



CORPORATE GOVERNANCE  
REPORT FOR THE YEAR  
2020

ADA

طيران أبو ظبي  
ABU DHABI AVIATION

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Based on the decision of the Chairman of the Securities and Commodities Authority (the “**Authority**”) No (03/R.M) of 2020, concerning the Approval of the Public Joint Stock Companies Governance Guide, Abu Dhabi Aviation Company PJSC (the “**Company**”) has submitted this Corporate Governance Report for the financial year ending December 31, 2020.

This Report has been prepared according to the Governance Report Form for the year 2020 approved by the Authority and issued on February 02, 2020. This Report will be made available via the Information Network to all Shareholders of the Company well in advance of the date of the General Assembly’s meeting, through the Abu Dhabi Securities Exchange website and the Company’s website ([www.ada.ae](http://www.ada.ae)).

## **I. Actions taken to complete the Corporate Governance System during the year 2020 and method of their implementation**

The Company’s Board of Directors (the “**Board**”) believes in the importance of applying the highest standards of corporate governance in order to improve the Company performance, protect the rights of Shareholders and Stakeholders, and achieve sustainable growth in financial markets. Both the Board and the Executive Management work on consolidating the internal control system, considered a crucial element in the corporate governance structure. The Company corporate governance framework takes into account the principles and standards set and enforced by both the Authority and Abu Dhabi Securities Market, and the provisions stipulated in Federal Law No. (2), of 2015 concerning Commercial Companies, as amended, in determining governance requirements. In the year 2020, the Company Management continued to implement the governance rules in an effective and transparent manner, based on the responsibility of the Board towards the Shareholders of the Company and in a manner that protects and enhances their rights through:

- Developing a Corporate Governance Guide according to the Authority legislations and decisions
- The Board held six meetings during the year and informed Abu Dhabi Securities Exchange of the dates and results of the said meetings, according to the procedures followed in Abu Dhabi Securities Market. Four meetings of the Audit Committee and two meetings for the Nomination and Remuneration Committee were held

- The independent members of the Board have shown commitment to disclose any change affecting their independence and to constantly provide an update on the matter
- Confirming the current formation of the Committees, exercising the powers entrusted to them, exercising all the special powers necessary for their work, and any additional work assigned by the Board. On the other hand, the Board followed up on and received reports from these Committees in accordance with the provisions and controls of the Authority decisions
- Disclosing the quarterly, semi-annual and annual financial statements and sending copies thereof to Abu Dhabi Securities Exchange and to the Authority after being reviewed by the Company's external auditor and approved by the Board

## II. Trading by the Members of the Board of Directors and their spouses and children of the Company Securities during the year 2020

The members of the Board are committed to the policy established by the Company regarding the trading of securities, issued by the Company and stipulated in its Governance Guide, as well as to the adherence to and compliance with the Trading Prohibition Period provided for regarding the Securities Trade, Clearance, Settlement, Transfer and Storage System issued by the Authority, and the members are also required to disclose their dealings and those of their first-degree relatives, on an annual basis, according to the form prepared for that purpose. Based on the records of Abu Dhabi Securities Exchange, all those whose names are mentioned below have traded the Company Shares during the year 2020:

	Name	Position/ Kinship	Shareholding as of 31/12/20	Total Sales	Total Purchases
1	Nader Ahmed Mohamed Ebrahim Al Hammadi	Chairman	239,236	0	229,336
	First-degree relatives	Chairman's Wife	50,600	0	0
2	Sheikh Ahmed Mohamed Sultan Al Dhaheri	Vice Chairman	61,000	0	50,000
	First-degree relatives	Vice Chairman's Wife	100,511	0	0
3	Ahmed Ali Khalfan Almutawa Aldhaheri	Board Member	342,019	0	309,459
4	Homaid Abdulla Ali Al Shimmari	Board Member	0	0	0
5	Khalifa Yousif Abdulla Husain Al Khoori	Board Member	3,443	0	0
6	Saif Saeed Mohammed Bin Jobaiha Al Dhaheri	Board Member	16,979	0	0
7	Abdulla Seddiq Mohamed Husain Al Khoori	Board Member	0	0	0
8	Abdulmunim Saif Hamoud Al Kindi	Board Member	0	0	0
9	Mohamed Khalil Foulathi Al Khoori	Board Member	0	0	0

### **III. Formation of the Board of Directors**

The Board of Directors is vested with full power to carry out all acts and disposals on behalf of the Company as authorized for the Company to do, and to exercise all authorities required to achieve the Company objectives. Such powers and authorities are only limited by those reserved to the General Assembly by the Law or the Company Articles of Association. Moreover, the Company Articles of Association stipulate that the Board of Directors consists of nine members. The Executive Council for the Emirate of Abu Dhabi appoints the Chairman and one member, while the General Assembly elects seven members by cumulative secret ballot.

#### **A- Statement on the Composition of the Current Board of Directors:**

Pursuant to Federal Law No (2) of 2015, concerning Commercial Companies, as amended, and Article No (20) of the Company's Articles of Association, the Company Board of Directors was elected on February 25, 2020 by the General Assembly for a period of three years, and it consists of nine non-executive members. Board members are classified between non-executive (non-independent), and non-executive (independent) according to the definition allocated to each category by the Authority. The Chairman of the Board, His Excellency Nader Ahmed Al Hammadi, and the Board Member His Excellency Homaïd Abdullah Al Shimmari, have both been appointed by the Executive Council for the Emirate of Abu Dhabi pursuant to Executive Council Resolution No (28) of 2020, issued on February 19, 2020. As for the seven current members, they have been elected by acclamation in the General Assembly, taking into consideration that the Chairman and Members of the Board are citizens of the United Arab Emirates.

