers to achieve the company's objectives, except for matters reserved by law or the Articles of Association for the General Assembly. The Board is committed to fulfilling its responsibilities to ensure proper guidance and direction for the company and its management, positively impacting overall performance and shareholders' rights.

### A- Current Board Composition:

The company is managed by a Board of Directors consisting of seven members. Below is a statement detailing the current Board composition and the duration each member has served since their first election:

Name	Category	Membership Duration Since First Election	Experience & Qualifications	Membership in Other Public Joint-Stock Companies	Regulatory, Governmental, or Commercial Positions
Sheikh/ Nasser bin Rashid bin Abdulaziz Al Mualla (Chairman)	- Independent	- 2021	<ul style="list-style-type: none"> <li>- Bachelor's degree from Tulane University, London - Businessman.</li> <li>- Vice Chairman of the Board and Chairman of the Executive Committee at Umm Al Quwain Bank since 1982.</li> <li>- Vice Chairman of the Board of Umm Al Quwain Cement Company from 1981 to 2017.</li> <li>- Vice Chairman of the Board of Sharjah Insurance from 2000 to April 2021.</li> <li>- Recipient of the Best CEO Award for Emiratization in the UAE banking sector.</li> </ul>	Vice Chairman of the Board of Umm Al Quwain National Bank, Chairman of the Executive Committee, and member of the Nominations and Remuneration Committee.	- None
Dr. Ali Rashid Sultan Al Ketoub Al Nuaimi (Vice Chairman)	- Non-Independent	- 2021	<ul style="list-style-type: none"> <li>- PhD in International Law - Johnson &amp; Wales University, USA.</li> <li>- Certified Public Accountant (CPA) - UK.</li> <li>- Bachelor's in Applied Arts in Business Administration &amp; Marketing - American College, London, UK.</li> <li>- Bachelor's in Economics and Law - Al Jazeera University.</li> <li>- Diploma in Business Administration</li> </ul>	- Board Member and Chairman of Nominations and Remuneration Committee and member of the Audit and Risk committee at Umm Al Quwain National Bank.	- None

			<p>(EH/3676/MIC) - London Institute of Commerce.</p> <ul style="list-style-type: none"> <li>- Senior Manager at Dubai National Bank (2001–2007).</li> <li>- Board Member at National Islamic Bank (2005–2007).</li> <li>- CEO of Emirates NBD Properties (2007–2017).</li> <li>- Banking, accounting, financial restructuring and bankruptcy expert at Dubai Courts</li> </ul>		
- Mr. Abdullah Mohammed Hassan Al Hosani	Independent	- 2021	<ul style="list-style-type: none"> <li>- Bachelor's in Accounting and Economics - UAE University.</li> <li>- Over 30 years of experience in banking.</li> </ul>	<p>Board Member at Ajman Bank.</p> <p>Board Member at Gulf Cement Company.</p> <p>Vice Chairman of Amanat Holdings.</p>	- None
- Mr. Ahmed Saeed Al Alami	Independent	- 2021	<ul style="list-style-type: none"> <li>- Master of Business Administration (MBA) - ESADE Business School.</li> <li>- Bachelor's in Mechanical Engineering.</li> <li>- Engineer at Crescent Petroleum (March 2008 – August 2009, and December 2005 – December 2006).</li> <li>- Project Engineer at Petrofac International Ltd. (January 2007 – February 2008).</li> </ul>	<ul style="list-style-type: none"> <li>- Partner at Al Manara Investment &amp; Development.</li> <li>Board Member at Emirates Metal Industries.</li> <li>Board Member at Pinnacle Restaurant &amp; Catering Management.</li> </ul>	- None

- Ms. Iman Al-Midfa	Independent	- 2022	<ul style="list-style-type: none"> <li>- Bachelor's in Business Administration - American University of Sharjah.</li> <li>- Held several positions at Emirates Airline, most recently as Senior Revenue Optimization Manager.</li> </ul>	- None	- None
- Dr. Basel Al Hindawi	Independent	- 2023	<ul style="list-style-type: none"> <li>- PhD in Information Management and International Business - George Washington University.</li> <li>- Over 25 years of leadership experience, including roles as CEO and Board Chairman/Member in both private and public sectors, as well as in regulatory bodies and international organizations.</li> </ul>	- None	- None
- Al Salem Limited Company, represented by Mr. Mohammed Salem Abdullah Salem Al Hosani	- Non-Executive	- 2010	<ul style="list-style-type: none"> <li>- Master's in Financial Management - April 2011.</li> <li>- Bachelor's in E-Commerce - Higher Colleges of Technology, June 2005.</li> </ul>	<ul style="list-style-type: none"> <li>- Managing Director of Umm Al Quwain General Investments Company since 2017.</li> <li>- Director Member at Gulf Medical Projects Company since 2005.</li> </ul>	- None

### B - Female Representation Rate for 2024:

The female representation rate on the company's Board of Directors for the year 2024 reached 14%. In accordance with the company's Articles of Association, the Board of Directors remains committed to promoting gender equality in leadership positions. In line with its forward vision and in accordance with applicable regulatory requirements, this position is currently occupied by Ms. Iman Al-Midfa

### C - Reasons for the Absence of Female Candidates for Board Membership:

Not applicable.

### D - Board Members' Remuneration and Attendance Fees:

The company's Articles of Association specify the method for determining the remuneration of Board members in accordance with Article (171) of Commercial Companies Law No. (32) of 2021. The remuneration of the Chairman and Board members consists of a percentage of the net profit, which shall not exceed (10%) of the net profit for the fiscal year after deducting all depreciations and reserves.

#### 1- Total Board Members' Remuneration for 2023-2024:

- The total Board members' remuneration for the year 2023 amounted to AED 1,150,000.

- The proposed total Board members' remuneration for the year 2024 is AED 1,900,000.

#### 2- Details of Attendance Fees for Committee Meetings Received by Current Board Members for the Fiscal Year 2024:

It should be noted that, following the election of Board members, the Board committees were reconstructed on May 13, 2024.

#### **A - Details of Attendance Fees for Committee Meetings Prior to the Election of Board Members and the Reconstitution of Committees:**

Member	Allowances for attending meetings of committees emanating from the current council			
	Committee Name	Value of the exchange	Number of meetings	Total value of allowances
Dr. Ali Rashid Al-Kaitub	Chairman of the Audit Committee	10,000	4	40,000
Dr. Ali Rashid Al-Kaitub	Member of the Risk Management Committee	5,000	4	20,000
Mr. Abdullah Mohammed Al-Hosani	Chairman of the Nominations Committee	10,000	1	10,000

Mr. Abdullah Mohammed Al-Hosani	Member of the Audit Committee	5,000	4	20,000
Mr. Abdullah Mohammed Al-Hosani	Member of the Risk Management Committee	5,000	6	30,000
Mr. Ahmed Al-Alami	Member of the Nominations Committee	5,000	1	5,000
Mr. Ahmed Al-Alami	Member of the Risk Management Committee	5,000	6	30,000
Dr. Basil Al-Hindawi	Member of the Risk Management Committee	10,000	6	60,000
Dr. Basil Al-Hindawi	Chairman of the Audit Committee	5,000	4	20,000
Dr. Basil Al-Hindawi	Member of the Nominations Committee	5,000	1	5,000
Ms. Iman Al-Madfa	Member of the Audit Committee	5,000	4	20,000
Dr. Ali Rashid Al-Kaitub	Member of the Audit Committee	5,000	4	20,000

**B. Details of Allowances for Attending Meetings of Committees Derived from the Council Following the Election of Board Members and Reorganization of Committees, in Addition to Restructuring Attendance Allowances for Committee Meetings:**

Member	Allowances for attending meetings of committees emanating from the current council			
	Committee Name	Value of the exchange	Number of meetings	Total value of allowances
Sheikh/Nasser bin Rashid bin Abdulaziz Al Mualla	Chairman of the Investment Committee	5,000	2	5,000
Dr. Ali Rashid Al Kaitoob	Chairman of the Audit Committee	5,000	4	20,000
Dr. Ali Rashid Al Kaitoob	Member of the Risk Management Committee	5,000	5	25,000
Mr. Abdullah Mohammed Al Hosani	Chairman of the Nominations Committee	5,000	3	15,000

Mr. Abdullah Mohammed Al Hosani	Member of the Risk Management Committee	5,000	5	25,000
Mr. Mohammed Salem Al Hosani	Member of the Investment Committee	5,000	1	0
Mr. Ahmed Al Alami	Member of the Nominations Committee	5,000	3	15,000
Mr. Ahmed Al Alami	Member of the Audit Committee	5,000	4	20,000
Dr. Basil Al Hindawi	Chairman of the Risk Management Committee	5,000	5	25,000
Dr. Basil Al Hindawi	Member of the Nominations Committee	5,000	3	15,000
Mrs. Iman Al Madfa	Member of the Audit Committee	5,000	4	20,000
Mrs. Iman Al Madfa	Member of the Investment Committee	5,000	2	5,000

**3- Details of Allowances, Salaries, or Additional Remuneration Received by a Board Member Other Than Committee Attendance Allowances and Their Reasons:**

Not applicable.

