

## Corporate Governance Report for 2018

### 1- Corporate Governance System at Oman Insurance Company (OIC) during 2018

The Board of Directors of Oman Insurance Company (P.S.C) — believes in strong corporate governance practices. OIC considers Corporate Governance very important to achieve sustainable long term growth and prosperity for the company as the Board of Directors is committed to enhance the value of shareholders' rights while being aware of the interests of all the concerned parties, including but not limited to employees, clients, suppliers, business partners and the community as a whole where OIC carries on its business.

Corporate governance in OIC is not only a goal but also a continuous trip towards development and excellence in business. Based on this fact, the Board of Directors has continued to improve the corporate governance standards at OIC during 2018 in accordance with the "Board of Directors' Resolution of Securities and Commodities Authority's no. (7) of 2016 Concerning Corporate Discipline and Governance Standards of Public Joint Stock Companies" and the other relevant resolutions issued from time to time by the Securities and Commodities Authority "Authority". The Chief Executive Officer and the senior executive team work towards enhancing and strengthening the internal control system which is considered as a conclusive factor in the framework of corporate governance at OIC.

OIC has created a framework for corporate governance in order to conduct its business inside and outside the company and to verify the existence of an accurate framework which accurately identifies the responsibilities and obligations of the board of directors and the executive management, together with protecting rights of all concerned parties.

The main components of the "Corporate Governance framework" embedded with OIC consists of the following:

| Corporate Governance Framework at OIC - 3 Pillars  |  |   |
|--|--|---|
| Board of Directors   | Committees   | Internal Control System   |
| <ul style="list-style-type: none"> <li>➤ Active</li> <li>➤ Independent</li> <li>➤ Non-executive</li> </ul> | <ul style="list-style-type: none"> <li>➤ Audit Committee</li> <li>➤ Remuneration and Nomination Committee</li> <li>➤ Investment Committee</li> </ul> | <ul style="list-style-type: none"> <li>➤ Compliance</li> <li>➤ Risk Management</li> <li>➤ Internal Audit</li> </ul> |

**2- Statement of transactions of the Board members and their first degree relatives in relation to OIC's securities during 2018 are described below:**

There were no transactions (sale/purchase) by any of the Board members or their first degree relatives in relation to OIC's securities during 2018.

**3- Board of Directors formation:**

**(A) Board of Directors' and related information:**

| S/N | Name                          | Type of Directorship       | Experience            | Qualifications                            | Duration of membership from date of appointment | Other membership and positions in other PJSC | Other positions in Regulatory, GVT bodies and other significant Business entities   |
|-----|-------------------------------|----------------------------|-----------------------|---|---|--|---|
| 1   | Abdul Aziz Abdulla Al Ghurair | Executive/ Non-Independent | Banking and financial | Bachelor Degree in Industrial Engineering | 8 years and 6 months                            | CEO of Mashreq Group                         | 1-Board member of Emirates Foundation<br>2-Vice Chairman of Higher Board of Dubai International Financial Center<br>3-President of FBN GCC<br>4-Chairman of UAE Banking Federation.<br>5-Trustees Board member of the University of New York<br>6-Chairman of Al Ghurair Investment Company LLC |

|   |                        |                            |                           |  |                      |  |
|---|------------------------|----------------------------|---------------------------|--|----------------------|--|
|   |                        |                            |                           |  |                      | 7-Chairman of Masafi<br>8-Chairman of Etyar Investment Company<br>9-Chairman of Masar Investment Company<br>10-Chairman of Al Ghurair Group of Companies<br>11-Chairman of Al Ghurair Foundation for Education           |
| 2 | Abdul Raouf Al Mubarak | Non-Executive/ Independent | Economic and Financial    | Bachelor Degree in Economics and Political Science | 8 years and 6 months | Board member- Al Hadaf Financial Securities - Private Shareholding Company<br><br>Al Mashreq Medical Supplies – Owner  |
| 3 | Ali Rashed Lootah      | Non-Executive/ Independent | Real Estate and Financial | Bachelor Degree in Civil Engineering               | 8 years and 6 months | 1.Chairman of Nakheel<br>2.Vice Chairman of Mashreq Bank PSC<br>3.Vice Chairman and the Director of Osool Finance Co. PSC<br>4.Board Member of Badr Al Islami Co. PSC<br><br>2.Member of the UAE Civil Engineers Society |
| 4 | Hani Al Hamli          | Non-Executive/ Independent | Economics/ Investment     | Bachelor Degree in Business Administration         | 8 years and 6 months | None<br><br>Secretary General- Dubai Competitiveness Office, DED   |
| 5 | Rashed Saif Al-Jarwan  |                            | Gas/ Petroleum            | Bachelor Degree in in                              |                      | 1.Board Member of Mashreq Bank<br><br>1.Chairman of Al Ghurair Holding   |