Listed below are the experiences, qualifications, memberships, and positions of the Board Members in other joint stock companies and government corporations:





**H.E Nader Ahmed Al Hammadi**  
**Chairman of the Board**

**Member since: 2008**

**Category: Non-executive / non-independent**

**Experience and Qualifications:**

His Excellency Nader Ahmed Al Hammadi holds a Bachelor's degree in Science - Aircraft Electronics Engineering from Embry-Riddle Aeronautical University in Florida, USA and a postgraduate degree in Engineering Business Administration from Warwick University in London. He previously held several administrative positions at the Presidential Aviation Authority, and he co-founded as well GAMEIRO Company and was appointed as CEO, in addition to his participation in the Board of Directors of "Golden Rim Resources", registered in the Australian market and based in Australia

**Positions and Memberships held:**

- Managing Director and CEO of Presidential Flight Authority
- Chairman of Emirates Reem Investment Company (ERC)
- Chairman of Vision Group
- Member of the Board of Emirates Driving Company
- Member of the Board of Royal Jet Company
- Member of the Board of Al Waha Capital Company
- Member of the Board of Abu Dhabi Airports Company
- Member of the Steering Committee for the development of the Aviation Sector



**Sheikh Ahmed Mohamed Al Dhaheri**  
**Vice Chairman of the Board**

**Member since: 1999**

**Category: Non-executive / Independent**

**Experience and Qualifications:**

Sheikh Ahmed Mohamed Sultan Al Dhaheri holds a Bachelor's Degree in Civil Engineering from the United Arab Emirates University

**Positions held:**

- Deputy Chairman of Abu Dhabi National Hotels Company
- Member of the Board of Emirates Telecommunications Group
- Member of the Board of First Abu Dhabi Bank
- Member of the Board of Al Dhafra Insurance Company
- Member of the Board of Abu Dhabi Refreshments Company LTD. (Pepsi Cola)
- Member of the Board of Al Dhaheri Group



**Ahmed Ali Al Dhaheri**  
**Member of the Board**

**Member since: 1999**

**Category: Non-executive / Independent**

**Experience and Qualifications:**

Mr. Ahmed Ali Khalfan Al Dhaheri holds a Bachelor's Degree in Accounting from Seattle Pacific University in the United States of America, a Certified Public Accountant (CPA), and a Higher Diploma in Business Administration with distinction from the Higher Colleges of Technology. He previously worked as Deputy Chairman of the Board of Injaz Mena Investment and served as a Member of the Board of Al Qudra Holding, Abu Dhabi Chamber of Commerce and Industry, and Abu Dhabi Economic Council

**Positions held:**

- Chairman of the Board of Ali and Sons Company (LLC)
- Chairman of the Board of Foodco Holding Company (PJSC)
- Chairman of the Board of Foodco National Foodstuff Company (PJSC)
- Deputy Chairman of Al Waha Capital (PJSC)
- Member of the Board of Al Wathba Insurance Company (PJSC)
- Member of the Board of Al Ramz Corporation Investment and Development (PJSC)



**H.E Homaid Abdulla Al Shimmari**  
**Member of the Board**

**Member since: 2011**

**Category: Non-executive / non-independent**

**Experience and Qualifications:**

His Excellency Homaid Abdulla Ali Al Shimmari holds a Bachelor's degree in Aviation Engineering from Embry-Riddle Aeronautical University in USA, holds a Black Belt degree (Change Management Sigma 6) from (GE), formerly worked in the Air Force of the Armed Forces for the United Arab Emirates with the rank of Lieutenant-Colonel

**Positions held:**

- Group Vice President and Chief Executive Officer for Institutional Affairs and Human Resources at Mubadala Investment Company
- Chairman of Maximus
- Chairman of the Advisory Council of Etihad Airways Engineering Company
- Member of the Mubadala Investment Committee
- Member of the Board of Trustees of the United Arab Emirates University
- Member of the Board of Trustees of Khalifa University of Science, Technology and Research



**Khalifa Yousif Abdulla Al Khoori**

**Member of the Board**

**Member since: 2011**

**Category: Non-executive /Independent**

**Experience and Qualifications:**

Mr. Khalifa Yousif Abdulla Al Khoori holds a Master's Degree in Business Administration from the Grand Canyon University, United States of America. He previously served as Chairman of Methaq Insurance Company and Vice Chairman of the HS Group for Corporate and Institutional Management. He is the founder and Chairman of Arte Casa LLC (UAE and Saudi Arabia) and Viola Communications Marketing LLC.

**Positions held:**

- Deputy Chairman of RAK Cement Company
- Deputy Chairman of Al Qudra Holding Company
- Member of the Board of International Holding Company
- Member of the Board of Growth Gate Capital
- Member of the Board of Sawaeed Holding Company



**Saif Saeed Mohammed Al Dhaheri**

**Member of the Board**

**Member since: 2011**

**Category: Non-executive /Independent**

**Experience and Qualifications:**

Mr. Saif Saeed Mohammed Al Dhaheri holds a Bachelor's Degree in Literature, majoring in Sociology and Business Administration from the United Arab Emirates University. He was previously Director of Al Ain International Airport and Director of Finance and Administration at the Civil Aviation Department. He also served as a Committee Member for Tourism Development and Promotion in Al Ain City, and a Member of the Board in both the Marine Dredging Company and Abu Dhabi National Hotels Company.

**Positions held:**

- Chairman of the Conciliation and General Estimate Committee at the Judicial Department





**Abdullah Seddiq Mohamed Alkhoori**

**Member of the Board**

**Member since: 1999**

**Category: Non-executive /Independent**

**Experience and qualifications:**

Mr. Abdullah Seddiq Mohamed Alkhoori holds a Bachelor of Science degree from South Eastern University in the United States of America. He previously served as a Chief Financial Officer at Abu Dhabi Distribution Company (ADDC) and served as a member of the Board of Directors of the National Hotels Corporation

**Positions held:**

Currently working in the management of his own companies



**Abdulmunim Saif Hamoud Al-Kindi**

**Member of the Board**

**Member since: 2020**

**Category: Non-executive /Independent**

**Experience and qualifications:**

Mr. Abdulmunim Saif Hamoud Alkindi holds a Master's Degree in Business Administration from Brunel University and a Bachelor of Science in Mechanical Engineering (1982) from the United Kingdom. He previously served as CEO of Abu Dhabi Company for Onshore Oil Operations (ADCO)

**Positions held:**

- CEO of the Department of Human Resources, Technology and Institutional Support at ADNOC
- Member of the Board of Trustees at ADNOC Academy
- Chairman of ADNOC Drilling
- Chairman of ADNOC Sour Gas
- Member of the Board of ADNOC Offshore
- Member of the Board of ADNOC Logistics & Services
- Member of the Board of ADNOC Gas Processing

**Experience and qualifications:**

Mr. Mohamed Khalil Mohamed Foulathi Al-Khoori is an Emirati Businessman holding a Bachelor's Degree in Applied Sciences specializing in Business Administration (Real Estate) and a Higher Diploma Certificate in Business and Management – Financial Services from the Higher Colleges of Technology in the United Arab Emirates, and he previously worked at both Abu Dhabi Investment Council and Abu Dhabi Pension Fund

**Mohamed Khalil Foulathi Al-Khoori****Member of the Board****Member since: 2020****Category: Non-executive /Independent****B- Women's Representation at the Board of Directors for the year 2020**

There was no female representation on the Board of Directors in 2020.

