Methaq Takaful Insurance Company PSC (MTIC)

Corporate Governance Report

Contents

1. Procedures taken to complete the corporate governance system, during 2024, and method of implementing thereof

A. Introduction

The Board of Directors of Methaq proactively embraced the Resolution of the Chairman of the Securities and Commodities Authority No. (7 R.M) of 2016, focusing on "The Standards of Institutional Discipline and Governance of Shareholding Companies," ensuring compliance with UAE's stringent legal and regulatory framework. This commitment extended across various regulatory bodies including the Securities and Commodities Authority, Abu Dhabi Securities Exchange, and the Insurance Authority, among others, underscoring Methaq's status as a compliant and publicly listed entity in the Abu Dhabi Securities Market, with a business focus on insurance, including health insurance products.

However, in alignment with the Central Bank of the UAE's directive, referenced as **CBUAE/FCMCP/2023/1675**, issued on March 31, 2023, Methaq's Board of Directors was dissolved. Governance responsibilities were subsequently reassigned to an interim supervisory committee established by the Central Bank.

The supervisory committee has given a special and continuous attention to the rules and regulations of governance especially:

- Direct supervision of the efficiency of Internal control & corporate governance
- Supervision of company's compliance with all laws, ministerial decrees and circulars issued by governing authorities.

The governance approach adopted by Methaq's Board was characterized by rigorous supervision over internal controls and corporate governance, ensuring the company's alignment with UAE's comprehensive legal standards. This was further reinforced by the issuance of specialized corporate governance guidelines, overseen by the Audit Committee, following the Securities and Commodities Authority's issuance of the Chairman of Authority's Board of Directors No. 3 R.M of 2020, which necessitated an update to the company's governance procedures to maintain full compliance.

B. Corporate Governance Guidelines at Methaq

The corporate governance guidelines manual of Methaq includes detailed policies and procedures for:

- Company Mission
- Board of Director
  - Task and responsibilities
  - Appointment of Board of Director members

  - Continuous company’s development
  - Board of Director Meeting
  - Evaluation of Board of Director performance & the annual comprehensive revision
  - Formation of Board of Director committees
  - Transaction of the Board of Director and related party in the stock market.
- Employees code of conduct
- Anti-Money Laundering Law
- Shareholders’ Equity
  - General Principles
  - Obtaining information about the company
- Internal Controls & Risk Management Systems
  - Internal audit
  - Internal controls
  - External Auditors
- Insider’s Trading Follow-up and Supervision Committee
- Disclosure and Transparency System
- Company’s commitments
  - Audit committee commitments
  - Nomination & Remuneration committee commitments
- Company’s social and environmental responsibility

Methaq is actively refining these policies and the manual to stay in compliance with the Corporate Governance Standards for insurance companies as mandated by the Central Bank.

2. Ownership and transactions of board members, their spouses, and their children in the company’s securities during 2024

No.	Name	Position/ Relationship	Shares owned as of 31/12/2024	Total sale transaction	Total purchase transaction

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, governance duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

3. Board of Director Formation

A. Statement of the current Board Formation (along with the names of both resigned appointed Board Members)

As stated above: Following the directive **CBUAE/FCMCP/2023/1675** from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

B. Percentage of female representation in the Boards on 2024

As stated above: Following the directive **CBUAE/FCMCP/2023/1675** from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

C. Reasons for the absence of any female candidate for the Board membership

As stated above: Following the directive **CBUAE/FCMCP/2023/1675** from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations

D. Statements

1. Total Remuneration paid to the Board Members 2024

None

2. The total remunerations of the Board members, which are proposed for 2024, and will be presented in the annual general assembly meeting for approval. Reasons for the absence of any female candidate for the Board membership

As stated, Article (29) of the Corporate Governance Guide for Public Shareholding Companies issued pursuant to the Authority's Board Chairman Decision No. (3 / R.M) for the year 2020 that the remuneration of the Chairman and members of the Board of Directors consists of a percentage of the net profit, provided that it does not exceed (10%) of that Profits for the fiscal year after deducting both depreciation and reserves. As there is a supervisory committee appointed there were no remuneration for 2024.

3. Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for 2024 fiscal year, according to the following schedule:

None

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

None

E. Number of the Board meetings held during the year 2024 fiscal year along with their convention dates, personal attendance times of all members, and members attending by proxy

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, governance duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

Sr.	Date of Meeting	Number of Attendees	Number of attendees by proxy	Names of absent members
1	-	-	-	-

F. Number of the Board resolutions passed during the year 2024 fiscal year, along with its meeting convention

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, governance duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

G. Board duties and powers exercised by Board members or the executive management members during the year 2024 based on an authorization from the Board, specifying the duration and validity of the authorization

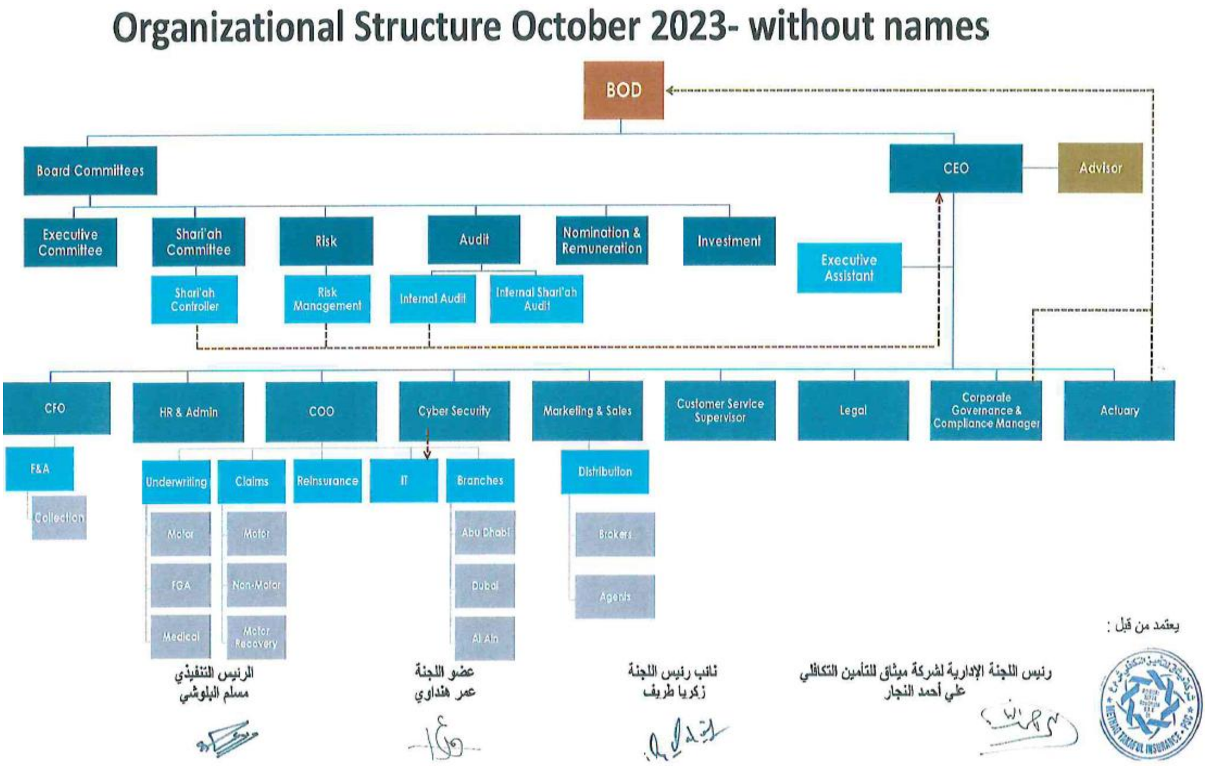
As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

H. Details of the transactions made with the related parties (Stakeholders) during the year 2024

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, governance duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

S	Statement of related parties	Nature of relationship	Type of transaction	Value of transaction
	N/A	N/A	N/A	N/A

I. The complete organizational structure of the company, which shall clarify managing director, the general manager and/or CEO, the deputy general manager and the managers working in the company such as financial manager



J. Detailed statement of the senior executives in the first and second grade according to the company organizational structure (according to 3-1), their jobs, along with a statement of the total salaries and bonuses paid

Name	Position	Total salaries and allowances paid for 2024(AED)	Total bonuses paid for 2024 (AED)	Any other cash/ in-kind bonuses for 2024 or due in the future
Musallam Ahmed Alblooshi	Chief Executive Officer	1,938,000	N/A	N/A
Muhammad Salman Chaudhry	Chief Finance Officer	630,800	N/A	N/A
Ahmad Saeed Khalil	Acting HR Manager	232,286	N/A	N/A
Batool Abdul-Fattah Wahbe	Medical DEP Manager	263,499	N/A	N/A
Ahmad Fawaz Al Khalili	Non-Motor Underwriter Manager	229,820	N/A	N/A
Samia Mahrous Henry	Re Takaful Manager	250,040	N/A	N/A
Mohammed Bouazzaoui	Legal Manager	346,500	N/A	N/A
Ayman Lidawi	Claim Manager and Head of Branches	333,145	N/A	N/A
Maryam Ali Almehrzi	Compliance Manager	268,800	N/A	N/A
Mariam Al Mughaini	General Counsel	163,413	N/A	N/A
Ammar Moh'd Rashad Khorshid	Al Ain Branch Manager	277,820	N/A	N/A
Haitham Ibrahim Abdellatif Ali	Motor Claims Manager	208,099	N/A	N/A
Ahmed Elsayed Abdelsalsm Elsayed	Finance Manager	398,080	N/A	N/A
Firas Nabil Salim Kabboush	Motor UW Manager	305,888	N/A	N/A
Nariman Antoine Maalouf	Dubai Branch Manager	466,055	N/A	N/A
Noor Omar Ahmed Mohamed	IT Manager	342,000	N/A	N/A

