



CORPORATE GOVERNANCE REPORT 2022

ABU DHABI AVIATION



طيران أبو ظبي
ABU DHABI AVIATION

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Abu Dhabi Aviation and its subsidiaries attach great importance to corporate governance and its pivotal role in strengthening its leading position at the local and global levels, by committing to establishing a corporate culture that motivates board members, managers and employees to adhere to the general principles of sound professional conduct. Corporate governance includes a set of regulations and legislations that regulate the professional relationship between the company's management, its board of directors, shareholders and other partners.

Corporate governance also provides the general framework through which the company's objectives are set, mechanisms for achieving these goals are determined, and performance is monitored and followed. Good corporate governance is not an end in itself, but rather a means and approach to activate sound professional practices in the company and the aviation sector in general, hence the importance of good governance in consolidating confidence in the market and ensuring the establishment of principles of integrity at work.

1. Statement of procedures taken to complete the corporate governance system during 2022 and method implemented thereof

Abu Dhabi Aviation's governance framework is in accordance with the laws and regulations set by the UAE Securities and Commodities Authority, including the Decision of the Board of Directors of the Securities and Commodities Authority No. (3/R.M) for 2020 concerning approval of Joint Stock Companies' Governance Guide, and the company is keen to continue to comply with all applicable laws, regulations and directives issued by the Securities and Commodities Authority and the Abu Dhabi Securities Exchange

Abu Dhabi Aviation management continues to apply governance rules effectively and in a transparent manner based on the board's responsibility to the company's shareholders, protecting and enhancing the value of shareholders' rights through:

- The Board of Directors held six meetings in 2022 with the obligation to disclose to the Abu Dhabi Securities Exchange the dates and results of those meetings.
- Board members are committed to annually disclosing their independence during 2022 and disclosing any change affecting their independence, including their membership in other boards of directors, where members signed a pledge for all positions they hold as at the end of 2022, as well as the statement of disclosure and independence signed by them at the first board meeting after the General Assembly in 2022.
- The committees of the Board of Directors exercised their functions optimally, where the Audit Committee held four meetings, and the Nominations and Remuneration Committee held three meetings and the Investment Committee held one meeting, while the Insider Follow-up and Supervision Committee held one meeting, in addition to the Risk Committee held one meeting, and during those meetings the committees carried out their tasks and reported to the Board of Directors the results and recommendations reached by the committees and follow-up implementation.
- The company's management is obliged to disclose quarterly and annual financial statements within the legal period allowed.

2. Statement of ownership and transactions of Board of Directors members and their spouses, and children in the company securities during 2022

Board members abide by the provisions of article 17 of Cabinet Resolution No. (12) Of 2000 concerning the regulation as to the listing of securities and commodities, and furthermore, the article (36) of the Decision of the Board of Directors of the Securities and Commodities Authority No. (3) For 2000 concerning the regulations of disclosure and transparency is being followed, it also adheres to article (14) of the Board of Directors of the Securities and Commodities Authority No. (2) of 2001 concerning the regulation of trading, clearing, settlement, transfer of ownership and custody of securities, in addition to the trading control procedures issued by the Abu Dhabi Securities Exchange by obtaining the required approvals from the relevant regulatory authorities and complying with the transaction directives and prohibition periods as specified in this article. Furthermore, all members of the Board of Directors are obliged to disclose annual trading in the company's shares on their own account and to the account of their spouses and children.

The table below contains the statement of ownership of the board members (including their spouses and children) of the Company's shares as of 31 December 2022