**C- Reasons for Women not running for Board Membership**

The door for candidacy to the Board Membership has been opened for the year 2020, but no female applied to run for office.

**D- Remuneration of the Members of the Board**

The remuneration of the Board Members are determined pursuant to the provisions of Article (169) of Federal Law no 2 of 2015 concerning Commercial Companies, as amended, the provisions of Article (29) of the Chairman of the Authority Board of Directors Decision no (3/RM) of 2020 concerning the approval of the Public Joint Stock Companies Governance Guide, and the provisions of Article (58) of the Company's Articles of Association.

**1. Total Remuneration of the Board Members paid for the year 2019**

In accordance with the decision issued by the Annual General Assembly of the Company, held on February 25, 2020, the total remuneration of the Board Members paid for the financial year ending December 31, 2019 amounted to Dirhams 6,710 million.

**2. Total Proposed Remuneration of the Board Members for the year 2020**

It is proposed to disburse an amount of Dirhams 6,710 million of the net profit for the financial year ending December 31, 2020 (after deducting the depreciation and reserves), that is, the amount of Dirhams One Million One Hundred Thousand to the Chairman, and Dirhams Nine Hundred and Ninety Thousand to the Deputy Chairman, and Dirhams Six Hundred and Sixty Thousand to each Member of the Board, after approval of the Company Annual General Assembly. (We shall carry out the necessary update if any change is brought to the proposed remuneration at the next General Assembly Meeting).

**3. Details of Allowances, Salaries, or Additional Fees received by the Board Members other than Committee Attendance Allowances and Reasons thereof**

None



#### 4. Allowances for Attending Meetings of Committees Emanating from the Board received by the Board Members for the fiscal year 2020

Attending Meetings of Committees Emanating from the Board of Directors				
Member Name	Auditing Committee	Nomination & Remuneration Committee	Total Number of Attendees	Total Attendance Allowance
Sheikh Ahmed Mohamed Sultan Al Dhaheri	4	2	6	AED 90,000
Ahmed Ali Khalfan Al Dhaheri	4	2	6	AED 60,000
Abdulla Seddiq Mohammed Al Khouri	4	2	6	AED 60,000

\* Note that the Board did not allocate any allowance to its Members for meeting attendance

#### C- Number of Board Meetings held during the fiscal year 2020

No	Date	ATTENDEES										
		Nader Al Hammadi	Sheikh Ahmed Al Dhaheri	Ahmed Ali Dhaheri	Homaïd Al Shimmari	Khalifa Al Khoori	Saif Al Dhaheri	Abdulla Al Khoori	Yousef Al Harmoodi	Arwa Al Kindi	Abdulmunim Al Kindi	Mohamed Foulathi
01	4 Feb	√	√	X *	√	X	√	√	√	√	WNM	WNM
02	25 Feb	√	√	X	√	√	√	√	NMA	NMA	√	√
03	20 May	√	√	√	√	√	X	√	NMA	NMA	√	√
04	23 Jul	√	√	√	√	√	X	√	NMA	NMA	√	√
05	26 Oct	√	√	√	√	X	√	√	NMA	NMA	√	√
06	15 Dec	√	√	√	√	X	√	√	NMA	NMA	√	X

(√) Personal Attendance      (X) No attendance      (NMA) Not Member Anymore      (WNM) Was Not Member

\* Mr. Ahmed Ali Al Dhaheri authorized Sheikh Ahmed Sultan Al Dhaheri to replace him at the Board of Directors Meeting No 01 of 2020

\* Note that all Board Members who did not attend some of the Board Meetings provided excuses that were accepted by the Board of Directors

**D- Number of Board decisions issued by circulation during the fiscal year 2020**

The Board of Directors did not issue any decisions by circulation during the fiscal year 2020

**E- Board of Directors Duties and Terms of Reference undertaken by the Board Members or the Executive Management during the year 2020 pursuant to a Mandate from the Board**

According to the provisions of Article (27) of the Authority's Board Chairman Decision No (03/RM) of 2020, concerning the Approval of the Public Joint Stock Companies Guide, and the provisions of Article (26) of the Company Articles of Association:

- ❖ The Board may delegate to its Chairman, one of its Members, or the Senior Executive Management, some administrative matters for which it has decision-making authority. In such an event, the delegation must be established in writing and limited to the powers delegated, especially with regard to cases in which the Senior Executive Management must obtain the prior approval of the Board before taking any decisions or creating any obligations on behalf of the Company, provided that a written list of the duties and terms of reference to be undertaken by the Board and those delegated by the latter to the Senior Executive Management is drawn up and periodically reviewed.
- ❖ Each delegation must be specified in terms of the subject matter, the persons delegated, the limits of their powers, the validity period, and must include the date on which such delegation results are to be presented to the Board.

In accordance with the aforementioned controls, the Director General, Deputy Director General, Chief Financial Officer and the Executive Management of the Company shall conduct the daily activities in accordance with the best governance practices, the provisions of the Articles of Association, and the powers delegated thereto by the Board of Directors, pursuant to a power of attorney, valid for three years ending on November 11, 2021. Moreover, the Board and the Executive Management have delegated the **Director General, Deputy Director General and Chief Financial Officer** for the following matters:

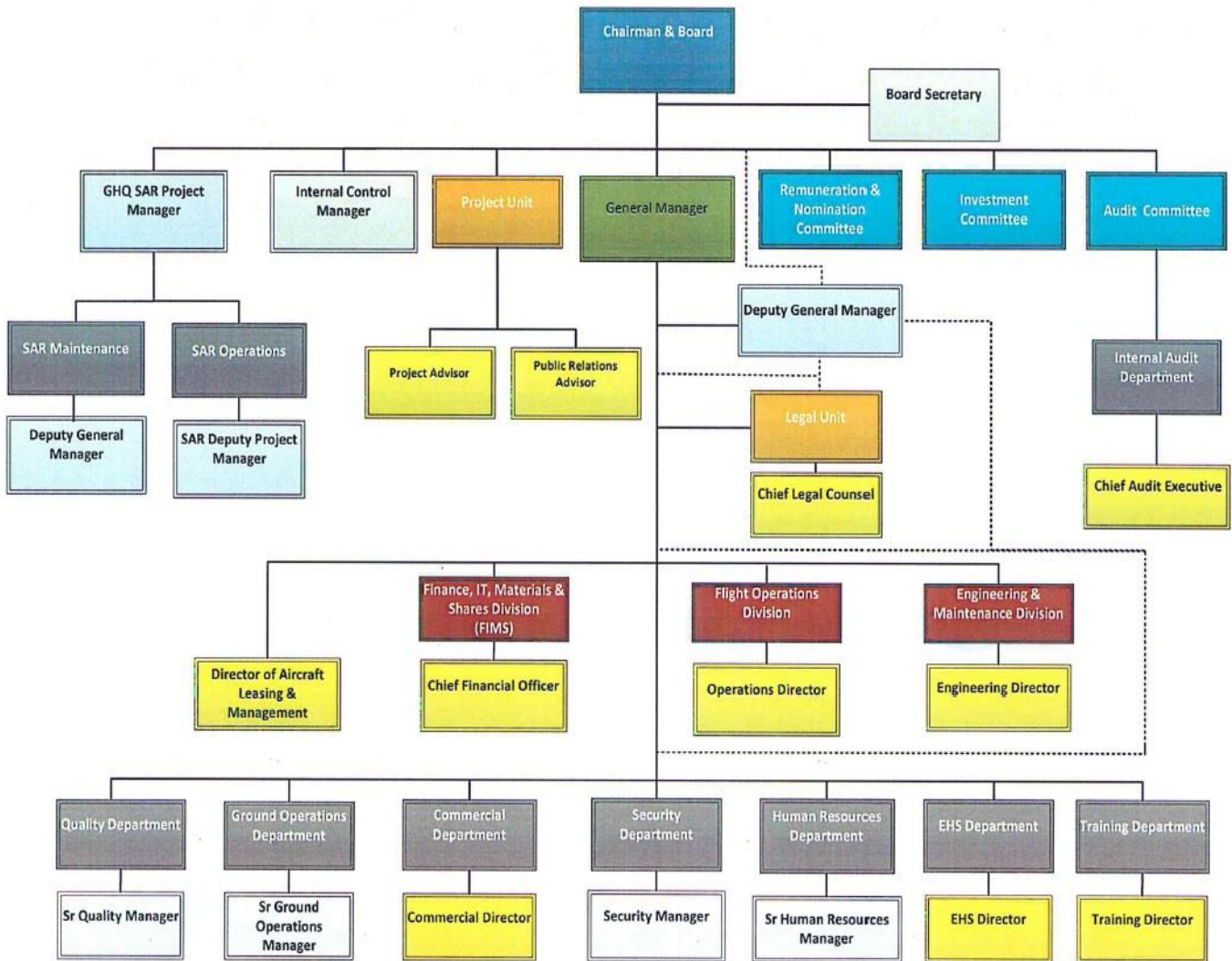
- Carrying out all transactions with all government departments, including the right to submit and receive documents and to refer to all relevant entities.
- Signing before all governmental, federal and local authorities, public and private corporations, and legal responsibility according to the limits.
- Setting goals and monitor the overall implementation and performance of the Company
- Periodic review and approval of the organizational and functional structures in the Company
- Specific financial sums to be signed jointly by the Director General, the Deputy Director General and the Chief Financial Officer. In addition to the foregoing, the Chairman of the Board and the Chief Financial Officer will have joint signatures.
- Determining the optimal capital structure for the Company, its strategies and financial objectives, and approving annual budgets.
- Conducting the day-to-day business in accordance with the best practices of the Governance System and the customary powers delegated by the Board.



## E- Details of Transactions carried out between the Related Parties (Stakeholders) during the Year 2020

Transactions between the Group Companies and Related Parties during the Year			
Transaction Type	Related Parties	Service Type	Grand Total (AED 000)
Services provided to Related Parties by Royal Jet L.L.C.	Presidential Flight	Aviation Services	24,457
	Abu Dhabi Aviation		
Sums due by Related Parties through Royal Jet L.L.C.	Presidential Flight	Aviation Services	6,725
	Abu Dhabi Aviation		
Aviation Services provided to Related Parties by Abu Dhabi Aviation	Agusta Westland Aviation Services Company	Aircraft Part Maintenance	78,944
	Presidential Flight	Management and Maintenance of Fixed Wing Aircraft	
Sums due by Related Parties through Abu Dhabi Aviation	Agusta Westland Aviation Services Company	Aircraft Part Maintenance	1,355
Sums due to Related Parties through Abu Dhabi Aviation	Agusta Westland Aviation Services Company	Supply and Repair of Aircraft Parts	28,189
Services provided to Related Parties through Maximus Aviation	Presidential Flight	Aviation Services	10,569
Sums due by Related Parties through Maximus Aviation	Presidential Flight	Aviation Services	882
Salaries and Other -Short Term Benefits to Senior Management Staff	Abu Dhabi Aviation Staff	Salaries and Benefits	17,669
	Royal Jet Staff		
	Maximus Aviation Staff		
Board Member fees	Abu Dhabi Aviation	Board Members fees	8,192
	Royal Jet		
	Maximus Aviation		
	Abu Dhabi Aviation Training Center - ADATC		
	ADA International Real Estate		
Provisions for End-of-Service Gratuity of Senior Management Staff	Abu Dhabi Aviation Staff	Provisions for End-of-Service Gratuity of Senior Management Staff	1,194
	Royal Jet Staff		
	Maximus Aviation Staff		

**F. Company Full Organizational Structure**





**G- Detailed Statement of the Senior Executives in the First and Second Ranks of the Company, their Positions, Dates of Appointment, Total Salaries and Bonuses paid to them during the Year 2020**