4. External Auditor

A. Overview of the company auditor to shareholders

Grand Thornton: Grant Thornton stands out as a prominent global network of independent accounting and consulting member firms, renowned for delivering assurance, tax, and advisory services to a wide array of clients. This professional services network spans across more than 135 countries, showcasing a substantial global presence. With over 68,000 professionals worldwide, including around 8,000 in the U.S. alone, Grant Thornton is committed to providing high-quality services and valuable insights across various industries. The firm prides itself on its integrity, quality, and the trust it builds within every client relationship, aiming to go beyond the traditional expectations of an audit and consulting.

B. Fees and costs for the audit or services provided by the external auditor

Name of the Audit office and Partner auditor	Grant Thornton, Farouk Mohamed Registration No 86
Number of years he served as the company external auditor	One Year - 2024
The number of years the partner auditor spent auditing the company's accounts.	One Year - 2024
Total audit fees for 2024 (in AED)	AED 400,000
Fees and costs of other private services other than auditing the financial statements for 2024 (AED), if any	-
Details and nature of the other services (if any)	-
Other services that an external auditor other than the company accounts auditor provided during 2024 (if any)	Auditor Name: Details of provided services:

C. Reservations that the company auditor included in the interim and annual financial statements for the year 2024

The financial reports for quarters 1, 2, 3, and 4 are pending audit.

5. Audit Committee

A. The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness Committee

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations. The committee forms an audit committee as necessary.

B. Names of the Audit Committee members and their competences and tasks assigned to them

As stated above: Following the directive **CBUAE/FCMCP/2023/1675** from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations. The committee forms an audit committee as necessary.

C. Number of meetings held by the Audit Committee during the 4th Quarter of 2024 and their dates to discuss the matters related to financial statements and any other matters, and demonstrating the members' personal attendance times in the held.

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, governance duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

Sr	Date of Meeting	Number of Attendees	Number of attendees by proxy	Names of absent members
1		-	-	-
2		-	-	-

6. Nomination and Remuneration Committee

A. The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, his review of its work mechanism and ensuring its effectiveness

As stated above: Following the directive **CBUAE/FCMCP/2023/1675** from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations. The committee forms an nomination and remuneration committee as necessary.

B. Names of the Nomination and Remuneration Committee members and their competences and tasks assigned to them

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations. The committee forms an nomination and remuneration committee as necessary.

C. Number of meetings held by the Committee during the year 2024 and their dates, and statement of all Committee members' personal attendance of times

Sr	Date of Meeting	Number of Attendees	Number of attendees by proxy	Names of absent members
1			-	-
2			-	-

7. Investment Committee

A. Acknowledgment by the Committee Chairman or the authorized person of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations. The supervisory committee performs the duties of investment committee as necessary.

B. Names of members of Investment Committee of insiders' transactions and their competences and tasks assigned to them

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations. The supervisory committee performs the duties of investment committee as necessary.

D. Number of meetings held by the Committee during the year 2024 and their dates, and statement of all Committee members' personal attendance of times.

As stated above: Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, governance duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations.

Sr	Date of Meeting	Number of Attendees	Number of attendees by proxy	Names of absent members
1				

8. Internal Control System

A. Acknowledgment by the Board of its responsibility for the Company internal control system, review of its work mechanism and ensuring its effectiveness

The committee acknowledges its responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness through the Internal Control Departments which provides regular and periodic reports to the Board and Audit Committee.

B. Name of the Department Director, his/her qualifications and date of appointment

The Head of Internal Control Department: Mr. Abdul Fattah Odeh, he holds a bachelor's degree in accounting from "Ain Shams University", Egypt 1968. He has the CRMA & CPA International, he has over 50 years of experience in auditing and accounting.
Date of Appointment 2012.

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

Compliance Manager: Ms. Mariam Rashid Al Mehrzi, she holds a bachelor's degree in Communication Science and Media.
Date of Appointment: April 4, 2021.

D. How the Internal Control Department dealt with any major problems at the Company or those that were disclosed in the annual reports and accounts

The Internal Control Department provides the committee with periodic reports on its work including the problems experienced by the company and the manner of dealing with, and the best solution as well.

The company faced several matters during the year 2024 which have not been resolved by the management and are still pending.

E. Number of reports issued by the Internal Control Department to Company's Board of Director in the Year 2024

Four Quarterly Internal Audit Reports presented.