Ser	Name	Position/Kinship	Owned Share as on 31 Dec. 2022	Total sales during 2022	Total Purchases during 2022
1	Nader Ahmed Al Hammadi	Chairman	229,336	-	-
	First-degree relatives	Chairman's spouses	50,000	-	-
	First-degree relatives	Chairman's Son	4,500	-	-
	First-degree relatives	Chairman's Son	4,500	-	-
2	Sheikh Ahmed Mohammed Al - Dhaheri	Vice Chairman	50,000	-	-
	First-degree relatives	Vice Chairman's spouses	100,511	-	-
3	Ahmed Ali Khalfan Al - Dhaheri	Board Member	2,518,652	-	173,379
4	Homaid Abdulla Ali Al Shimmari	Board Member	-	-	-
5	Khalifa Yousif Abdulla Al Khoori	Board Member	3,443	-	-
6	Saif Saeed Mohammed Al-Dhaheri	Board Member	16,797	-	-
7	Abdulla Seddiq Mohamed Al Khoori	Board Member	-	-	-
8	Abdulmunim Saif Hamoud Al Kindi	Board Member	-	-	-
9	Mohammad Khalil Foulathi Al Khoori	Board Member	-	-	-

Board of Directors

In accordance with the Articles of Association of Abu Dhabi Aviation, the Company shall be managed by a Board consisting of nine members, the Chairman of the Board of Directors and a Board Member shall be appointed by the Executive Council of the Emirate of Abu Dhabi, and seven (7) Directors shall be elected for a renewable term of three years for the same term. The Chairman and members shall be UAE nationals, and the Board shall have the supreme authority to manage Abu Dhabi Aviation. The members of the Board of Directors must have the required expertise and skills that qualify them to carry out their tasks and serve the interest of the company, and they must commit to allocating the necessary amount of time and attention to accomplish and complete their tasks during their tenure.

Board of Directors Profiles

Experiences 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 Flight 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.



H.E. Nader Ahmed Al Hammadi
Chairman of Board
 Member since: 2008
 Category: Non-executive/non-independent

Positions and memberships held:

- Chairman of Emirates Reem Investment Company (ERC)
- Chairman of vision group
- Board Member of Royal Jet
- Board Member of Al Waha Capital
- Board Member of Abu Dhabi Airports

Experiences and qualifications:

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



Sheikh Ahmed Mohammed Sultan Al -Dhaheri
Vice Chairman
 Member since: 1999
 Category: Non-executive/non-independent

Positions and memberships held:

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

Experiences 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 and memberships held:

- Chairman of the Board of Ali & Sons Company (LLC)
- Chairman of the Board of Hily Holding Company (PJSC)
- Chairman of AAK Investment Sole Proprietorship LLC
- Chairman of Green Motors Sole Proprietorship LLC
- Vice Chairman of Al Waha Capital (PJSC)
- Board Member of Al Wathba Insurance Company (PJSC)
- Board Member of Al Ramz Corporation Investment and Development Company (PJSC)

Ahmed Ali Khalfan Al , Dhaheri
Board Member
 Member since: 1999
 Category: Non-executive/ non-independent

Experiences and qualifications:

His Excellency Homaïd 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 and memberships held:

- Deputy Group CEO and Chief Corporate & Human Capital Officer in Mubadala Investment Company Chairman of Maximus Air
- Chairman of MDC Business Management Services
- Vice Chairman of the Executive Committee – Khalifa University of Science and Technology
- Member of the Mubadala Investment Committee
- Board Member of Al Waha Capital (PJSC)
- Member of the Board of the Graphene Engineering Innovation Center at the University of Manchester

H.E Homaïd Abdulla Ali- Shimmari
Board Member
 Member since: 2011
 Category: Non-executive/non-independent

Experiences 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 the HS Company for Corporate and Institutional Management. He is the founder and Chairman of Arte Casa LLC (UAE and Saudi Arabia) and Viola Communications Marketing LLC.



Khalifa Yousif Abdulla Al Khoori
Board Member
 Member since: 1999
 Category: Non executive/non-independent

Positions and memberships held:

- Chairman of APEX National Investment Company
- Vice Chairman of Q Holding
- Board Member of Sawaeed Holding Company
- Board Member of Palms Sports

Experiences 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. , and a member of the Procurement and Housing Committee of the Procurement and Housing Department in Al Ain.



Saif Saeed Mohammed Al Dhaheri
Board Member
 Member since: 2011
 Category: Non-executive/non-independent

Positions and memberships held:

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

Experiences and qualifications:

Mr. Abdulla Seddiq Mohamed Al khoori 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.