SN	Position	Date of Appointment	Total Salaries & Bonuses Paid for the Year 2020 (Dirham)	Total Bonuses Paid for the Year 2020 (Dirham)	Any Other Cash/In Kind Remuneration for the Year 2020 or to Fall Due in Future
1	Director General	07/11/1988	1,726,808	Not determined yet	None
2	Deputy General Manager	06/07/2004	1,249,600	Not determined yet	None
3	GHQ, SAR Project Manager	08/10/2006	1,440,000	Not determined yet	None
4	Chief Financial Officer	08/05/2009	1,038,000	Not determined yet	None
5	Engineering Director	02/07/2017	907,800	Not determined yet	None
6	Senior Ground Operations Manager	14/09/1997	907,800	Not determined yet	None
7	Commercial Director	24/04/2017	888,000	Not determined yet	None
8	Chief Audit Executive	01/03/2009	858,000	Not determined yet	None
9	Director of Aircraft Leasing and Management	01/06/1994	858,000	Not determined yet	None
10	Chief Legal Counsel	21/09/2010	681,480	Not determined yet	None
11	Senior Quality Manager	04/09/2016	720,000	Not determined yet	None
12	Training Director	30/06/2004	858,000	Not determined yet	None
13	Environment, Health & Safety Director	15/03/2003	847,932	Not determined yet	None

**Note: The Report shall be updated as soon as the bonuses of the Executive Management and any other remuneration are approved**

#### IV. External Auditors

M/s “Deloitte & Touche (Middle East)” have been appointed as external auditors for the year 2020 with the approval of all Shareholders at a meeting of the General Assembly held on February 25, 2020. “Deloitte & Touche (Middle East)” is considered one of the four largest auditing firms at the global level, and they offer auditing, tax and advisory services in various fields to their customers.

Audit Firm Name	Deloitte & Touche
Partner Auditor Name	Mohammad Khamees Al Tah
Number of Years spent as External Auditor of the Company	2 Years
Number of Years spent by the Partner Auditor auditing the Company Accounts	2 Years
Total Fee for the Audit and (Interim and Annual) Financial Statements Review for the Year 2020	Dirhams 210,000
Fees and Costs of other Special Services other than Financial Statements Audit for the Year 2020	Dirhams 15,000
Details and Nature of Other Services Provided (if any), but if no other services were provided, please state expressly	The ICV Certificate was signed and approved by Deloitte & Touche in March 2020
Statement of Other Services provided by an External Auditor other than the Company External Auditor during the year 2020 (if any), and if none please state expressly	None

No reservations were made by the Auditors of the Company regarding the interim and annual financial statements for the year 2020

#### V. Audit Committee

**a. Sheikh Ahmed Mohamed Sultan Al Dhaheri, Chairman of the Audit Committee, acknowledges his responsibility for the Committee System in the Company, for his review of its working mechanism, and for ensuring the Committee efficiency.**

#### b. Names of the Audit Committee Members

- Sheikh Ahmed Mohamed Sultan Al Dhaheri	Chairman of the Committee
- Mr. Ahmed Ali Khalfan Al Dhaheri	Member
- Mr. Abdulla Seddiq Al Khoori	Member

► **Terms of Reference & Tasks of the Audit Committee:**

1. Reviewing the Company financial and accounting policies and procedures
2. Monitoring the accuracy of the Company financial statements and reports (annual, semi-annual and quarterly) and reviewing the same as part of their regular duty during the year. The Audit Committee particularly focuses on the following:
  - ✓ Any changes in accounting policies and practices
  - ✓ Highlighting aspects that are subject to the Management discretion
  - ✓ Material adjustments resulting from the audit
  - ✓ Assuming the continuity of the Company business
  - ✓ Complying with the accounting standards set by the Authority
  - ✓ Comply with the listing and disclosure rules and other legal requirements related to the preparation of financial reports
3. Coordination with the Company's Board, the Executive Management, Chief Audit Executive, Financial Director or the Director in charge of the same duties in the Company, in order to perform its duties
4. Reviewing any important and unusual items, received or that must be included in such reports and accounts, and granting the necessary attention to any issues raised by the Company Financial Director, the Manager in charge of the same duties, the Compliance Officer or the Auditor
5. Submitting a recommendation to the Board of Directors regarding the selection, resignation, or dismissal of the Auditor, and in the event that the Board does not agree to the recommendations of the Audit Committee in this regard, the Board must include in the Governance Report a statement explaining the recommendations of the Audit Committee and the reasons that led the Board not to take them into account
6. Establishing and implementing the contracting policy with the Auditor, and submitting a report to the Board specifying the issues it deems necessary to take action on, and providing its recommendations for the measures to be taken
7. Ensuring that the Auditor fulfills the conditions stipulated in the laws, regulations and decisions in force, and in the Company Articles of Association, and following-up on and monitoring its independence
8. Meeting with the Auditor of the Company accounts without the presence of any member of the Senior Executive Management or their representatives, at least once a year, and discussing with

them the nature and scope of the audit process and the scope of its efficiency in accordance with the approved auditing standards

9. Discussing all matters related to the Company Auditor task, its work plan, its correspondence with the Company, its notes, suggestions, reservations, and any fundamental inquiries that the Auditor raises to the Senior Executive Management regarding accounting records, financial accounts or control systems, following up on the Company Management response thereto and providing the necessary facilities for the Auditor to carry out its duties
10. Ensuring that the Board responds in a timely manner to the inquiries and substantial issues included in the Auditor letter
11. Reviewing and evaluating the Company Internal Audit and Risk Management Systems
12. Discussing the Internal Audit System with the Board, and ensuring that it fulfills its duty to establish an efficient Internal Control System
13. Reviewing the results of the main investigations in the internal audit matters assigned thereto by the Board or carried out on the initiative of the Committee and the approval of the Board
14. Reviewing the Auditor evaluation of the internal audit procedures and ensuring that there is coordination between the Internal Auditor and the External Auditor
15. Ensuring the availability of the necessary resources for the internal audit function, and reviewing and monitoring the efficiency of that division
16. Reviewing the internal audit reports and following- up on the implementation of corrective measures to the observations mentioned therein
17. Putting in place controls that enable the Company employees to confidentially report any potential violations in the financial reports, internal audits, or other issues, and measures ensuring the organization of independent and fair investigations of such violations
18. Monitoring the Company compliance with the rules of professional conduct
19. Reviewing the dealings of the relevant parties with the Company and ensuring that there are no conflicts of interest, and making recommendations in this respect to the Board before such dealings are entered into
20. Ensuring the implementation of business rules related to its duties and the powers entrusted thereto by the Board
21. Submitting reports and recommendations to the Board on the abovementioned issues
22. Looking into any other issues determined by the Board