**C. Board of Directors Meetings During the Fiscal Year 2024:**

The Board of Directors held (6) meetings during the year 2024, as outlined below:

**Current Board of Directors Meetings:**

Member	February 12, 2023	March 19, 2024	May 13, 2024	August 12, 2024	November 12, 2024	December 11, 2024	Number of attendances	Number of proxy attendees
Sheikh/ Nasser bin Rashid Al Mualla	√	√	x	√	√	√	5	
Dr. Ali Rashid Al Kaitoob	√	√	√	√	√	√	6	
Mr. Abdullah Al Hosani	√	√	√	√	√	√	6	
Mrs. Iman Al Midfa	√	√	√	√	√	√	6	
Mr. Mohammed Salem Al Hosani	x	√	√	x	√	x	3	
Mr. Ahmed Al Alami	√	√	√	√	√	√	6	
Dr. Basil Al Hindawi	√	√	√	√	√	√	6	

√ Attendance X Absence

#### H. Board of Directors' Decisions Issued by Circulation During the Fiscal Year 2024:

No decisions were issued by circulation for the year 2024.

#### 4. Board Committees:

##### 1. Audit Committee:

##### A. Approval of the Committee Chairman:

The Chairman of the Audit Committee, Dr. Ali Rashid Al-Kitoub, acknowledges his responsibility for the committee's framework within the company and confirms that he has reviewed its working mechanisms and ensured their effectiveness.

##### B. Members of the Audit Committee and Statement of Its Competencies and Assigned Tasks:

##### Members of the Audit Committee as of 13/05/2024:

Name	Position
Dr. Ali Al-Kaitub	Chairman of the Committee
Mr. Abdullah Al-Hosani	Member
Dr. Basil Al-Hindawi	Member
Mrs. Iman Al-Madfa	Member

##### - Members of the Audit Committee after amending the committee structure by the Board of Directors after 13/05/2024:

Name	Position
Dr. Ali Al-Kaitub	Chairman of the Committee
Mr. Ahmed Al-Alami	Member
Mrs. Iman Al-Madfa	Member

### Competencies and Responsibilities of the Audit Committee:

1. Reviewing the company's financial and accounting policies and procedures.
2. Monitoring the integrity of the company's financial data and reports (annual, semi-annual, and quarterly) and its control systems, reviewing them as part of its regular work during the year, with a particular focus on the following:
  - a. Any changes in accounting policies and practices.
  - b. Highlighting areas subject to management judgment.
  - c. Significant adjustments resulting from auditing.
  - d. The assumption of the company's going concern.
  - e. Compliance with accounting standards issued by the Securities and Commodities Authority.
  - f. Compliance with listing rules, disclosure requirements, and other legal obligations related to financial reporting.
3. Coordinating with the company's Board of Directors, executive management, and the Chief Financial Officer (or equivalent) to perform its duties. The committee must meet with the company's auditors at least once a year.
4. Reviewing any significant and unusual items included or required to be included in the reports, accounts, and off-balance-sheet items, and giving due attention to any matters raised by the company's CFO (or equivalent), compliance officer, or auditors.
5. Recommending to the Board of Directors the appointment, resignation, or dismissal of the external auditor. If the Board does not accept the Audit Committee's recommendation, the Board must include in the governance report a statement explaining the committee's recommendations and the reasons for not adopting them.
6. Developing and implementing a policy for contracting with external auditors and submitting a report to the Board of Directors outlining matters requiring action and providing recommendations on necessary steps.
7. Ensuring that the external auditor meets the conditions stipulated in applicable laws, regulations, decisions, and the company's articles of association, and monitoring their independence.
8. Meeting with the company's external auditor without the presence of senior executive management or their representatives to discuss the nature and scope of the audit process and its effectiveness in accordance with approved auditing standards.
9. Approving any additional services performed by the external auditor for the company and the fees charged for such services.
10. Reviewing all matters related to the external auditor's work, including their work plan, correspondence with the company, observations, recommendations, reservations, and any significant inquiries raised by the auditor to

senior executive management regarding accounting records, financial statements, or control systems, and monitoring the company management's response and provision of necessary facilities.

11. Ensuring that the Board of Directors and executive management respond in a timely manner to clarifications and significant matters raised in the external auditor's management letter.

12. Reviewing and evaluating the company's internal audit and risk management systems.

13. Discussing the internal audit system with the Board of Directors and ensuring its duty to establish an effective internal control system.

14. Reviewing the results of major investigations into internal audit matters commissioned by the Board of Directors or initiated by the committee with the Board's approval.

15. Reviewing the auditor's evaluation of internal audit procedures and ensuring coordination between the internal auditor and the external auditor.

16. Ensuring the availability of necessary resources for the internal audit function and monitoring its effectiveness.

17. Studying internal audit reports and following up on the implementation of corrective actions for noted observations.

18. Establishing controls and systems that enable company employees and stakeholders to confidentially report potential violations in financial reporting, internal auditing, or other matters, and ensuring independent and fair investigations of such violations, with measures to protect whistleblowers and ensure precise follow-up.

19. Monitoring the company's compliance with professional conduct rules.

20. Reviewing related-party transactions and ensuring no conflicts of interest exist, providing recommendations to the Board of Directors before their execution.

21. Ensuring the application of work rules related to its duties and the powers granted by the Board of Directors.

22. Submitting reports and recommendations to the Board of Directors on the matters mentioned above and outlined in this section.

23. Reviewing any other matters determined by the Board of Directors.

### C. Number of Meetings Held by the Audit Committee During the Year, Their Dates, and Attendance

#### Records of Members:

The Audit Committee held 8 meetings during the year 2024. Below is a record of the meetings and the attendance of members:

Meetings of the Audit and Risk Committee:	
Meeting date: February 26, 2024	
Meeting date: March 4, 2024	
Meeting date: March 27, 2024	
Meeting date: May 12, 2024	
Meeting date: August 8, 2024	
Meeting date: September 6, 2024	
Meeting date: October 22, 2024	
Meeting date: November 17, 2024	

### A. Number of Personal Attendances by Members of the Audit Committee Prior to the Re-election of the

#### Board of Directors and Reorganization of the Committees:

Member	Dr. Ali Rashid Al-Kaitoub	Mr. Abdullah Al Hosani	Mrs. Iman Al-Madfa	Dr. Basil Al-Hindawi
Meeting date				
Meeting date: February 26, 2024	√	√	√	√
Meeting date: March 4, 2024	√	√	√	√
Meeting date: March 27, 2024	√	√	√	√
Meeting date: May 12, 2024	√	√	√	√
Number of attendees	4	4	4	4

**B. Number of Personal Attendances by Members of the Audit Committee after the Re-election of the Board of Directors and Reorganization of the Committees:**