Abdulla Seddiq Mohamed Al Khoori
Board Member
 Member since: 1999
 Category: Non-executive/non-independent

Positions and memberships held:

- Currently working in the management of his own companies

Experiences 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 and memberships held:

- Executive Director, People, Technology & Corporate Support Directorate at ADNOC Vice Chairman of ADNOC Drilling
- Board Member of ADNOC Sour Gas
- Board Member of ADNOC Offshore
- Board Member of ADNOC Logistics and Services
- Board Member of ADNOC Gas Processing

Abdulmunim Saif Hamoud Al-Kindi
Board Member
 Member since: 2020
 Category: Non-executive/independent

Experiences and qualifications:

Mr. Mohammed Khalil Foulathi Al Khoori, CFA Certified Financial Analyst, holds a Bachelor's degree in Applied Sciences, Specialty Business Management (Real Estate) and a High Diploma in Business and Management - Financial Services from the UAE's Higher Technical Colleges.

Mr. Foulathi has extensive experience in private equity investments and real estate, He currently serves as an Investment Manager at SHUAA Capital, and previously worked at the Abu Dhabi Investment Council.



Mohammed Khalil Foulathi Al-Khoori
Board Member
 Member since: 2020
 Category: Non-executive/independent

Positions and memberships held:

- Board Member of Al Dhabi Investment Company PJSC
- Board Member of NCM Investment Company

B-Women's Representation at the Board of Directors for the year 2022

There was no representation on the Board of Directors in 2022.

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.

Remuneration of the Board Members

1. Total remuneration paid to the Board for 2021

The Board's remuneration has been disbursed for 2021 in the amount of AED 8,387,500 which was approved in the Annual General Assembly Meeting held on 10th March 2022.

2. Total proposed Remuneration of the Board Members for the year 2022 to be presented at the annual general assembly meeting for approval

It is proposed that the Board of Directors' remuneration for the year 2022 be set at a total amount of AED 13,979,446 and this proposal will be presented to the Company's shareholders at the upcoming Annual General Assembly, for approval.

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

None

4. Details of Allowances for Attending Meeting of Committees Emanating from the Board received by the Board Members for the fiscal year 2022

Attending Meeting of Committees Emanating from the Board of Directors				
Member	Committee	Number of meetings	The value of allowances	Total allowance value (AED)
Sheikh Ahmed Mohamed Sultan Al Dhaheri	Nominations and Remuneration Committee	3	45,000	105,000
	Audit Committee	4	60,000	
Ahmed Ali Khalfan Al Dhaheri	Nominations and Remuneration Committee	3	30,000	70,000
	Audit Committee	4	40,000	
Abdulla Seddiq Mohammed Al Khoori	Nominations and Remuneration Committee	3	30,000	70,000
	Audit Committee	4	40,000	

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

C- Number of the Board meetings held during the fiscal year 2021 along with their convention dates, personal attendance times of all members, and members attending by proxy

Meeting No.	Date of meeting	Number of attendees	Number attendees by proxy	Names of absent members
1	09 February 2022	9	None	None
2	28 April 2022	7	H.E. Homaïd Abdulla Al-Shimmari granted a proxy to H.E. Nader Al Hammadi	Mr. Ahmed Ali Al Dhaheri did not attend the meeting because he is associated with other dates
3	03 August 2022	9	None	None
4	19 October 2022	7	Mr. Saif Saeed Al Dhaheri granted a proxy to Sheikh Ahmed Al Dhaheri	Mr. Ahmed Ali Al Dhaheri did not attend the meeting because he was outside the country
5	31 October 2022	8	None	Mr. Ahmed Ali Al Dhaheri did not attend the meeting due to his association with other dates
6	13 December 2022	9	None	None

***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 resolutions passed by circulation during the fiscal year 2022

The Board of Directors did not issue any decisions circulation during the fiscal year 2022.

E-Statement of Board duties and powers exercised by Board members or the executive management members during 2022 based on the an authorization from the Board

The Board of Directors and Executive Management have different responsibilities, where the Board of Directors sets the framework for executive management, who in turn is responsible for the company's day-to-day. The Board sets the company's vision, strategic goals, and objectives, provides oversight of its management and holds management accountable for its implementation. The senior executive management acts within the delegation of authorities and limits set by the Board.