|   |  |                       |   |                         |  |  |
|---|--|-----------------------|---|-------------------------|--|--|
|   | Non-executive/<br>Independent                          |                       | Petroleum and<br>Gas<br>Engineering                 | 8 years and 6<br>months | 2. Vice Chairman<br>of Dana Gas                                      | 2. Board member of<br>EMARAT<br>3. Board member of<br>DIFC                             |
| 6 | Badr Al-Ghurair<br><br>Non-executive/<br>Independent   | Properties            | Bachelor<br>Degree in<br>Economics                  | 6 years and 9<br>months | CEO- Al Ghurair<br>Construction                                      | None   |
| 7 | Nabeel Waheed<br><br>Non-executive/ Not<br>Independent | Banking/<br>Financial | Bachelor<br>Degree in<br>Business<br>Administration | 5 years and 5<br>months | EVP Head of<br>Treasury &<br>Capital Markets-<br>Mashreq Bank<br>PSC | 1-Chairman of Mashreq<br>Capital – DIFC.<br>2-Chairman of Makaseb<br>Funds Company BSC |

**(B) Female representation percentage in the Board of Directors for 2018**

Presently there is no female representation in the Board of Directors.

**(C) Reasons for not Nominating any Woman for the Board Membership**

Oman Insurance Company (OIC) confirms that it supports women empowering. OIC has given the opportunity of nomination for the board of directors to all the eligible shareholders, including women, who meet the nomination requirements. No nomination, however, have been made for a woman to be a member of the board of directors.

## (D) Remuneration

### d.1 Remunerations paid to the board members for the year 2017

| Board Member Name                 | Amount in AED    |
|-----------------------------------|------------------|
| Abdul Aziz Abdulla Al Ghurair     | 450,000          |
| Abdul Raouf Al Mubarak            | 300,000          |
| Ali Rashed Ahmed Lootah           | 300,000          |
| Hani Rashed Al Hamli              | 300,000          |
| Rashed Saif Al- Jarwan Al- Shamsi | 300,000          |
| Badr Abdulla Al Ghurair           | 300,000          |
| Nabeel Waheed                     | 300,000          |
| <b>Total Remuneration</b>         | <b>2,250,000</b> |

### d.2 Remunerations proposed for the Board Members in 2018, Subject to the Approval of Annual General Assembly

The Board of Directors has resolved to make a recommendation to the Annual General Assembly of Shareholders not to proceed with Board Directors' remuneration for the year 2018.

### d.3 Details of the allowances received by Board Members for attending the Board meetings and committees emanating from the Board for the fiscal year of 2018.

OIC held meetings in relation to investment committee, audit committee and nomination and remuneration committee. The details of these meetings will be presented in the next sections. No remunerations have been paid to the Board members for the same.

**(E) Number of Board meetings held during the fiscal year 2018 and the relevant details.**

| Board Member                     | Board Meetings                   |                          |                                   |                                  |
|----------------------------------|----------------------------------|--------------------------|-----------------------------------|----------------------------------|
|                                  | Meeting 1<br>12 February<br>2018 | Meeting 2<br>13 May 2018 | Meeting 3<br>17 September<br>2018 | Meeting 4<br>13 November<br>2018 |
| Abdul Aziz Abdulla Al Ghurair    | ✓                                | ✓                        | ✓                                 | ✓                                |
| Ali Rashed Ahmed Lootah          | ✓                                | A                        | ✓                                 | ✓                                |
| Hani Rashed Al Hamli             | ✓                                | A                        | ✓                                 | ✓                                |
| Rashed Saif Al- Jarwan Al-Shamsi | ✓                                | ✓                        | ✓                                 | ✓                                |
| Badr Abdulla Al Ghurair          | ✓                                | ✓                        | ✓                                 | A                                |
| Nabeel Waheed                    | ✓                                | ✓                        | ✓                                 | ✓                                |
| Abdul Raouf Al Mubarak           | ✓                                | ✓                        | ✓                                 | A                                |

✓- Present in person; A- Absent with valid reason

**(F) Duties and functions of the Board of Directors carried out by the Executive Management pursuant to authorization from the Board to the Management, including the period and delegation of authority and powers.**

The CEO performs his duties pursuant to the authority delegated to him by the Chairman by virtue of a notarized power of Attorney. The CEO shall be supported by the senior executive team who are responsible for managing the day-to-day business of OIC, in line with the Annual Action Plan officially approved by the Board of Directors.