### C. Audit Committee Meetings during the Year 2020

Meeting Number	Meeting Date	ATTENDEES		
		Sheikh Ahmed Al Dhaheri	Ahmed Ali Al Dhaheri	Abdulla Seddiq Al Khoori
01	February 03	✓	✓	✓
02	May 20	✓	✓	✓
03	July 23	✓	✓	✓
04	October 26	✓	✓	✓

(√) Personal Attendance

(X) No attendance

### VI. Nomination and Remuneration Committee

a. **Sheikh Ahmed Mohamed Sultan Al Dhaheri, Chairman of the Nomination & Remuneration Committee, acknowledges his responsibility for the Committee System in the Company, for his review of its working mechanism, and for ensuring the Committee efficiency.**

#### b. Names of the Nomination and Remuneration Committee Members

- Sheikh Ahmed Mohamed Sultan Al Dhaheri                      Chairman of the Committee
- Mr. Ahmed Ali Khalfan Al Dhaheri                                  Member
- Mr. Abdulla Seddiq Al Khoori    Member

#### ► Terms of Reference & Tasks assigned thereto:

1. Laying down a nomination policy for membership of the Board and the Executive Management, aiming to take into account the diversification of the sexes by qualifying and encouraging women by means of incentive and training incentives and programs, and to provide the Authority with a copy of this policy and any amendments thereto
2. Organizing and following-up on nomination procedures for membership of the Board in accordance with the laws and regulations in force and the provisions of this resolution
3. Ensuring the constant independence of independent members
4. Preparing the policy related to the granting of rewards, benefits, incentives and salaries to the members of the Company's Board and Staff, and reviewing the same annually. The Committee must verify that the rewards and benefits granted to the Company Senior Executive Management are reasonable and in line with the Company performance

5. Reviewing on an annual basis the appropriate skills required for the membership of the Board and preparing a description of the capabilities and qualifications needed for such membership, including determining the time that the member should allocate to his work on the Board
6. Reviewing the structure of the Board and making recommendations regarding the changes that can be made
7. Determining the competencies and skills required for the Company at the level of Senior Executive Management and Staff and the basis for their selection
8. Preparing the Company Human Resources and Training Policy, monitoring its implementation and reviewing it annually

### c. Nomination and Remuneration Committee Meetings during the Year 2020

Meeting Number	Meeting Date	ATTENDEES		
		Sheikh Ahmed Al Dhaheri	Ahmed Ali Al Dhaheri	Abdulla Seddiq Al Khoori
01	February 03	✓	✓	✓
02	February 18	✓	✓	✓

(√) Personal Attendance      (X) No attendance

## VII. Insiders Follow-up and Supervision Committee

- a. Sheikh Ahmed Mohamed Sultan Al Dhaheri, Chairman of the Committee, acknowledges his responsibility for the Insiders Follow-Up and Supervision System in the Company, for his review of its working mechanism, and for ensuring the Committee efficiency

### b. Names of the Insiders Follow-up and Supervision Committee Members

- Sheikh Ahmed Mohamed Sultan Al Dhaheri      Chairman of the Committee
- Mr. Ahmed Ali Khalfan Al Dhaheri      Member
- Mr. Abdulla Seddiq Al Khoori      Member

► **Terms of Reference & Tasks assigned thereto:**

1. Managing, following-up and supervising insider transactions, their shareholdings, and keeping a special register for them
2. Keeping a special and comprehensive register that includes the names of permanent and temporary insiders, and of those who are entitled to have access to the Company internal information before publication
3. Keeping official declarations of permanent and temporary insiders having access to the Company internal information
4. Submitting periodic reports on insider transactions to Abu Dhabi Securities Exchange
5. Notifying all insiders of the required controls and legal liability by way of having them deliver and sign official declarations

**c. Summary of the Committee Work Report during the year 2020**

During the year 2020, the Committee updated the Insider Register and circulated the rules for their dealings. The Committee also announced the periods during which the insiders had to stop dealing trading in the Company shares, in addition to signing official declarations confirming their possession of private internal data and information and their pledge to assume legal liability for any leakage

**VIII. Any other Committee(s) approved by the Board of Directors**

**a. Investment Committee**

**b. Mr. Khalifa Yousif Abdullah Al Khouri, Chairman of the Investment Committee, acknowledges his responsibility for the Committee System in the Company, for his review of its working mechanism, and for ensuring the Committee efficiency**

**c. Names of the Investment Committee Members**

- Mr. Khalifa Yousif Abdulla Al Khoori	Chairman of the Committee
- Mr. Saif Saeed Mohammed Al Dhaheri	Member
- Mr. Abdulmunim Saif Hamoud Al Kindi	Member
- Mr. Mohamed Khalil Foulathi Al Khoori	Member

► **Terms of Reference & Tasks assigned thereto:**

The Investment Committee is concerned with discussing, examining and analyzing available investment opportunities of the Company and submitting the same to the Board, supported by detailed information, ample scientific analyzes and adequate justifications with recommendations to assist the Board take the appropriate investment decision, in such a manner as to ensure at all times achieving a balance between investment safety, profitability and ease of monetization in the medium term and long term.

**d. Meetings of the Investment Committee during the year 2020**

The Investment Committee did not hold any meeting in 2020

**e. The Board allocated an allowance for the attendance of the Investment Committee meetings as follows:**

Chairman of the Committee:	Dirhams 15,000
Member	: Dirhams 10,000

**IX- Internal Control System**

**a. Declaration by the Board on its responsibility for the Company Internal Control System, for the review of its working mechanism, and for ensuring the System efficiency**

The Board is responsible for supervising the Company Internal Control System, and for reviewing its efficiency. This System aims at evaluating the risks means and procedures in the Company, properly implementing the governance rules, make sure that the Company and its employees comply with the provisions of the laws, regulations and decisions in force.