The General Manager, Deputy General Manager, Chief Financial Officer and Executive Director of the Company shall conduct the day-to-day business in accordance with the best governance practices, statute provisions and powers delegated to it by the Board of Directors by a valid agency for the General Manager for a three-year period ending December 08, 2024, and the Board and executive management have authorized the following:

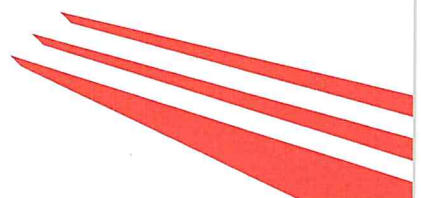
General Manager, Deputy General Manager and Chief Financial Officer

- 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 monitoring the overall implementation and performance of the company.
- Periodic review of the company's organizational and functional structures and their adoption in accordance with the company's internal credit matrix.
- Specific amounts of money are signed in partnership between the General Manager, deputy general manager and chief financial officer in accordance with the company's approved financial matrix.
- Conducting day-to-day business in accordance with the best practices of the governance system and the powers delegated by the board of directors.

D- Details of Transactions carried out between the Related Parties (Stakeholders) during the year 2022

Abu Dhabi Aviation follows the rules and regulations of the Securities and Commodities Authority on the definition of related parties and transactions in general. In particular, those related to SCA's Board of Directors Decision No. (3/R.M) of concerning approval of Joint Stock Companies' Governance Guide.

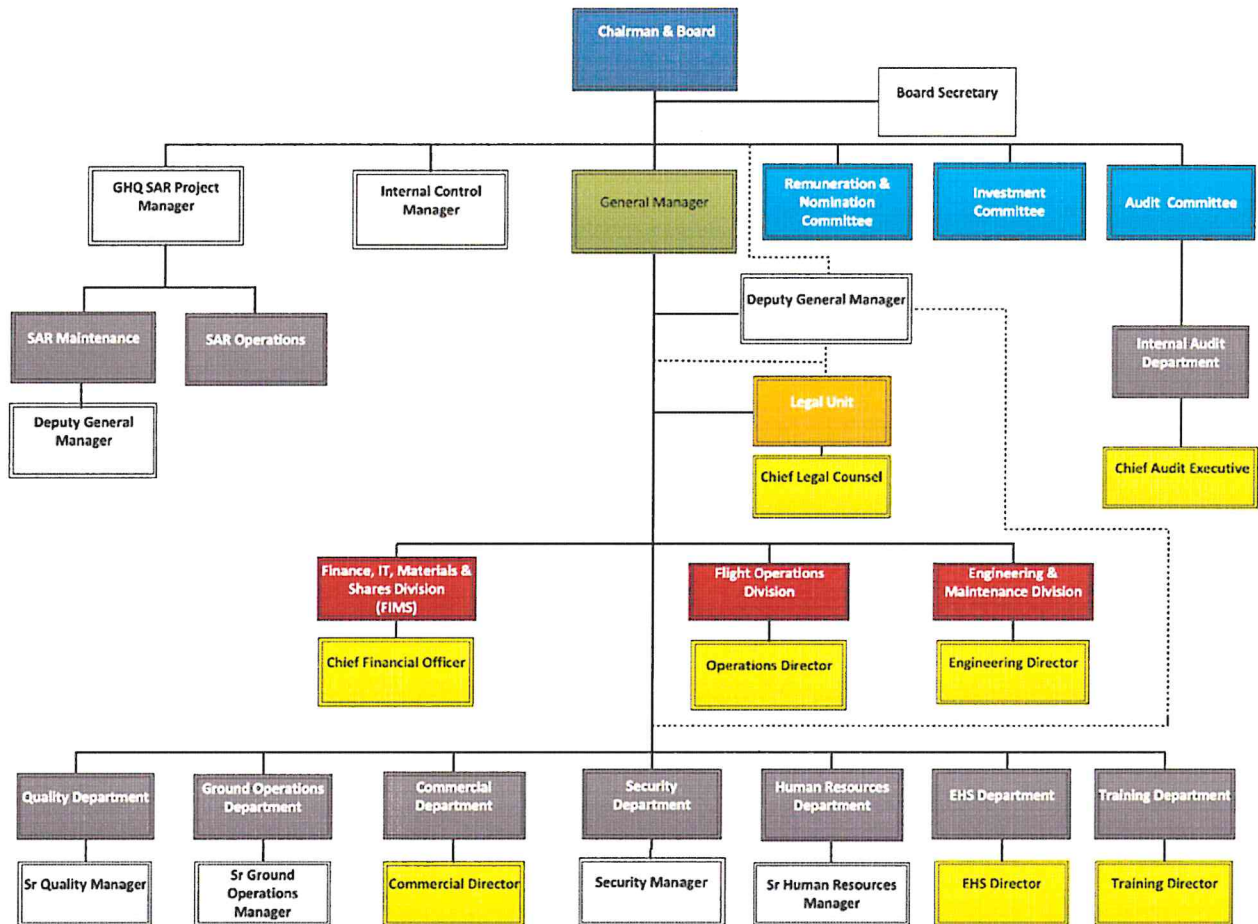
The related parties are defined as ADA Chairman and Board, ADA Executive Management and employees, and the companies in which any of whom own 30% or more of the capital, as well as its subsidiaries, sister or affiliated companies, and therefore you will find below the transactions with the relevant parties during 2022 in AED