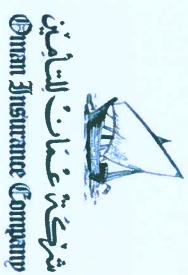
| Name                    | Delegated authorities  | Term of delegation         |
|-------------------------|--|----------------------------|
| Jean-Louis Laurent Josi | All the management duties that form part of the daily conduct of the Company's Business and the implementation of its purposes including, but not limited to, representation of the Company before governmental, non-governmental entities and third parties, the conclusion of contracts on behalf of the Company and monitoring the annual budget. | Unlimited unless cancelled |

**(G) Details of the transactions made with the related parties (stakeholders) showing the nature of the relationship and type of transaction.**

| Description                            | Amount (AED) | Total AED |
|--|--------------|-----------|
| <b><u>Gross Insurance Premiums</u></b> |              |           |
| Mashreq Bank                           | 62,742,900   |           |
| Al-Ghurair Group                       | 28,805,768   |           |
| ETA                                    | 416,355      |           |
| Masafi Co (LLC)                        | 3,454,816    |           |
| Massar Investments (LLC)               | 27,705       |           |
| New York University in Abu Dhabi       | 5,667,637    |           |
| Dana Gas – UAE                         | 1,138,798    |           |
| FBN Rent A Car (LLC)                   | 59,733       |           |
| Etjar Investment (LLC)                 | 2,655        |           |

| Total Gross Insurance Premium            |            | 102,316,367 |
|--|------------|-------------|
| <u>Gross Claims Settled</u>              |            |             |
| Mashreq Bank                             | 45,200,798 |             |
| Al-Ghurair Group                         | 22,399,734 |             |
| ETA                                      | 382,412    |             |
| Masafi Co (LLC)                          | 2,563,159  |             |
| Massar Investments (LLC)                 | 17,885     |             |
| New York University in Abu Dhabi         | 1,543,791  |             |
| Dana Gas - UAE                           | 916,734    |             |
| FBN Rent A Car (LLC)                     | 300        |             |
| Total Gross Claims Settled               |            | 73,024,813  |
| <u>Other Transactions</u>                |            |             |
| Interest Income (Mashreq Bank)           | 1,740,551  |             |
| Dividend Income (Mashreq Bank)           | 2,144,356  |             |
| Interest expense (Mashreq Bank)          | 5,377,186  |             |
| Other Investment expenses (Mashreq Bank) | 475,000    |             |





|  |           |            |
|--|-----------|------------|
| Rental expense (Mashreq bank)                              | 3,650,462 |            |
| Other investment expenses (Mashreq Capital (DIFC) Limited) | 4,665,736 |            |
|  |           |            |
| <i>Total Other transactions</i>                            |           | 18,053,291 |

## (H) OIC Organizational Structure

| Employee Name |                                   | Position  |
|---------------|-----------------------------------|---|
| 1             | Jean-Louis Laurent Josi           | Chief Executive Officer   |
| 2             | Hammad Khan                       | Executive Vice President, Finance and Administration  |
| 3             | El Chiekh Anwar El Khatib         | Executive Vice President – General Counsel  |
| 4             | Louise O'Donnell                  | Executive Vice President, Head of Internal Audit, anti-fraud & Compliance Department                        |
| 5             | Christopher Paul Wildee           | Executive Vice President, Head of Commercial Lines  |
| 6             | Charalampos Mylonas               | Executive Vice President, Head of Strategies, Risks, International Operations and Legal Affairs Department. |
| 7             | Yasser Mohamed Abdulhamid Khalifa | Executive Vice President, Health Insurance Department   |

**(I) Details and Positions of the Chief Executive Officers and the Senior Executives of the Company**

| S/N | Name                              | Position  | Date of Appointment | Total Salaries and Allowances Paid for 2018 (AED) | Total Bonuses Paid for 2018 (AED) | Any other Cash/in-kind Allowances for 2018 or payable in the future |
|-----|-----------------------------------|---|---------------------|---|-----------------------------------|---|
| 1   | Jean-Louis Laurent Josi           | Chief Executive Officer   | 1-April-18          | 1,935,000.00                                      | -                                 | 140,046.00  |
| 2   | Hamad Khan                        | EVP, Finance and Administration   | 5- Mar -18          | 774,655.90  | -                                 | 129,006.00  |
| 3   | El Cheikh Anwar El Khatib         | EVP – General Counsel   | 23-Jan-12           | 924,000.00  | -                                 | 98,197.00   |
| 4   | Louise O'Donnell                  | Executive Vice President, Head of Internal Audit, anti-fraud & Compliance Department                        | 12-Mar-13           | 834,360.00  | 200,000                           | 43,709.00   |
| 5   | Christopher Paul Wildee           | Executive Vice President, Head of Commercial Lines  | 3-Jan-18            | 954,838.70  | -                                 | 109,709   |
| 6   | Charalampos Mylonas               | Executive Vice President, Head of Strategies, Risks, International operations and Legal Affairs Department. | 1-Jul-12            | 1,001,160.00                                      | 200,000.00                        | 260,560.00  |
| 7   | Yasser Mohamed Abdulhamid Khalifa | Executive Vice President, Health Insurance Department   | 13-April-14         | 907,980.00  | 200,000.00                        | 180,702.00  |