The Internal Control Department submits reports on the implementation of the policies issued by the Board and its Committees, through periodical and annual reports, and among the most important goals, tasks, and powers of the Internal Control Department determined by the Board are the following:

- ❖ Ensuring the validity and safety of work procedures in all departments of the Company
- ❖ Determining the Company compliance with corporate governance requirements and professional codes of conduct
- ❖ Ensuring that the establishments and companies dealing with the Company and the Company employees adhere to the rules of governance, institutional discipline and professional behavior



- ❖ Preventing, detecting and correcting errors and irregularities
- ❖ Ensure employee compliance with laws, regulations, and Company policies
- ❖ Review the means used to ensure integrity of the assets and verify the actual existence of the asset
- ❖ Cooperate with the external auditor to implement the decisions of the General Assembly
- ❖ Ensure cooperation of the Executive Management with Internal Control to achieve the objectives of the Board of Directors
- ❖ Make sure that the accounting records are accurate and complete so that they may be relied upon in drawing up policies and higher decisions

**Based on the above, the Board acknowledges its responsibility for the Company Internal Control System, entrusted with adequate powers to implement the governance rules in all activities of the Company and achieve transparency and fair accountability**

**b. Name of Internal Control Department Director, his Qualifications and Appointment Date**

Mr. Ashraf Fahmy was appointed as Director of the Internal Control Department in 2009, and he holds a Bachelor's of Commerce and Legal Accounting, he is a member of the British Association for Certified Public Accountants and a Microsoft certified computer systems and applications designer. He has more than thirty years of experience in corporate accounting, and he held as well the position of Executive Financial Director of the Company.

**c. Name of Compliance Officer, his Qualifications and Appointment Date**

Mohsen Khaled was appointed as Compliance Officer in 2018, and he holds a Bachelor's of Arts in Economics, and a degree of Certified Internal Auditor from the Institute of Internal Auditors, USA. In addition to being a certified chartered accountant from the British Association of Certified Public Accountants (ACCA), he has more than fourteen years of practical experience in the field of auditing and risk management.

**d. How the Internal Control Department deals with any major problems in the Company or which have been disclosed in the Annual Reports and Accounts**

The Internal Control Department evaluated the risk management methods and procedures in the Company, reviewed the systems in place regarding internal policies, ensured the implementation of corporate governance rules in the Company and the continued verification

of the Company's compliance with laws and decisions, and submitted periodic reports to the Board of Directors. The Company supports a whistleblowing policy that allows any employee, customer or supplier to report any financial, professional, legal or ethical violations in full confidentiality, noting that the Company did not face any major problems.

**X- Details of violations during the year 2020, their reasons, and how to deal with them and how to avoid repeating the same in the future**

During the year 2020, the Company was not subject to any fines or restrictions imposed by the Securities and Commodities Authority or any legal authority regarding any matter related to the Financial Market.

**XI- Company's Contributions during the year 2020 to developing Local Community and Preserving the Environment**

The Company was keen to implement best practices and conform to security, health and safety standards related to environmental protection as one of its priorities, through complying with all laws and regulations in force in the United Arab Emirates to preserve the environment and has been keen to provide a safe work environment for its employees and all those who work therefor. The efficient management of the environment, health, security and safety remains an integral and important element in all main activities of the Company, and its contributions include, by way of example without limitation, the following:

- Participating in and sponsoring the UAE Forty-Ninth (49) National Day
- Participating in the Commemoration of the Martyr's Day
- Sponsoring and supporting the Al Wathba Community Cycling Team
- Sponsoring the 2020 UAE Tour
- Sponsoring the Abu Dhabi Desert Challenge
- Employing the Abu Dhabi Aviation fleet to spread messages to enhance community awareness during the Corona pandemic in order to contribute to educating the public about the precautionary measures taken by the State to combat Covid-19
- Executing a memorandum of understanding with Zayed Higher Organization for People of Determination to enhance joint cooperation for empowering people of determination, through allowing the Organization to provide aircraft wheel fenders designed and developed by its members, and effectively 40 aircraft wheel fenders have already been received, which were subjected by Abu Dhabi Aviation to international safety standards and have proven their efficiency.

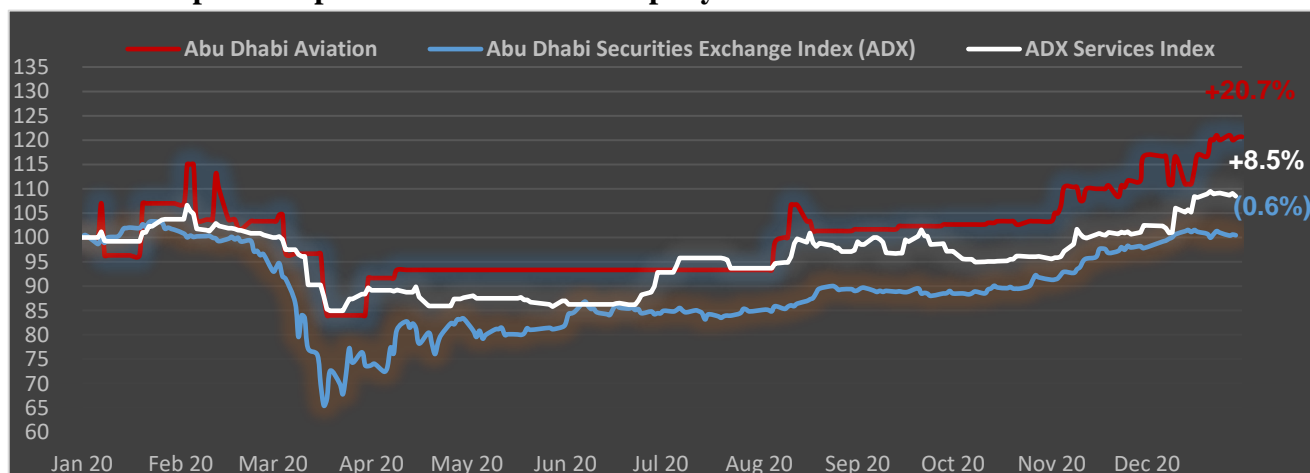
- Allocating a helicopter, in cooperation with the Ministry of Health, to contribute to the establishment of Covid-19 examination stations and to facilitate the work of the medical team through express air transport throughout all Emirates.
- The Company's engineering and air operations management team have continuously worked during the most difficult months of 2020 to ensure that ADNOC's air operations and other government companies did not experience any interruption.