Transactions between the Group Companies and Related Parties during the Year 2022

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	48,449
	Abu Dhabi Aviation		
Sums due by Related Parties through Royal Jet L.L.C.	Presidential Flight	Aviation Services	17
Sums due to Related Parties through Royal Jet L.L.C.	Presidential Flight	Aviation Services	8,533
Aviation Services provided to Related Parties by Abu Dhabi Aviation	Agusta Westland Aviation Services Company	Aircraft Part Maintenance	78,936
	Presidential Flight	Management and Maintenance of Fixed Wing Aircraft	
Sums due by Related Parties through Abu Dhabi Aviation	Presidential Flight	Aviation Services	3,575
	Agusta Westland Aviation Services Company	Aircraft Part Maintenance	
Sums due to Related Parties through Abu Dhabi Aviation	Agusta Westland Aviation Services Company	Supply and Repair of Aircraft Parts	21,676
Services provided to Related Parties through Maximus Aviation	Presidential Flight	Aviation Services	7,936
Salaries and Other -Short Term Benefits to Senior Management Staff	Abu Dhabi Aviation Staff	Salaries and Benefits	19,717
	Royal Jet Staff		
	Maximus Aviation Staff		
Board Member fees	Abu Dhabi Aviation	Board Members fees	13,949
	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	2,119
	Royal Jet Staff		
	Maximus Aviation Staff		

i. The Company Full Organizational Structure



T- 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 them during the year 2022

Position	Date of Appointment	Total Salaries Bonuses Paid for the year 2022 (Dirham)	Total Bonuses Paid for year 2022 (Dirham)	Any other cash/in kind Remuneration for the year 2022 or Fall Due in the Future
General Manager	07/11/1988	1,864,477	Not determined yet	None
Deputy General Manager	06/07/2004	1,549,057	Not determined yet	None
GHQ,SAR Project Manager	08/10/2006	1,596,250	Not determined yet	None
Chief Financial Officer	08/05/2009	1,396,437	Not determined yet	None
Engineering Director	02/07/2017	1,092,245	Not determined yet	None
Operations Director	14/09/1997	1,201,242	Not determined yet	None
Commercial Director	24/04/2017	1,014,750	Not determined yet	None
Chief Audit Executive	01/03/2009	1,195,234	Not determined yet	None
Chief Legal Counsel and Head of Contracts	02/04/2017	759,771	Not determined yet	None
Quality Manager	04/09/2016	889,109	Not determined yet	None
Training Director	30/06/2004	939,250	Not determined yet	None
Environment, Health and Safety Director	15/03/2003	918,483	Not determined yet	None
Senior Human Resources Manager	14/08/2002	965,153	Not determined yet	None