#### 4- External Auditor

a- The External Auditors of OIC are *PricewaterHouseCoopers* (PwC Middle East), one of the major firms operating in the field of professional services in the region. It provides audit, insurance, consulting, tax and legal advisory services. PwC Middle East is an affiliate of PricewaterhouseCoopers International Limited, established in the Middle East (ME) 40 years ago, and has more than 4,200 employees in 12 countries across the ME: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia and the United Arab Emirates. PwC operates independently from the OIC's Board of Directors and Executive Management.

#### b- Fees and Costs of the Audit or Services provided by the External Auditor

| Name of the Audit Office  |  | PricewaterhouseCoopers  |  |
|---|--|---|--|
| Number of years served as <b>External Auditor</b> of OIC  |  | one year (2018)   |  |
| Total audit fees for the financial statements of 2018(AED)  |  | AED 803,250   |  |
| Fees and costs for services other than auditing the financial statements of 2018 (AED); if there are no other fees, this shall be expressly indicated.                                |  | 174,440   |  |
| Details and nature of other services provided (if any). If there is no other services, this should be expressly indicated   |  | Reviewing and testing the expected credit loss model prepared by the Company in accordance with the requirements of IFRS 9  |  |
| The other services provided by another external auditor other than the OIC's Auditor during 2018 (if any). If there is no other external auditor, this should be expressly indicated. |  | <b>1- Oman Insurance Company – OMAN Branch</b> <ul style="list-style-type: none"> <li>Auditing the financial statements and ministerial revenues for the fiscal year 2018 ----- AED 152,800</li> <li>Additional actuarial services relating to the assessment of the actuarial reserve ----- AED 38,200</li> <li>Assessment of corporate tax and deduction from sources and proceeds ----- AED 107,438</li> </ul> |  |

|  |   |
|--|---|
|  | <b>2- <u>Oman Insurance Company - Turkey Subsidiary:</u></b> <ul style="list-style-type: none"> <li>Auditing the financial statements ----- AED 41,864</li> <li>Corporate tax services: ----- AED 39,525</li> <li>Total (outside the country): ----- AED 298,438</li> </ul> |
|--|---|

**c- OIC's Auditor Reservations included in the Interim and Annual Financial Statements of 2018:**

N/A

**1. Audit Committee**

**A- Names of the Audit Committee Members, and its Competencies and Duties.**

The Audit Committee is formed of two Non-Executive Board members and an expert in internal audit & compliance, who is not a Board member:

| Audit Committee Members     | Position |
|-----------------------------|----------|
| Badr Abdulla Al Ghurair     | Chairman |
| Nabeel Waheed Rashed Waheed | Member   |
| Nasser Paracha              | Member   |

The Audit Committee is governed by the Audit Committee Charter. The Audit Committee Charter outlines the purpose, roles and responsibilities of the Audit Committee and is reviewed and updated as may be required. The Audit Committee Charter was reviewed, updated and approved by the Audit Committee and the Board of Directors.



## Audit Committee Purposes

The Audit Committee is formed as a board committee. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, namely (a) reviewing the Internal Controls, Risk Management System, Regulatory Compliance, and integrity of the Financial Statements, (b) the External Auditors' qualifications & Independence ; and (c) the performance of the OIC Internal Audit Department.

## Audit Committee Responsibilities

The Board of Directors shall identify the scope of the Audit Committee responsibilities outlined in the Audit Committee Charter. The key tasks and responsibilities of the Audit Committee are:

### Internal Control, Risk Management System and Regulatory Compliance

- To re-consider the effectiveness of the Company's financial controls, internal control and risk management system.
- To discuss the Internal Control System with the Management and to discuss the Internal and External audit reports on the significant findings, recommendations and managements responses;
- To consider compliance with the listing and disclosure rules issued by the Authority including other legal requirements applicable to financial statements.