Member	Dr. Ali Rashid Al-Kaitoub	Mr. Ahmed Al-Alami	Mrs. Iman Al-Madfa
Meeting date			
Meeting date: August 8, 2024	√	√	√
Meeting date: September 6, 2024	√	√	√
Meeting date: October 22, 2024	√	√	√
Meeting date: November 17, 2024	√	√	√
Number of attendees	4	4	4

√ Attendance X Absence

**S. Annual Audit Committee Report:**

<b><u>S. Annual Audit Committee Report:</u></b>	
Description	Explanation
1. Significant Matters Reviewed by the Committee Regarding the Financial Statements and How These Matters Were Addressed.	<b>Matters related to financial statements are presented by the external auditors during the Audit Committee meeting, where they are discussed in detail. These matters are evaluated in terms of internal controls, risks, relevant accounting standards in accordance with International Financial Reporting Standards (IFRS), and any other regulatory requirements to ensure a fair presentation of the company's financial position.</b>

<p>2. Explanation of How the Independence and Effectiveness of the External Audit Process Were Evaluated, the Approach Followed in Appointing or Reappointing the External Auditor, and Information on the Tenure of the Current Audit Firm.</p>	<p><b>In accordance with corporate governance regulations, the Audit Committee is responsible for managing the relationship with the external auditor and ensuring that reports are submitted directly to the committee. External auditors are evaluated based on the following factors:</b></p> <ul style="list-style-type: none"> <li>- Competence and professional qualifications of the external auditors</li> <li>- Assessment of independence and impartiality</li> <li>- Evaluation of any conflicts of interest, if applicable</li> <li>- Understanding of the nature of the insurance business and the company's operations</li> <li>- Reputation and market standing of the firm</li> </ul> <p>Based on the evaluation of these factors and in line with the Audit Committee's recommendations to the Board of Directors, a decision is made regarding the appointment or assessment of external auditors during the annual general meetings. The necessary notifications are sent to the Securities and Commodities Authority (SCA), the Central Bank of the United Arab Emirates (CBUAE), and other regulatory authorities to complete the procedures for obtaining a No Objection Certificate (NOC), where applicable.</p>
<p>3. A Statement Outlining the Committee's Recommendation Regarding the Appointment, Reappointment, or Dismissal of the External Auditor, and the Reasons for the Board of Directors' Non-Acceptance of Such Recommendation.</p>	<p><b>In the event that the Board of Directors rejects the Committee's recommendations regarding the selection, appointment, resignation, or dismissal of the external auditor, the Board must include a statement in the governance report clarifying the Committee's recommendations and the reasons for the Board's rejection of such recommendations.</b></p>
<p>4. Explanation of How the Independence of the External Auditor Is Ensured When Providing Services Other Than the Company's Audit Process.</p>	<p><b>The Committee annually evaluates the independence of the external auditor to ensure the preservation of their independence, taking into account the provision of non-audit services. The Committee also assesses the performance of the external auditor to ensure that the services provided align with best practices and international standards. In accordance with the External Auditor Appointment Policy of Union Insurance Company</b></p>

	<p>(UIC), external auditors are prohibited from providing any services that may compromise their independence. Furthermore, external auditors are subject to stringent internal controls and approval procedures for accepting non-audit services.</p>
<p>5. Measures Taken or to Be Taken by the Committee to Address Any Deficiencies or Weaknesses in the Event of Failures in Internal Controls or Risk Management.</p>	<p>During the year 2024, the Board of Directors and its various committees took several measures to enhance the governance framework and internal controls. Among the most notable of these measures are:</p> <ol style="list-style-type: none"> <li>1- Formation of Board committees in accordance with corporate governance requirements.</li> <li>2- Review of Board committee charters to align with corporate governance regulations.</li> <li>3- Separation of the Audit Committee from the Risk Management Committee, including oversight functions.</li> <li>4- Development of an internal control framework and an internal audit charter.</li> <li>5- Review of policies and standard operating procedures (SOPs) in line with corporate governance regulations.</li> <li>6-Development and implementation of a whistleblowing policy.</li> <li>7- Development of a fraud risk management framework.</li> <li>8- Implementation of a solvency and risk assessment framework and a recovery plan.</li> <li>9- Implementation of a remuneration policy.</li> <li>10- Enhancement of the disclosure process for the Board of Directors and senior management.</li> <li>11- Monitoring and documentation of related-party transactions.</li> <li>12- Development and implementation of an outsourcing policy.</li> <li>13- Monitoring reinsurance operations to improve internal controls.</li> <li>14- Establishment of a succession plan for the Board of Directors and senior management.</li> </ol>
<p>6. A Statement Confirming That the Committee Has Reviewed All Reports with Medium and High Risks Issued by Internal Audit to</p>	<p>During the year 2024, as part of the internal audit plan approved by the Audit Committee, 122 observations</p>

<p>Determine Whether They Arise from Significant Failures or Weaknesses in Internal Controls.</p>	<p>related to high or medium-risk issues were identified during the review of operational processes across departments. Corrective actions have been implemented for most of the audit recommendations, while some points remain under implementation. These internal control-related issues are presented to the Audit Committee on a quarterly basis, where they are discussed in detail from the perspectives of internal controls and risk management.</p>
<p>7. Comprehensive Information on the Corrective Action Plan in the Event of Material Deficiencies in Risk Management and Internal Control Systems.</p>	<p>Comprehensive periodic reports are submitted to the Audit Committee regarding internal control issues identified during the review of operational processes, including their implementation status as agreed upon with the relevant departments. Internal control issues are automatically monitored through the system, with any delays escalated to the Chief Executive Officer (CEO). As part of senior management’s commitment to ensuring timely implementation, a monthly report is submitted to the CEO in the event that the agreed timeframe for implementing corrective actions is exceeded. During the year 2024, 205 audit recommendations were implemented to enhance the internal control and risk management framework.</p>
<p>8. A Statement Confirming That the Committee Has Reviewed All Transactions Conducted with Related Parties, Along with Any Observations or Findings Resulting Therefrom, and the Extent of Compliance with Applicable Laws in This Regard.</p>	<p>There are no transactions made with related parties, and all transactions reviewed were previously mentioned in the report</p>

## 2. Nominations and Remuneration Committee:

### A. Approval of the Committee Chairman:

The Chairman of the Nominations and Remuneration Committee, Mr. Abdullah Al-Hosani, acknowledges his responsibility for the committee’s framework within the company and confirms that he has reviewed its working mechanisms and ensured their effectiveness.

### B. Members of the Nominations and Remuneration Committee and Statement of Its Competencies and Assigned Tasks:

Name	Position
Mr. Abdullah Al Hosani	Chairman of the Committee
Dr. Basil Al Hindawi	Member
Mr. Ahmed Al Alami	Member

**Competencies and Responsibilities of the Nominations and Remuneration Committee:**

1. Regulating and monitoring the procedures for nominating members to the Board of Directors in accordance with applicable laws, regulations, and the provisions of Decision No. 3/R.M of 2020.

2. Ensuring the ongoing independence of independent members. If the committee determines that a member no longer meets the conditions for independence, it must present the matter to the company's Board of Directors. The Board shall notify the member in writing, sent to their registered address with the company, of the reasons for the loss of independence. The member must respond to the Board within fifteen (15) days of being notified. The Board shall issue a decision regarding the member's status as independent or non-independent in the first meeting following the member's response or the lapse of the aforementioned period without a response.

If the loss of independence does not affect the minimum number of independent members required on the Board, this must be considered in the formation of committees.

Without prejudice to Article 145 of the Commercial Companies Law No. 2 of 2015, if the Board's decision regarding the loss of independence affects the minimum required proportion of independent members, the Board shall appoint an independent member to replace the affected member. The appointment must be presented to the company's general assembly for approval.

3. The committee is responsible for developing the policy for granting remuneration, benefits, incentives, and salaries to the company's Board members and employees. When formulating these policies, performance-related criteria must be used, aligning with the company's long-term performance.

4. Ensuring that rewards and bonuses, including options, deferred bonuses, and other benefits offered to senior executive management, are linked to the company's medium- and long-term performance.