9. Details of violations committed during the 2024, explaining their causes, how to address them and avoid their recurrence in the future

None

10. Statement of the cash and in-kind contributions made by the Company during the 2024 in developing the local community and preserving the environment

None

11. General Information

In compliance with Article No. (16) of the Regulations for Listing Securities on the Abu Dhabi Securities Exchange (ADX), it was decided that due to Methaq Takaful Insurance Company's failure to submit their Financial Statement, the trading of the company's shares was temporarily suspended starting from 16-Jun-2023 until further notice. The shares are still suspended as at 31st December 2024.

A. Statement of the Company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2024

Month-end	High	Low	Close	Volume
January 2024				
February 2024				
March 2024				
April 2024				
May 2024				
June 2024				
July 2024				
August 2024				

September 2024				
October 2024				
November 2024				
December 2024				

B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during the year 2024

In compliance with Article No. (16) of the Regulations for Listing Securities on the Abu Dhabi Securities Exchange (ADX), it was decided that due to Methaq Takaful Insurance Company's failure to submit their Financial Statement, the trading of the company's shares was temporarily suspended starting from 16-Jun-2023 until further notice.

C. Statement of the shareholders ownership distribution as on 31/12/2024 (individuals, companies, governments) classified as follows:

S	Shareholders Classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
1	Local	42.11%	10.73%	6.67%	59.50%
2	Arab	30.99%	6.57%	-	37.56%
3	Foreign	1.81%		-	1.81%
Total		**74.91%**	**17.3%**	**6.67%**	**100%**

D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2024:

Sr	**Name**	**Number of owned shares**	**Percentage of owned shares of the company's capital**
1	عبدالله بن عبدالعزيز بن محمد المطلق	23,513,611	15.68%
2	سما المدينة للاستثمار العقاري ذ م م	14,332,347	9.55%
3	مؤسسه الاوقاف وشؤون القصر - اسهم وقف	10,000,000	6.67%

E. Statement of how shareholders are distributed according to the volume of property as on 31/12/2024:

Sr.	Ownership of the shares (share)	Number of shareholders	Number of owned shares	Percentage of shares owned from the capital
1	Less than 50,000	6,925	5,352,145	3.57%
2	From 50,000 to less than 500,000	225	34,644,786	23.10%
3	From 500,000 to less than 5,000,000	38	44,206,017	29.47%
4	More than 5,000,000	6	65,797,052	43.86%

F. Statement of measures taken regarding the controls of investor relationships

- ❖ Name of the investor relationships officer: Mohammed Elbouazzaoui

- ❖ Data of Communication with the investor relationships:
  - Email: investor.relations@methaq.ae

- ❖ The link of investor relationships page on the Company's website: https://methaq.ae/investor-relations/

  The company publishes the information of interest to shareholders, such as financial statement and corporate governance report, on the above link.

G. Statement of the special decisions presented in the General Assembly held during 2024 and the procedures taken in their regard

None.

H. Rapporteur of the Board Meetings

❖ Name of the Rapporteur of the Board Meetings:	

❖ Appointment date:	
❖ Qualifications and experiences:	
❖ Statement of his duties during the year:	

I. Detailed statement of major events and important disclosures that the Company encountered during 2024

- ❖ Following the directive CBUAE/FCMCP/2023/1675 from the Central Bank of the UAE, issued on March 31, 2023, the Board of Directors at Methaq was disbanded. In its place, duties have been transitioned to a temporary supervisory committee, instituted by the Central Bank, to oversee the company's operations. The Supervisory Committee performs all duties on behalf of the Board Committees (Investment Committee, Remuneration Committee, Audit Committee, Etc.).
- ❖ In compliance with Article No. (16) of the Regulations for Listing Securities on the Abu Dhabi Securities Exchange (ADX), it was decided that due to Methaq Takaful Insurance Company's failure to submit their Financial Statement, the trading of the company's shares was temporarily suspended starting from 16-Jun-2023 until further notice. It was still suspended for the year 2024.

J. Statement of Emiratization percentage in the Company at the end of 2020, 2021,2022,2023 & 2024

Emiratization percentage at 2020:7.8%
Emiratization percentage at 2021:6%
Emiratization percentage at 2022:16.58%
Emiratization percentage at 2023: 20%
Emiratization percentage at 2024: 22.3%

K. Statement of innovative projects and initiatives carried out by the company or being developed during 2024

None

Signature of the Chairman of the Board of Directors	Signature of the Chairman of the Audit Committee	Signature of the Chairman of the Nominations and Bonus Committee	Signature of the Director of the Internal Control Department
....	......N/A.........	......N/A.....	.......N/A.........
Date: .... /.... /2025	Date: .... /.... /2025	Date: .... /.... /2025	Date: .... /.... /2025