## Financial Information Review

- Discuss the annual audited financial statements with the external auditors to ensure the integrity of the financial statements, while emphasizing that: any changes to the accounting policies and practices, aspects subject to judgment or estimation, substantial adjustments resulting from the audit, going concern and, compliance with the International Financial Reporting Standards;
- To consider any significant and unusual matters to be reported in the financial statements and to address concerns raised by the CFO, Compliance Officer or External Auditors;
- To review the OIC financial and accounting policies and procedures;
- To ensure compliance with listing rules and other legal requirements in relation to financial reporting.

## Relations with External Auditors

- To review the scope and the approach proposed for audit by external auditors, including coordinating audit efforts with the Internal Audit Department

- To review the performance of External Auditors and make a recommendation to the Board of Directors on the appointment or discharge of External Auditors. Appointment shall be made and remuneration shall be fixed by a resolution by the General Assembly of OIC.
- To check and ensure that the external auditors are independent by obtaining data from auditors on the relationships between the auditors and the Company, including the non-audit services, and discussing the relationships with the auditors.
- To consider and approve the External Auditor's remuneration and appointment period.
- To ensure that significant findings and recommendations of the external auditors and managements' proposed responses are received, discussed and appropriately acted on.
- To regularly meet with the External Auditors to discuss any matters that the Committee or auditors believe should be discussed in particular.

#### Internal Audit Department

- To approve the Internal Audit Charter
- To approve the annual audit plan, audit the budget and the resource plan, all major changes thereto and to review the internal audit activities' performance related to its plan
- To discuss the internal audit budget, resource plan, activities, and organizational structure of the internal audit with the Chief Internal Audit Executive.
- To ensure that the internal audit is adequately resourced and has an appropriate standing within the Company;
- To monitor the compliance with the codes of professional conduct.
- To consider the results of the investigations initiated by the Board of Directors.
- To ensure that there is coordination between Internal and External Auditors.
- To ensure that the duties and responsibilities under the Charter are fulfilled.
- To ensure that the significant findings and recommendations made by the Internal Auditors and management's proposed responses are received and discussed and appropriately acted upon.
- To submit a report to the Board of Directors on the Committee's compliance with the duties and responsibilities outlined in this Charter.
- To regularly and separately meet with the Chief Internal Audit Executive to discuss any matters that the Committee or Internal Audit Department believes should be discussed in particular.



## Compliance

- To review the effectiveness of the system of monitoring compliance with laws and regulations and the results of the management's investigation and monitoring (including the disciplinary actions) in any cases of non-compliance;
- To review the findings of any inspections by regulatory bodies and any notes by the Auditor.
- To review the process of communicating the Code of Conduct to the company employees and monitor compliance with such Code.
- To obtain regular updates from the management and OIC's legal counsel on compliance.

## Reporting Responsibilities

- To regularly report to the Board of Directors on the Committee's activities and the relevant issues and recommendations.
- To provide an open communication platform among the Internal Auditor, External Auditors and the Board of Directors.
- To submit annual reports to shareholders on the Committee's formation, responsibilities and management and any other information as may be required by the applicable laws, including approval of non-audit services.
- To review any other reports by the Company relating to the Committee's responsibilities.

## Other Responsibilities

- To perform any other activities related to this charter as requested by the Board of Directors.
- To annually review and assess the adequacy of the Committee's Charter, apply for the Board's approval on the proposed changes and ensure appropriate disclosure, as may be required by law or regulations.
- To annually ensure that all the responsibilities outlined in this Charter have been performed.
- To develop and supervise the special investigations as may be required.
- To regularly evaluate the performance of committee members and individuals.

## B- Audit Committee Meetings during 2018

The Audit Committee held five meetings during 2018. At each meeting, the Committee receives a written report from the Head of the Internal Audit Department outlining the audit findings of the Internal Audit Department and the adequacy of OIC's management response to address the

issues raised in the report, including the key issues raised and the management planned to resolve, and the time taken to resolve such raised issues. The Internal Audit Committee blames the OIC management where the Committee believes that no sufficient progress has been made.

#### Relations with External Auditors and Actuarial Experts

During the first meeting of 2018, the Audit Committee reviewed the scope and findings of the audit conducted by Deloitte & Touche (Middle East) for the 2017 financial statements. It also discussed the Auditor's letter to the management and management response, as well as the corrective actions taken. The Audit Committee, then, held meetings with representatives of PricewaterhouseCoopers (PWC Middle East) to approve the audit plan, scope and timelines for 2018, and also discussed status update from them.