5. The committee is responsible for developing the company's human resources and training policy, monitoring its implementation, and determining the company's need for high-caliber competencies at the senior executive and leadership levels. This includes periodically reviewing selection criteria, salaries, and other benefits in line with market standards to ensure competitiveness in attracting qualified individuals.

6. Promoting gender diversity in the Board's composition to encourage women to nominate themselves for Board membership and developing a specific policy for this purpose.

7. Ensuring the existence of an appropriate and updated succession plan for senior executives and committee chairpersons.

8. Any other matters determined by the Board of Directors.

**C. Statement on the Number of Meetings Held by the Committee During the Financial Year, their Dates, and Attendance Records:**

The Nominations and Remuneration Committee held 4 meetings during the year 2024. Below is a record of the meetings and attendance:

Nominations and Remuneration Committee Meetings	
	Meeting on February 29, 2024
	Meeting on May 27, 2024
	Meeting on September 30, 2024
	Meeting on November 25, 2024

**Number of Personal Attendances by Members of the Nominations and Remuneration Committee:**

Member	Mr. Abdullah Al Hosani	Dr. Basil Al Hindawi	Mr. Ahmed Al Alami
Meeting date			
Meeting on February 29, 2024	√	√	√
Meeting on May 27, 2024	√	√	√
Meeting on September 30, 2024	√	√	√
Meeting on November 25, 2024	√	√	√
Number of attendees	4	4	4

√ Attendance X Absence

**3. Risk Management Committee:**

**A. Approval of the Committee Chairman:**

The Chairman of the Risk Management Committee, Dr. Basil Al-Hindawi, acknowledges his responsibility for the committee's framework within the company and confirms that he has reviewed its working mechanisms and ensured their effectiveness.

## **B. Members of the Risk Management Committee and Statement of Its Competencies and**

### **Assigned Tasks:**

**- Members of the Risk Management Committee prior to the re-election of the Board of Directors and the restructuring of the committees, as of 13/05/2024:**

Name	Position
Dr. Basel Al-Hindawi	Chairman of the Committee
Mr. Abdullah Al-hosani	Member
Dr. Ali Al-kitoub	Member
Mr. Ahmed Al-Alami	Member

## **Risk Management Committee Members after the Board of Directors' Re-Election and Committee**

### **Structure Amendment as of 13-05-2024**

Name	Position
Dr. Basel Al-Hindawi	Chairman of the Committee
Dr. Ali Al-kitoub	Member
Mr. Abdullah Al-hosani	Member

### **Responsibilities and Duties of the Risk Management Committee:**

1. Adopting a comprehensive risk management strategy and policies that align with the nature and scale of the company's activities. This includes monitoring their implementation, reviewing them, and updating them in response to internal and external changes.
2. Defining and maintaining an acceptable level of risk exposure that the company may face, ensuring that this level is not exceeded.
3. Overseeing the company's risk management framework and evaluating the effectiveness of mechanisms for identifying and monitoring risks that may threaten the company to identify any inadequacies or inefficiencies.
4. Providing guidance to management, when needed, to help enhance its risk management practices and/or mitigate specific risks. This includes ensuring that qualified personnel at the management level are effectively implementing risk management systems.

5. Obtaining assurance from executive management and internal audit that risk management processes and systems operate effectively, with appropriate controls in place and adherence to approved policies.
6. Preparing detailed reports on risk exposure levels and recommended actions for managing these risks and submitting them to the Board of Directors.
7. Providing recommendations to the Board of Directors on matters related to risk management.
8. Ensuring the availability of adequate resources and systems for risk management.
9. Submitting periodic reports to the Board of Directors on the company's risk exposure and immediately notifying the Board of any material changes in risk levels.
10. Ensuring the independence of risk management personnel from activities that may expose the company to risks.
11. Reviewing any matters referred by the Audit Committee that may affect the company's risk management framework.
12. Reviewing the appointment, performance, and replacement of the Chief Risk Officer and overseeing the overall effectiveness of the risk management unit.

**(C) Number of Meetings Held by the Risk Management Committee During the Year, their Dates, and Members' Attendance Records**

The Risk Management Committee held 11 meetings during the year 2024. Below is a summary of the meetings and the number of times members attended in person:

Meetings of the Risk Management Committee
Meeting Date: February 21, 2024
Meeting Date: February 29, 2024
Meeting Date: March 07, 2024
Meeting Date: April 02, 2024
Meeting Date: April 09, 2024
Meeting Date: May 06, 2024
Meeting Date: May 16, 2024
Meeting Date: August 01, 2024
Meeting Date: October 14, 2024
Meeting Date: November 04, 2024
Meeting Date: December 09, 2024

**Personal Attendance Records of the Risk Management Committee Members Before 13-05-2024**

Member	Dr. Basel Al-Hindawi	Dr. Ali Rahid Al-kitoub	Mr. Abdullah Al-hosani	Mr. Ahmed Al-Alami
Meeting Date				
Meeting Date : February 21, 2024	√	√	√	√
Meeting Date : February 29, 2024	√	√	√	√
Meeting Date : March 07, 2024	√	X	√	√
Meeting Date : April 02, 2024	√	√	√	√
Meeting Date : April 09, 2024	√	√	√	√
Meeting Date : May 06, 2024	√	X	√	√
Number of Attendances	6	4	6	6

**Personal Attendance Records of the Risk Management Committee Members After May 13-05- 2024**

Member	Dr. Basel Al-Hindawi	Dr. Ali Rahid Al-kitoub	Mr. Abdullah Al-hosani
Meeting Date			
Meeting Date: May 16, 2024	√	√	√
Meeting Date: August 01, 2024	√	√	√
Meeting Date: October 14, 2024	√	√	√
Meeting Date: November 04, 2024	√	√	√
Meeting Date: December 09, 2024	√	√	√
Number of Attendances	5	5	5

(√ attendance, X absence.)

#### 4-Investment Committee:

##### a- A. Committee Chairman's Report:

The Chairman of the Investment Committee, Sheikh/ Nasser bin Rashid Al Mualla, reports on the committee's governance system within the company, reviews its operational mechanism, and ensures its proper implementation.

##### B. Names of the Investment Committee Members, Their Responsibilities, and Assigned Duties:

Name	Position
Sheikh/ Nasser bin Rashid Al Mualla	Chairman of the Board
Ms. Iman Al-Mifa	Member
Mr. Mohammed Salem Al-Hosani	Member

##### **Investment Committee Mandate and Responsibilities:**

1. Developing and overseeing the investment strategy and policy.
2. Preparing investment plans, discussing and reviewing the principles related to the nature of investment activities, and formulating an action plan accordingly, with necessary recommendations submitted to the Board of Directors.
3. Reviewing financial performance results of investments and making the necessary recommendations.
4. Managing the company's investments in alignment with the company's interests and the directives of the Board of Directors.

##### (C) Number of Meetings Held by the Investment Committee During the Year and Attendance Records of Members

The Investment Committee held two meetings in 2024. Below is a summary of the meetings, their dates, and the personal attendance records of the members.

Investment Committee Meetings
Meeting Date: November 01, 2024
Meeting Date: December 09, 2024

### Personal Attendance Records of Investment Committee

Member	Sheikh Nasser bin Rafeh Al-Amala	Mr. Mohammed Al-Hosani	Ms. Iman Al-Mutaiq
Meeting Date			
Meeting Date : November 01, 2024	√	√	√
Meeting Date : December 09, 2024	√	x	√
Number of Attendances	2	1	2

(√ attendance, X absence.)

### 5-Committee for Monitoring and Regulating of Insider Transactions

#### A. Committee Chairman's Declaration:

Dr. Ayman Abdelrazek, Chairman of the Committee for Monitoring and Oversight of Insider Transactions, affirms his responsibility for the committee's governance system within the company, as well as his review of its operational mechanism to ensure its effectiveness.