## 12. General information about the Company

### a. Company's share price in the market (closing price - highest price - lowest price) by the end of each month during the fiscal year 2020:

Month	Number of Traded Shares	Trading Value	Number of Transactions	Higher Rate	Lower Rate	Closing Price
01	231,211	715,509.63	5	3.210	2.890	3.210
02	28,938,574	88,909,731.83	25	3.450	3.050	3.100
03	358,320	999,996.80	18	3.140	2.520	2.750
04	12,002	33,605.60	2	2.800	2.800	2.800
05	11,000	30,800.00	1	2.800	2.800	2.800
06	No Trading	No Trading	No Trading	No Trading	No Trading	No Trading
07	No Trading	No Trading	No Trading	No Trading	No Trading	No Trading
08	16,201,537	49,573,271.44	257	3.200	2.970	3.050
09	18,525,490	56,596,488.62	80	3.530	3.040	3.080
10	16,464,721	50,913,237.54	17	3.110	3.080	3.100
11	3,288,921	10,726,688.63	56	3.500	3.100	3.500
12	6,737,081	23,933,923.54	41	3.650	3.330	3.620
Total	90,768,857	282,433,253.63	502			

### b. Comparative performance of the Company's share with the General Market Index



and the Sector Index to which the Company belongs during the year 2020:

**c. Distribution of Shareholder Equity as of December 31, 2020 (individuals, companies and governments) classified as follows:**

**Local, Gulf, Arab and Foreign:**

SN	Shareholder's Classification	Percentage of Shares Owned			
		Individual	Companies	Government	Total
1	Local	44.46%	23.59%	30.01%	98.06%
2	Arab	0.00%	0.00%	0.00%	0.00%
3	Foreign	0.00%	1.94%	0.00%	1.94%
<b>Total</b>		44.47%	25.53%	30.01%	100.00%

**d. Statement of Shareholders owning 5% or more of the Company's capital as of December 31, 2020, according to the following table:**

Name	Number of Shares Owned	Percentage of Shares Owned in Company's Capital
Abu Dhabi Investment Council Co P.J.S.C.	133,436,160	30%
Chimera Investments LLC	24,971,000	5.6141%

**e. Statement on Distribution of Shareholders according to Equity Size as of December 31, 2020 according to the following table:**

Share Ownership	Number of Shareholders	Number of Shares Owned	Percentage of Shares Owned in Company's Capital
Less than 50,000	376	4,803,071.00	1%
From 50,000 to less than 500,000	229	40,533,317.00	9%
From 500,000 to less than 5,000,000	105	154,007,591.00	35%
More than 5,000,000	11	245,443,221.00	55%
<b>Total</b>	721	444,787,200.00	100%

**f. Statement of Procedures adopted regarding Investor Relation Controls**

In accordance with the decision of the Chairman of the Securities and Commodities Authority No (03 / RM) of 2020 regarding the adoption of the Public Joint stock Company Governance Manual and the decisions and circulars issued by the Authority related to investor relation controls, and since Abu Dhabi Aviation Company is keen on implementing in an optimal manner all rules and regulations related to this matter, so the Company developed last year the Investor Relations Unit, strengthened the role of that Unit and used the best means of communication with the Company. It also developed and updated its website completely and accurately, including with regard to the Investor Relations Unit (Investor Relations Page) through which the Company seeks to empower investors and those interested to have direct access to the latest information, especially information related to financial statements, annual reports, earnings, stock prices and other disclosures and governance.

The Investor Relations Page aims to enhance communication channels and encourage the exchange of information in order to enable investors and financial analysts to access clear insights according to the highest standards of transparency and reliability and to provide an opportunity to obtain the latest information that confirms the extent of commitment to transparency and the application of institutional discipline standards.

**Name of Investor Relations Officer:** Mrs. Suhaila Mohammad Al Mazrouei, Investor Relations Manager

Contact information:

Mobile number: +971 50 4445116

Phone: +971 2 5051177 or +971 2 5051215

Fax: +971 2 5757775

Email: s.almazrouei@abudhabiaviation.com

Electronic link of the Investor Relations Page on the Company's Website:

<https://ada.ac/investor-relations-2/>

**g. Statement of Special Decisions presented at the General Assembly meeting held during 2020 and Actions taken in this regard:**

No special decisions were presented at the General Assembly meeting held during the year 2020.

## **h. Name and Appointment Date of Board Meetings Reporter**

- ❖ Name: Mrs. Suhaila Mohammad Al Mazrouei
- ❖ Appointment Date: 2012
- ❖ **Qualifications and Experience:** Ms. Suhaila Al Mazrouei holds a Master's Degree in Business Administration from Abu Dhabi University, a Bachelor's Degree in Accounting from Al Ghurair University, and a Diploma in Business Administration and Computer Information Systems from the Emirates College of Technology. She previously worked as an Administrative Officer in the Company's Human Resources Department and as an Accountant. She currently holds the position of Director of the Investor Relations Unit and Secretary to the Board since 2012 up to date.

### **❖ Statement of her Duties and Work Tasks for the year 2020:**

- Informing the Board Members of meeting dates through invitations and agenda sent to them at least one week before the meeting.
- Reminding the Board Members of periodic meeting dates, circulating any updated information and decisions to the Members for their review and approval.
- Preparing the meeting minutes, decisions to be issued by the Board, relevant correspondence drafts, then re-editing, printing, and verifying the same, and duly following up on their signature and distribution.
- Providing the relevant departments with the decisions pertaining to them.
- Providing the Board Members with the decisions issued by the Board.
- Coordinating the meeting dates of Committees emanating from the Board and coordinating with such Committee Chairmen and Members for drawing the minutes and presenting their recommendations and decisions to the Board.
- Informing the competent authorities (Abu Dhabi Securities Exchange and Securities and Commodities Authority) of the Board meetings and results in addition to any other disclosures that may affect the Company's share.
- Communicating with investors and the competent authorities and responding to any questions or inquiries about the Company.
- Performing any other tasks assigned to her by the Board.

## **i. Major Events having occurred in the Company during the year 2020**

1. Abu Dhabi Aviation renewed a contract for helicopter transport services to Onshore and offshore sites and air ambulance services with "Abu Dhabi National Oil Company" (ADNOC) for a period of seven years.
2. Abu Dhabi Aviation obtained a Safety Certificate and the "Leading Operator in the Aviation World" after passing the third and final stage of the International Standard for Aircraft Operations (IS-BAO).

**j. Statement of Transactions carried out by the Company during the year 2020 equivalent to 5% or more of its Share Capital**

None

**k. Statement of Emiratization Percentage in the Company by the end of 2020**

2018	2019	2020
9%	9%	9.5%

**l. Statement of Innovative Projects and Initiatives undertaken by the Company or currently under development during the year 2020**

1. Switching to electronic work and reducing paper consumption
2. Using procurement software (commercial) within the Company's plan for digital transformation
3. Development a visual control system by activating advanced imaging and surveillance devices in hangars