Furthermore, the Audit Committee engaged with external Actuary experts to perform an independent review of the Liabilities and Reserves of all lines of business. During 2018, the Audit Committee held a meeting with the external actuaries' experts to discuss the results of their review.

#### Audit Committee Meetings Attendance Record:

| Board Member Name        | Audit Committee Meetings         |                               |                          |                                   |                                  |
|--------------------------|----------------------------------|-------------------------------|--------------------------|-----------------------------------|----------------------------------|
|                          | Meeting 1<br>12 February<br>2018 | Meeting 2<br>19 March<br>2018 | Meeting 3<br>13 May 2018 | Meeting 4<br>16 September<br>2018 | Meeting 5<br>22 November<br>2018 |
| Badr Abdullah Al Ghurair | ✓                                | A                             | ✓                        | ✓                                 | ✓                                |
| Nabeel Waheed            | ✓                                | ✓                             | ✓                        | ✓                                 | ✓                                |
| Rashed Waheed            | ✓                                | ✓                             | A                        | A                                 | A                                |

✓ - Present in person – A - Absent with valid reason



## 6. Nomination and Remuneration Committee:

(a) Details of Nomination and Remuneration Committee members are as follows:

| Name                            | Position |
|---------------------------------|----------|
| Mr. Ali Rashed Ali Ahmed Lootah | Chairman |
| Mr. Hani Rashed Al Hamli        | Member   |
| Mr. Badr Abdullah Al Ghurair    | Member   |

Statement of duties, duties and responsibilities:

### 1. Development-

- (a) Develop the company's wage policies and revise the same annually;
- (b) Organize and follow up the procedures for nomination to the Board of Directors;
- (c) Identify the number of executives required and develop human resources policies for the company.

### 2. Supervision-

- (a) Reviewing executives' remuneration to ensure its reasonableness

(b) - Number of meetings held by the Committee during the fiscal year and the dates of those meetings, indicating the number of times of personal attendance of all members of the Committee.

Attendance Record of the meetings of the Nominations and Remuneration Committee:

| Member Name                     | Meeting # 1<br>11 Jan 2018 |
|---------------------------------|----------------------------|
| Mr. Ali Rashed Ali Ahmed Lootah | ✓                          |
| Mr. Hani Rashed Al Hamli        | A                          |
| Mr. Badr Abdullah Al Ghurair    | ✓                          |

✓ - present in person, A. - absent for a valid reason

## 7. Investment Committee

The Investment Committee shall consist of five members, whose names shall be indicated as follows:

| Name                            | Position |
|---------------------------------|----------|
| Mr. Rashed Saif Al-Jarwan       | Chairman |
| Mr. Badr Abdullah Al Ghurair    | Member   |
| Mr. Nabeel Waheed Rashed Waheed | Member   |
| Jean-Louis Laurent Josi         | Member   |
| Hamad Khan                      | Member   |

### (a) Responsibilities of the Investment Committee:

The main responsibilities of the Investment Committee are summarized below:

- Develop asset allocation and distribution strategy
- Review and sign investment policy statement
- Continuous evaluation of the implementation of investment policies
- Monitor the performance of the comprehensive investment profile
- Review the stress testing framework
- Approval of delegation of authority to senior management

(b) Meetings of the Investment Committee during 2018 (Dates and registration of attendance for each member)

| Member Name                     | Meetings                               |  |  |   |
|---------------------------------|--|--|--|---|
|                                 | Meeting #1<br>5 <sup>th</sup> Feb 2018 | Meeting #2<br>26 <sup>th</sup> June 2018 | Meeting #3<br>17 <sup>th</sup> Sept 2018 | Meeting #4<br>22 <sup>nd</sup> Nov 2018 |
| Mr. Rashed Saif Al-Jarwan       | ✓                                      | ✓  | ✓  | ✓                                       |
| Mr. Badr Abdullah Al Ghurair    | ✓                                      | ✓  | ✓  | ✓                                       |
| Mr. Nabeel Waheed Rashed Waheed | ✓                                      | ✓  | ✓  | ✓                                       |
| Jean-Louis Laurent Josi         | NA*                                    | ✓  | ✓  | ✓                                       |
| Hamad Khan                      | NA*                                    | ✓  | ✓  | ✓                                       |

**8. Committee concerned with following up and supervising transactions of the “Insiders” persons**

The Company is working to form a committee to monitor and supervise the transactions (if any) of the “Insiders” persons. The members of this committee will be selected among the members of the Board of Directors, therefore, the formation of this committee has been postponed until the re-election of the Board of Directors which will take place during the Annual General Meeting of 2019.