#### B. Committee Members:

1. Dr. Ayman Abdelrazek – Head of the Legal Department – Committee Chairman
2. Mr. Amit Kataria – Head of Internal Audit Department – Compliance Officer – Member
3. Mr. Mohamed Radi – Assistant Vice President – Financial Controller – Finance & Accounts Department – Member

Committee Responsibilities and Duties:

- The committee is responsible for managing, monitoring, and overseeing insider transactions and holdings, maintaining the insider register, and submitting regular disclosures and reports to the market.
- Maintaining a comprehensive register of all insiders, including their details and periodic disclosures submitted by Board members.
- Notifying regulatory authorities of any changes to the insider register.
- Informing any individual of their insider status as soon as they qualify as an insider and obtaining their signature on the designated forms.
- Notifying insiders of trading blackout periods as determined by the market upon receipt, in addition to any other restrictions imposed by applicable regulations and circulars. The committee is also responsible for clarifying permanent and temporary blackout periods.

- Reviewing and monitoring insider trading policies, including periodic updates, and receiving and reviewing reports on insider trading transactions.
- Informing the Board of Directors of any insider trading violations and reporting the actions taken and/or required in accordance with applicable laws, regulations, and circulars.
- Ensuring the confidentiality of information and data provided by the Board of Directors.

**C. Summary of the committee's activities during the year 2024:**

The committee held one meeting on 17-12-2024 with the attendance of all its members. During the meeting, the committee reviewed the dealings of insiders by examining the trading reports received from the market, reviewing the insiders' register, monitoring the trading blackout periods defined by the market, and ensuring that insiders were notified accordingly.

**6-Board of Directors' Delegated Duties and Authorities to Executive Management**

Mr. Ramez Abu Zaid has been delegated with authority in his capacity as Chief Executive Officer of the company.

s	Authorized Person	Scope of Authorization	Duration of Authorization
1	<b>Mr. Ramez Abu Zaid</b>	<b>Special legal power with limited authority</b>	<b>Indefinite</b>

In accordance with Federal Law No. 32 of 2021 on Commercial Companies, the Chief Executive Officer (CEO), based on a special authorization granted by the current Board of Directors, exercises the necessary powers to manage the company's operations, which include:

1. Representing the company before all natural and legal persons, ministries, authorities, committees, councils, official entities, government and civil departments, chambers of commerce and industry, the Ministry of Economy, the Ministry of Human Resources and Emiratization, economic development departments, municipalities, the General Directorate of Residency and Foreigners Affairs, internal security and border control authorities, ports, customs, traffic departments, federal and local public prosecution offices, notaries, insurance companies, and telecommunications entities.
2. Signing all contracts, transactions, correspondences, and documents related to the company's business and submitting and following up on any necessary or required applications with any competent authority, whether federal, municipal, or governmental within the United Arab Emirates or abroad.
3. Managing the company's legal disputes by issuing instructions to the company's attorney regarding the submission of statements of claim and written pleadings before courts in the United Arab Emirates and other countries, regardless of their types, levels, execution departments, investigation departments, notary public offices, and judicial committees specialized in resolving rental disputes in any emirate within the United Arab

Emirates. This includes taking all necessary actions and procedures required for filing and following up on lawsuits, whether initiated by or against the company, as well as undertaking precautionary measures, notifications, presenting evidence, submitting memoranda, petitions, objections, notices, warnings, counterclaims, allegations of forgery, appointing experts, requesting the release of seizures, intervening as a third party, adding additional defendants, acknowledging claims, waiving rights, settling disputes, accepting or administering oaths, rejecting oaths, withdrawing from litigation, waiving judgments in whole or in part, appealing decisions, lifting precautionary measures while maintaining the debt, alleging forgery, requesting the recusal of a judge, arbitrator, or expert, and either accepting or rejecting offers. Additionally, the CEO has the right to receive all official notifications and communications related to the company from any governmental, non-governmental, judicial, or non-judicial entity and to serve notices to third parties. The CEO is further empowered to file complaints on behalf of the company before the police, public prosecution, and courts and to withdraw such complaints after ensuring the company's rights are secured—whether within the United Arab Emirates or abroad. The CEO is also authorized to delegate or assign these powers to any company employee as deemed necessary.

Furthermore, the CEO has the authority to buy, sell, register, and renew company-owned vehicles with the relevant authorities within the UAE and abroad and to delegate this responsibility to any company employee.

4. Selling, purchasing, registering, and renewing the vehicles owned by the company with the relevant authorities within the country and abroad, as well as delegating any of the company's employees for this purpose.

#### 7- Details of Transactions with Related Parties During the Financial Year 2024

The details of transactions with related parties pertain to associate insurance companies in Union Insurance and cover the scope of insurance operations, public liabilities, vehicles, and other related applications, as follows:

Transactions with Related Parties	AED/Dirhams
Accounts Receivable – Former Board of Directors	26,598,3723/- (fully allocated and legally settled)
Accounts Receivable – New Board of Directors	190,245/-
account payable – New Board of Directors	-141/-
Retained Ownership Shares	0
Total Outstanding Settlement Claims	7,685/- Dirhams
Investment Properties - Former Board of Directors	(fully allocated and legally settled) 72,270,000/-
Net Transaction Amounts / Al Sahel Financial Securities	Net Transaction Amounts 6,812,319 Dirhams
Underwritten Installments	288,734/- Dirhams
Paid Claims	155,464/- Dirhams

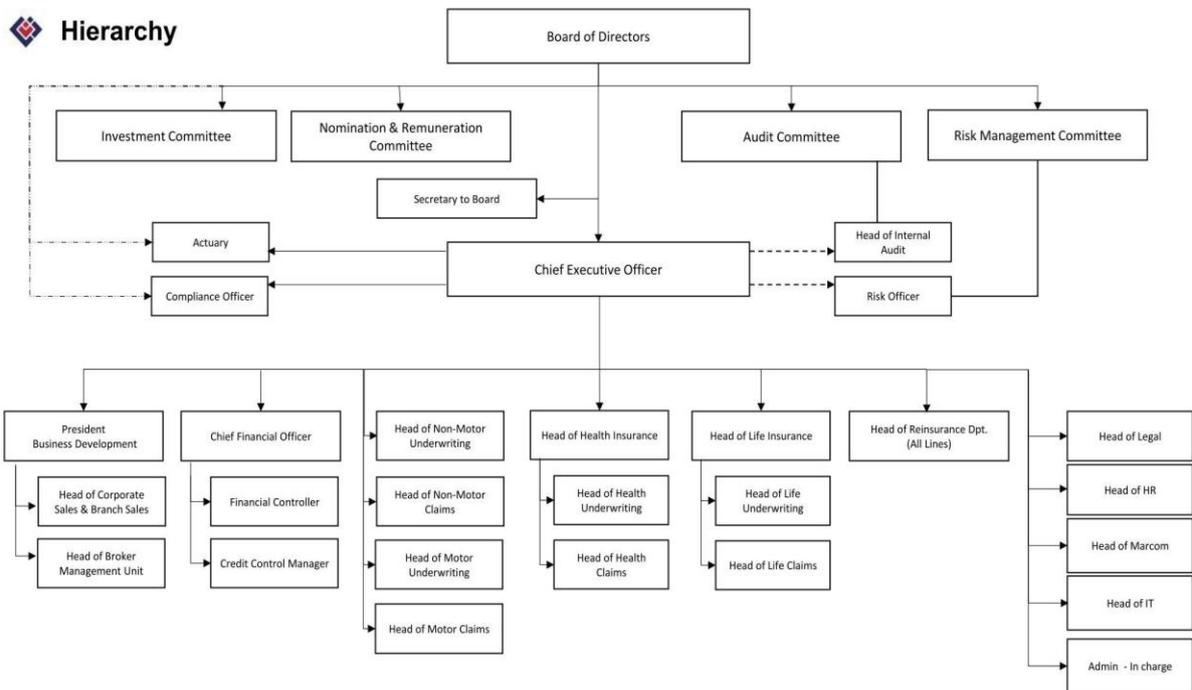
Fixed Deposits and Current Account Balance	76,600,915/-
Interest Revenue from Bank Deposits	3,635,975/-
Banking Expenses	168,480/-
Rental Payments	500,000/-