## 9. Internal Control System

The Board of Directors acknowledges its responsibility for the Company's internal control system and for checking the same and ensuring its effectiveness through the Internal Audit Section and the Anti-Fraud Section.

**(a) Internal Control:** Ms. Louis O'Neill (Executive Vice President – Director of Internal Audit, Fraud Control and Compliance) is responsible for overseeing the internal audit section. She is a Chartered Accountant Certified by the Institute of Chartered Accountants in England and Wales, and was appointed in March 2013.



**(b) Compliance:** Mr. Fadi Esta is the Director of the Compliance Section and is responsible for overseeing regulatory compliance and money laundering activities. He holds an Advanced Diploma in Compliance and Financial Crimes, was appointed in May 2017 and resigned in December 2018.

**(c) The Internal Control Section deals with critical issues:**

The Internal Control Section assesses internal controls on an ongoing basis, whether they are ineffective or not operating as planned, and monitors whether management has taken or takes action to address any deficiencies or weaknesses that are detected. The Board monitors the activities of the internal control system. The results are presented to the shareholders / regulators to which the company is subject in the form of an annual corporate governance report and in the form of disclosures submitted in compliance with inclusion/regulatory requirements. In 2018, the Internal Control Section has not faced any significant problems in the company.

**10. Details of the violations committed during the fiscal year, the reasons and actions taken by the company**  
Oman Insurance Company has not committed any serious violations or breaches during the year of 2018. In the event of any violation or breach, the company takes the corrective action required to avoid the violation committed and is keen to implement the same.

**11. Statement of cash and in-kind contributions made by the company during 2018 for community development and environmental conservation.**

**During 2018, Oman Insurance Company contributed to a number of community development initiatives including, for example:**

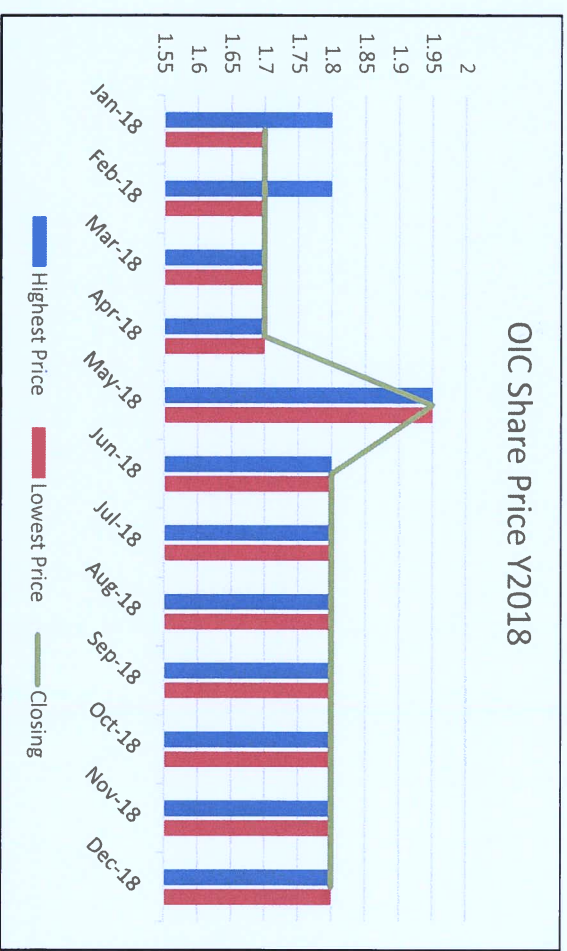
- 1- Oman Insurance Company supported the road safety campaign by allocating financial prizes for safe drivers totaling AED 30,000 as a contribution to the "Shell Gold Star" Campaign which is a Road Safety campaign supported by RTA. The total amount of OIC's contribution to help raise awareness about safety on roads in the United Arab Emirates was **AED 60,000**.
2. Oman Insurance Company contributed to a blood donation campaign by organizing an awareness campaign under the title "Donate blood to save a life" in which it invited its employees to donate blood. The event, organized in collaboration with the Dubai Health Authority (DHA), was successful and more than 70 employees donated blood.

3. Oman Insurance Company contributed with AED 34,000 to cover the fees of students at Rashid Pediatric Care Center, including transportation expenses.
4. Oman Insurance Company contributed with AED 40,000 to various initiatives carried out throughout the year by “Dubai Cares” Charity Organization, which provides educational opportunities for children and young people in developing countries.



**(a) Statement of the Company's market share price (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2018**

| Month         | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sept 2018 | Oct 2018 | Nov 2018 | Dec 2018 |
|---------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| Highest Price | 1.8      | 1.8      | 1.7      | 1.7      | 1.95     | 1.8      | 1.8      | 1.8      | 1.8       | 1.8      | 1.8      | 1.8      |
| Lowest Price  | 1.7      | 1.7      | 1.7      | 1.7      | 1.95     | 1.8      | 1.8      | 1.8      | 1.8       | 1.8      | 1.8      | 1.8      |
| Closing       | 1.7      | 1.7      | 1.7      | 1.7      | 1.95     | 1.8      | 1.8      | 1.8      | 1.8       | 1.8      | 1.8      | 1.8      |



**(b) Comparative performance of the company's shares with the general market index and sector index to which the company belongs (insurance sector) during 2018**

**1. Company's share performance compared to the general market index in 2018**

| Month                        | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sept 2018 | Oct 2018 | Nov 2018 | Dec 2018 |
|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| OIC's Share                  | 1.7      | 1.7      | 1.7      | 1.7      | 1.95     | 1.8      | 1.8      | 1.8      | 1.8       | 1.8      | 1.8      | 1.8      |
| Dubai Financial Market Index | 3394.36  | 3244.12  | 3108.53  | 3065.96  | 2964.13  | 2821.00  | 2955.95  | 2840.16  | 2834.95   | 2784.66  | 2668.66  | 2529.75  |

## 2. Company's share performance compared to the insurance sector in the United Arab Emirates

| Month                        | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sept 2018 | Oct 2018 | Nov 2018 | Dec 2018 |
|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| OIC's Share                  | 1.76     | 1.44     | 1.7      | 1.53     | 1.4      | 1.4      | 1.4      | 1.4      | 1.4       | 1.4      | 1.4      | 1.4      |
| Dubai Financial Market Index | 1570.84  | 1484.05  | 1423.65  | 1412.76  | 1445.06  | 1391.19  | 1405.03  | 1403.56  | 1676.64   | 1811.71  | 1535.35  | 1410.15  |



### c) Distribution of Shareholders' Equity as of 31/12/2018

| SN | Shareholder Class | Shareholding Percentage |           |            |       |
|----|-------------------|-------------------------|-----------|------------|-------|
|    |                   | Individuals             | Companies | Government | Total |
|    | Local             | 27.9916                 | 72.0084   | 0          | %100  |
|    | Arab              | 0                       | 0         | 0          | 0     |
|    | Foreign           | 0                       | 0         | 0          | 0     |
|    | Total             | 27.9916                 | 72.0084   | 0          | %100  |

**d) Statement of shareholders holding 5% of the Company's capital as of 31/12/2018**

| SN | Name         | No. of Shares | Percentage in Capital |
|----|--------------|---------------|-----------------------|
| 1  | Mashreq Bank | 295,341,741   | 63.9445%              |

**e) Statement of the distribution of the shareholders according to the size of their ownership as of 31/12/2018**

| SN | Equity (shares)           | No of shareholders | No of shares | Percentage of share in capital |
|----|---------------------------|--------------------|--------------|--------------------------------|
| 1  | Less than 50,000          | 54                 | 638,588      | 0.14%                          |
| 2  | From 50,000 to 500,000    | 22                 | 6,291,010    | 1.36%                          |
| 3  | From 500,000 to 5,000,000 | 40                 | 84,272,368   | 18.25%                         |
| 4  | More than 5,000,000       | 10                 | 370,670,159  | 80.25%                         |

**(f) Statement of actions taken with regard to investor relations controls, which presents the following:**

- Name of Investor Relations Officer and his/her contact information.

**Ms. Lamia Zouari**

**[lamia.zouari@tameen.ae](mailto:lamia.zouari@tameen.ae)**

Link to investor relations webpage on the company website.

**<http://www.tameen.ae/en/about-us/investor-relations>**

**(g) Statement of the Special Resolutions put forward for discussion at the General Assembly meeting held in 2018 and the actions taken thereon.**

None

**(h) Name of Corporate Secretary in charge of the Board of Directors Meetings & Date of Appointment:**

**Mr. Sheikh Anwar Al Khatib, General Counsel and Rapporteur of the Board of Directors Meetings, was appointed on 23 January 2012**

**(i) Statement of material events the Company has faced during 2018;**

None

**(j) Statement of the percentage of Emiratization at the company as of 31 December 2018**

The Emiratization rate at Oman Insurance Company is **10.2%**.

**(j) Statement of innovative projects and initiatives undertaken by the Company or under development in 2018**

None





**Company's Official Seal**

دي  
DURI  
الجامعة العامة  
عمان

Insurance Co.