**5. Evaluation of the Board of Directors, its Committees, and the Executive Management:**

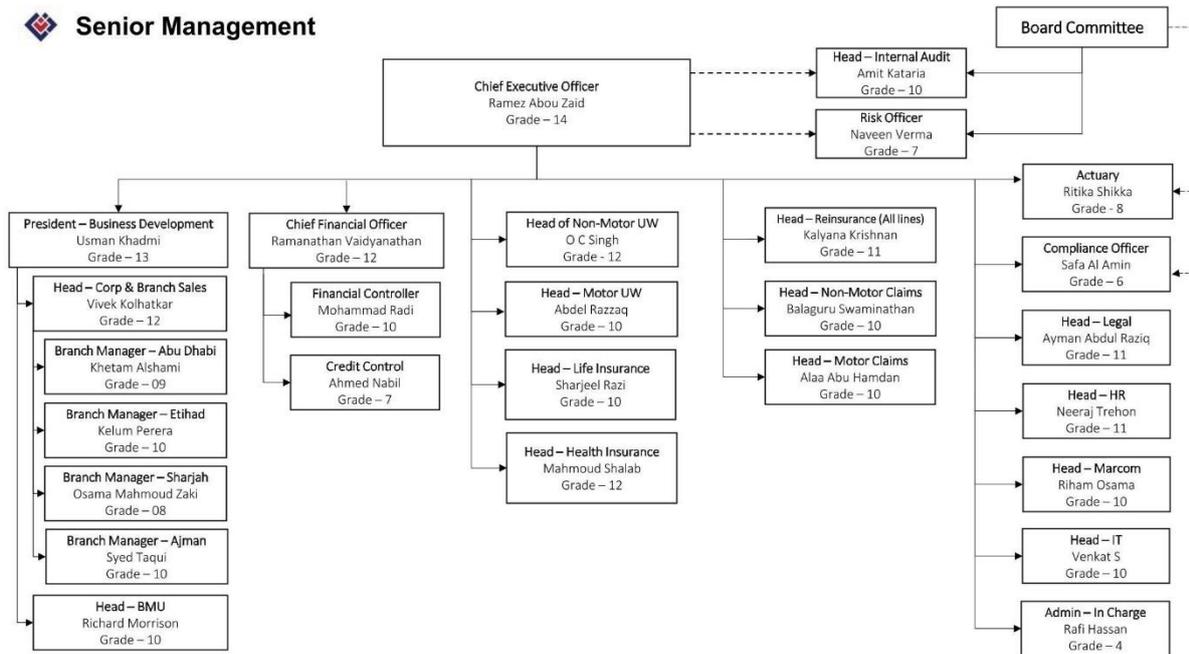
An annual assessment of the performance of the esteemed members of the Board of Directors and its committees was conducted by the Nomination and Remuneration Committee, supported by the Board Secretary.

**6. Organizational Structure and Executive Management:**

**a. Complete Organizational Structure of the Company:**



## Senior Management



## B. Detailed Statement of Senior Executive Employees for 2024

### 1-Statement of Senior Executive Management for the Year 2024:

Name	Position	Date of Appointment	Qualifications
Ramez Abu Zaid	Chief Executive Officer	01/12/2023	<ul style="list-style-type: none"> <li>Bachelor of Law from Ain Shams University, Arab Republic of Egypt</li> <li>Former General Manager of Dubai National Insurance Company until 2021</li> <li>Recipient of the Top 10 CEOs Award in the GCC and MENA region for the years 2018 and 2019</li> <li>Member of the Supreme Technical Committee of the Emirates Insurance Association from 2015 to 2021</li> <li>Board Member of the Emirates Insurance Association in 2020 and 2021</li> <li>Chairman of the Motor and Legal Committees at the Emirates Insurance Association from 2015 to 2018</li> <li>Member of the Legal Committee of Dubai Chamber of Commerce and Industry for drafting new legislation in 2014</li> <li>Awarded by the Insurance Authority for personal achievements in the development of the insurance sector in 2020</li> <li>Certified Arbitrator at the Sharjah International Commercial Arbitration Center from 2012 to 2021  </li> </ul>

**2-Statement of Salaries, Allowances, and Bonuses Paid or Accrued for Executive Management for the Year 2024:**

Position	Date of Appointment	Total Salaries and Allowances for 2024 (AED)	Total Bonuses for 2024 (AED) Paid or Allocated
Chief Executive Officer	01/12/2023	Fixed Salary:1,400,000	852,800
		Variable Salary:200,000	
President – General Insurance	16/10/2011	1,020,000	-
Chief Financial Officer	01/08/2019	756,000	18,000
Head of Health Insurance	01/08/2012	724,380	51,741
Head of Information Technology	01/04/2013	496,512	34,506
Head of Human Resources	01/05/2019	540,000	40,500
Head of Legal Affairs	01/05/2013	756,000	18,000
Director of Internal Audit & Compliance	10/11/2013	451,500	31,500
Head of Risk Management / Resigned on 08-06-2024	27/11/2023	184,333	-

**\* Please be informed:** The compensation policy approved by the Board of Directors in December 2024 will be applied to the disbursement of bonuses for senior management and risk takers in line with governance. Accordingly, only 70% of the bonus amount will be paid in 2025, while the remaining 30% will be deferred and paid in equal installments over the next three years

**7-External Auditor**

**A. Overview of the External Auditor:**

Grant Thornton was appointed as the external auditor for Union Insurance Company pursuant to a resolution issued by the General Assembly on 19-04- 2023. Grant Thornton has been operating in the United Arab Emirates for over 55 years and has three offices in the country. The company employs 450 professionals locally and has a global presence with 750 offices worldwide and approximately 62,000 employees. It provides services to various economic sectors. It is worth noting that this is the first appointment of Grant Thornton as the external auditor for Union Insurance Company.

**B. Statement of Fees and Costs Related to the External Auditor:**

Audit Firm Name	Grant Thornton
Audit Partner	Mr. Mohammed Ali
The number of years served as the company's external auditor.	3
Total audit fees for the financial statements of the year 2023	AED 620,000/-
Fees and expenses for other non-audit services related to the financial statements of 2023	
Description and Nature of Services Provided	Review of the quarterly reports and validation of the quarterly and annual electronic forms submitted to the Insurance Authority, validation of the supervision fees for the Authority, and validation of the forms for the Department of Health – Abu Dhabi. Review and validation of quarterly investment reports, Anti-Money Laundering (AML) reports as mandated by the Insurance Authority for the preparation of the annual final reports. Additionally, the review of insurance contracts in accordance with IFRS 17 standards, along with the assessment of the Internal Controls over Financial Reporting (ICOFR).
Other services provided by another external auditor During 2024	Issuance of ICV Certificate for a Fee of AED 13,000

The Annual General Assembly, in its meeting held on 19-04- 2024, approved the appointment of Grant Thornton as the external auditor of the company for the fiscal year 2024. The audit fees were set at AED 600,000 covering all professional services related to the review of interim and annual financial reports.

**C. The reservations included by the external auditor in the interim and annual financial statements for the year 2024:**

No reservations provided by the external auditor.

## 8- Internal Control System

### A. Acknowledgment by the Board of Its Responsibility for the Internal Control System and Its Review of Its Effectiveness:

The Board of Directors unequivocally acknowledges their full liability for the internal control system within the company and asserts that they have reviewed and assessed the system's effectiveness in strict adherence to all relevant applicable laws, systems, and the resolutions issued by the Securities and Commodities Authority.

### B. Director of the Department and His Qualifications:

A dedicated internal audit department has been established, managed by Mr. Amit Katriya, who was appointed on 10-11-2013. In addition to his role as the Head of the Internal Audit Department, he also serves as the Compliance Officer. Mr. Katriya holds a bachelor's degree in commerce from the University of Mumbai (College of Commerce and Economics), is a Chartered Accountant (ICAI) from the Institute of Chartered Accountants of India and holds the AICPA certification from the American Institute of Certified Public Accountants in Colorado. He has 21 years of experience in auditing, compliance, and risk management, and he has worked with various insurance companies such as TATA AIG and Universal Sompo Japan.

### C. Compliance Officer Name, Qualifications, and Appointment Date:

Mr. Amit Katriya serves as the Compliance Officer of the company. A request for a No Objection Certificate (NOC) was submitted to the Central Bank of the United Arab Emirates for the appointment of a new Compliance Officer on July 8, 2024. The response is still pending.

### D. How the Internal Audit Department Deals with Major Issues within the Company:

The Internal Audit Department formulates an annual plan that identifies potential risks and evaluates their level of severity, covering audits across the company's various departments, divisions, and branches. Periodic reports detailing completed tasks are submitted to the Audit Committee, which subsequently presents them to the Board of Directors, accompanied by a plan aimed at addressing or minimizing any violations, should they arise. It is noteworthy that the Internal Audit Department has not encountered any significant issues within the company during the year 2023.

### F. Number of Reports Issued by the Internal Audit Department:

The Internal Audit Department has issued a total of (11) reports during the year 2024.

### H. Report on the Risk Management Framework and Internal Controls

#### A. Applicable Governance Rules

A detailed report on governance requirements was presented to the Board of Directors, including the Audit Committee and the Risk Management Committee. The extent of implementation of these requirements was discussed, and any identified gaps—if any—were highlighted for the purpose of addressing them.

## B. Self-Assessment Approach of the Board's Performance

A comprehensive self-assessment model was developed and approved by the Board of Directors to annually evaluate the performance of the Board and its committees. For the year 2024, an external consultant will be appointed to review the Board's performance.

## C. Internal Audit Procedures and Their Scope as Applied by the Board

During 2024, internal audits of operational procedures were conducted in accordance with the annual audit plan approved by the Audit Committee. A total of 11 internal audit reports related to operational insurance activities were issued, presented to the Audit Committee, and discussed during its meetings. These reports also included observations related to risks associated with the reported findings.

The number of audit observations and recommendations related to operational controls and risk management amounted to 137, of which 122 were classified as high or medium risk. As part of senior management's commitment to enhancing the risk management and internal control framework, 73 of these recommendations have been implemented, while implementation plans for the remaining observations are currently underway.

Additionally, gaps in the internal control system over financial reporting were presented through a report submitted to both the Audit Committee and the Risk Management Committee of the Board. As part of the corrective action plan to improve the internal control and risk management framework, 205 audit recommendations were implemented during 2024.

## 9- Details of Violations Committed During the Financial Year, Their Causes, and How They Were Addressed to Prevent Recurrence in the Future:

In 2024, the Union Insurance Company received an inspection report from the Central Bank of the United Arab Emirates, highlighting certain violations related to corporate governance regulations. We took these observations very seriously and executed immediate and effective measures to address all the violations outlined in the report.

## 10- Statement of Financial and In-Kind Contributions Made by the Company During 2024 to the Development of the Local Community and Environmental Sustainability:

### **Social Responsibility**

#### **Social Initiatives by Union Insurance Company**

Our customers continue to benefit from the Balsem electronic platform, a value-added program that offers various tailored services providing coverage for certain services not covered by traditional health insurance policies. Therefore, this enables our clients to access the programs.

During the holy month of Ramadan, we once again organized a clothing donation campaign in collaboration with Dar Al Ber Society. Donation boxes were placed at all our offices, and we successfully donated nine full boxes to the charitable organization.

In partnership with the Health Insurance Department, we organized a campaign for unused medicines to ensure their safe disposal and raise awareness of the importance of preventing medication waste in order to reduce financial and environmental impacts. We collected approximately 16 bottles of syrup, 5 inhalers, 1 cream, 2 nasal drops, and 753 tablets, all of which were donated to the Dubai Health Authority.

We have been continuously working on utilizing various channels to raise awareness about the importance of medical screening examinations, under the Basma Program of the Dubai Health Authority, for diseases such as breast cancer, cervical cancer, colorectal cancer, Hepatitis B, and Hepatitis C.

We also provide free health insurance coverage for families unable to pay insurance premiums. In 2024, we donated insurance policies worth AED 8,100.

## **Employees**

Employee health is a top priority at Union Insurance Company, and our management team actively contributes to defining and executing improvements in policies that support and benefit our employees.

Our Health Insurance Department has organized online awareness sessions. For our male employees, we held a session on prostate cancer, and for our female employees, we organized a special event to raise awareness about breast cancer. Distinguished doctors from Aster Hospitals have delivered informative and educational lectures., in respect thereof

Under the umbrella of the Balsam Awareness Program, and to ensure the health of our employees, we conducted health screening examinations that included cholesterol levels, blood sugar tests, blood pressure assessments, and body mass index evaluations. For the first time, we included a HbA1c test, and all screenings were followed by consultations with a general physician.

Our employees also have benefited from an eye health check-up camp. In partnership with experienced ophthalmologists, the initiative offered eye screening examination for early detection of any vision issues.

For the first time, the company hosted an Iftar for all employees to promote inclusivity and strengthen team bonds.

In line with the federal government's initiative, we continued to enhance work-life balance by adopting a 4.5 day workweek.

Additionally, the company publishes a bi-weekly employee magazine, Al-Ettihad Magazine, to boost employee engagement and improve internal communication. The magazine also serves as a platform to share the latest company developments and celebrate achievements.

## **Environmental Responsibility**

### **Energy Conservation**

Our goal is to enhance energy efficiency at Union Insurance Company in alignment with the UAE's initiatives to reduce emissions.

We have installed LED lights in our local offices, and the air conditioning system is programmed to turn off when no one is present in the office. We have also increased awareness of energy conservation among our employees, where the staff members ensure to turn off the lights before leaving.

### **Papers**

We consistently launch initiatives to reduce our environmental footprint across our local offices. We also engage employees through environmental awareness and education, encouraging them to take more responsibility toward the environment.

We strive to manage our business in a manner that does not harm the surrounding ecosystem. As part of our significant steps in our digital transformation, we are reducing paper usage. Our customers can now purchase policies and submit claims online, which has also helped reduce air pollution as fewer customers need to visit our offices for insurance services.

### **Ink Cartridges**

The company's initiative for recycling used ink cartridges now includes all types of cartridges. We have recycled 2,720 ink cartridges since 2015 until December 31, 2024.

In selected departments, black and white printers have replaced color printing for environmentally friendly printing, as this reduces ink consumption.

### **Plastic Water Bottles**

We started recycling plastic water bottles across all our offices in 2022 to minimize our business's impact on the environment by reducing carbon dioxide emissions and conserving energy and water. We also have been encouraging employees to bring their own bottles from home.

### **Cans**

We expanded the scope of our recycling initiative in 2023 to include metal cans.

## **11- General Information:**

### **A- A statement of the company's share price in the market (closing price, highest price, lowest price) at the end of each month during the fiscal year 2024:**

Month	High	Low	Last Close
Jan-24	0.690	0.600	0.600
Feb-24	0.540	0.540	0.540

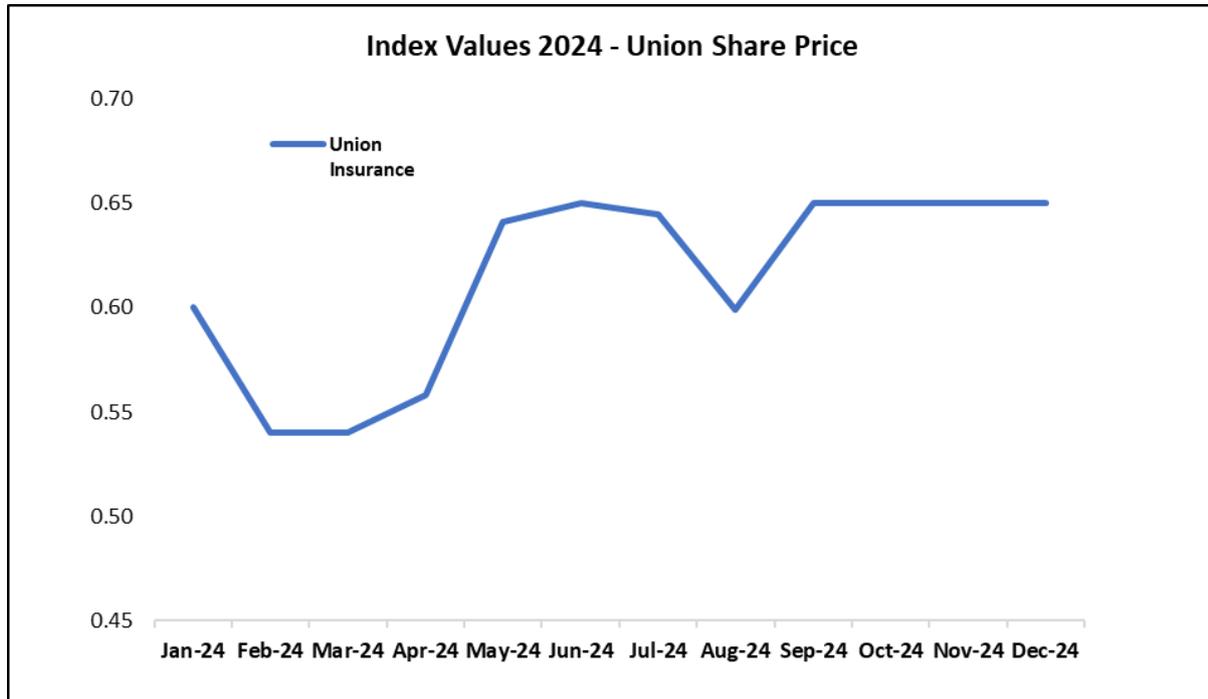
Mar-24	0.540	0.540	0.540
Apr-24	0.558	0.486	0.558
May-24	0.641	0.600	0.641
Jun-24	0.650	0.600	0.650
Jul-24	0.645	0.620	0.645
Aug-24	0.645	0.598	0.599
Sep-24	0.650	0.599	0.650
Oct-24	0.650	0.599	0.650
Nov-24	0.650	0.650	0.650
Dec-24	0.650	0.585	0.650

**B- A statement of the company's stock performance during the year 2024.**

Month	Union Insurance
Jan-24	0,60
Feb-24	0,54
Mar-24	0,54
Apr-24	0,56
May-24	0,64
Jun-24	0,65
Jul-23	0,65
Aug-24	0,60
Sep-24	0,65
Oct-24	0,65
Nov-24	0,65

Dec-24	0.65
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[Source: ADX Website](#)



**C- A statement of shareholder ownership distribution as of 31/12/2024 (individuals, companies, governments) classified as follows: local, Gulf, Arab, foreign:**

S. N	Shareholder Classification	Shareholding			
		Individuals	Companies	Government	Total
1	Local	121,272,339	196,191,537	0	317,463,876
2	GCC	160,165	0	0	160,165
3	Arab	14,380	122	0	14,502
4	Foreign	900,637	12,400,000	0	13,300,637
	Total	122,347,521	208,591,659	0	330,939,180

**D- Statement of Shareholders Holding 5% or More of the Company's Capital as of 31/12/2024:**

S.N	Shareholder Name	No. of shares	Shareholding
1	Salem Abdullah Salem Al Hosani	76,614,519	23.15%
2	AL SALEM CO. LTD.	66,710,022	20.16%

3	UMM AL QAIWAIN GENERAL INVESTMENTS P.S.C	65,179,710	19.70%
4	GULF GENERAL INVESTMENTS COMPANY P.S.C	22,943,161	6.93%
5	SUQUE AL. KHALIJ COMPANY OR GENERAL TRADING LLC	20,055,020	6.06%

**E- Statement on the Distribution of Shareholders by Ownership Size as of 31/12/2024:**

S.N	Shareholding (share)	No. of shares	No. of shares owned by	Shareholding
1	Less than 50,000	12,703,161	1,996	3.8%
2	From 500,000 up to less than 500,000	6,493,080	49	2.0%
3	From 500,000 up to less than 5,000,000	28,304,391	14	8.6%
4	Over 5,000,000	283,438,584	9	85.6%
	<b>TOTAL</b>	<b>330,939,180</b>	<b>2,068</b>	<b>100.0%</b>

**F- Actions Taken Regarding Investor Relations Controls:**

Ms. Riham Osama has been appointed as the Investor Relations Manager. She holds a bachelor's degree in commerce with a major in Accounting from Ain Shams University and a master's degree in Global Marketing from the University of Liverpool. She can be contacted via the details published on the company's website:

Riham Osama – [riham.o@unioninsurance.ae](mailto:riham.o@unioninsurance.ae) – Phone: +971 4 378 7609

Additionally, an online link has been created on the company's website:

( [https://www.unioninsurance.ae/en/about\\_us/#/InvestorRelations](https://www.unioninsurance.ae/en/about_us/#/InvestorRelations) )

Through this website, stakeholders can access all financial reports, company news, developments, and material events related to the company.

**G- Special Resolutions Presented to the General Assembly in 2024 and Actions Taken:**

- On 11-01-2024, an Extraordinary General Assembly Meeting was held to deliberate on a special resolution regarding the company's continuity in business, or its dissolution before its designated term. This was due to the

company's accumulated losses exceeding 50% of its capital. The General Assembly approved the company's continuation.

- On 19-04-2024, an Ordinary General Assembly Meeting was held during which the special resolutions related to amendments to the company's Articles of Association were approved. The amendments affected the following articles (1, 5, 17, 18, 20, 22, 23, 26, 27, 28, 29, 32, 37, 40, 41, 42, 44, 48, 53, 56, 57, 58, 65, 68, 70, 71, 72).

#### **H- Board Meeting Secretary and Appointment Date:**

Ms. Raneem Fajr Mahmoud serves as the Secretary of the Company's Board of Directors. She was appointed by the Board on 29/09/2021

#### **K- Material Events Encountered by the Company During 2024:**

- The company appointed Mr. Ramez Abou Zeid as Chief Executive Officer.
- Fitch Ratings assigned the company a Financial Strength Rating of BBB for the first time, with a Positive future Outlook.

The positive future outlook reflects the anticipated improvement in financial performance following management's initiatives to enhance underwriting profitability. This rating also underscores Union Insurance's strong balance sheet, operational efficiency, and robust reinsurance protection.

- The company entered into a strategic agreement with Copart UAE Auctions LLC and Emirates Auctions to introduce an electronic car auction service, enhancing the efficiency of salvaged vehicle management.
- To strengthen engagement and foster stronger ties with insurance brokers, the company hosted a networking dinner to exchange expertise and discuss industry challenges.

#### **L- Statement of Transactions Conducted by the Company in 2024 Equal to 5% or More of the Company's Capital:**

The company sold Plot No. 412 (612-9865), owned by the company and recorded as an asset in its books, located in the Ras Al Khor Industrial Area, under the following terms:

- Potential Buyer: City View Real Estate Development LLC
- Land Sale Price: AED 75,000,000 (fully borne by the buyer)
- Dubai Land Department Fees: 4% of the sale price, amounting to AED 3,000,000 (borne by the buyer)
- Real Estate Broker's Commission: 2% of the sale price, amounting to AED 1,500,000, plus 5% VAT, bringing the total to AED 1,575,000 (borne by the seller, Union Insurance Company).

#### **P- Emiratization Rate as of Year-End 2023-2024:**

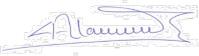
The company's Emiratization rate for 2023 was 15.3%.

The company's Emiratization rate for 2024 was 20.83%.

**Q- Innovative Projects and Initiatives Undertaken or Under Development in 2024:**

The company has not undertaken or developed any innovative projects or initiatives during 2024.

The signatories of the report are responsible for the accuracy of the information stated above

Position	Signature	Date
Chairman of the Board		24-03-2025
Chairman of Audit Committee		24-03-2025
Chairman of Nomination & Remuneration Committee		24-03-2025
Director of the Internal Control Department		24-03-2025