4. External Auditor

A. Profile of the Company's Auditor to Shareholders

In accordance with Article (245) Federal Decree-Law No. (32) of 2021 regarding Commercial Companies, Chapter Seven (of the General Provisions) and the Governance Rules issued by the Securities and Commodities Authority, the General Assembly of Abu Dhabi Aviation Company shall appoint an external auditor for a period of (1) fiscal year based on the recommendations issued by the Audit Committee and the Board of Directors, provided that his appointment period does not exceed (6) six consecutive years, provided that the partner responsible for the company's audit work is changed after the end of (3) three financial years.

The General Assembly shall evaluate the performance of the external auditors and approve their reappointment and remuneration. The External Auditors attend the General Assembly Meeting to submit their reports and respond to any inquiries of shareholders. In accordance with International Standards on Auditing, the external auditor conducts an audit of the Company's financial statements. Quarterly and yearly and raises Reports To the Board of Directors and the General Assembly in accordance with the laws followed in the United Arab Emirates. On 10 March 2022, the General Assembly reappointed "Deloitte & Touch" for a total audit fee of 210K AED and the responsible partner has been changed.

B. Statement of fees and costs for the audit or services provided by the external auditor

Audit Firm Name	Deloitte & Tosh (Middle East)
Partner Auditor Name	Mr. Obada Alkowatly
Number of Years spent as External Auditor of the Company	4 Years
Number of Years spent by the Partner Auditor auditing the Company Accounts	1 Year
Total Fee for the Audit and (Interim and Annual) Financial Statements Review for the Year 2022 (AED)	AED 210,000
Fees and Costs of other Special Services other than Financial Statements Audit for the Year 2022 (AED)	AED 75,000
Details and Nature of Other Services Provided (if any), but if no other services were provided, please state expressly	Reasonable assurance engagement of the internal financial controls over financial reporting
Statement of Other Services provided by an External Auditor other than the Company External Auditor during the year 2022 (if any), and if none please state expressly	Ernst & Young Middle East (Abu Dhabi Branch) Financial and Tax Due Diligence and Valuation of 3 Companies

No reservations were made by the Auditors of the Company regarding the interim and annual financial statements for the year 2022.

5. Audit Committee

a. Sheikh Ahmed Mohamed Sultan Al Dhaheeri, 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 Dhaheeri | Chairman of the Committee |
| - Mr. Ahmed Ali Khalfan Al Dhaheeri | 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 2022

Meeting No.	Meeting Date	Number of attendees	Names of absent members
1	February 09, 2022	3	None
2	April 28, 2022	3	None
3	August 03, 2022	3	None
4	October 31, 2022	3	None

6. Nominations 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

a. Nominations and Remuneration Committee Meetings during the year 2022

Meeting No.	Meeting Date	Number of attendees	Names of absent members
1	February 09,2022	3	None
2	March 22,2022	3	None
3	August 03, 2022	3	None

7. 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

Summary of the Committee Work Report during the year 2022

During the year 2022, 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

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

a. Investment Committee

- b. Mr. Khalifa Yousif Abdullah Al Khoori, 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 specialized in discussing, studying, analysing and submitting the available investment opportunities to the Board of Directors, supported by detailed information, thorough scientific analysis and sufficient justifications with recommendations to help the Board make the appropriate investment decision, ensuring at every time that the investment is balanced between investment integrity, profitability and ease of liquidity in the medium and longterm.

C. Investment Committee Meetings during 2022

Meeting No.	Date of the meeting	Number of attendees	Names of absent members
1	21 April 2022	4	None

D. The Board of Directors has allocated allowances for attending investment committee meetings as follows:

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

➤ Risk Committee

A. H.E. Nader Ahmed Al Hammadi, Chairman of the Risk Committee, acknowledges his responsibility for the Committee's system in the company for his review of its working mechanism, and for ensuring the Committee efficiency.

B. Names of the Risk Committee Members

- H.E. Nader Ahmed Al Hammadi,	Chairman of the Committee
- Sheikh Ahmed Mohamed Sultan Al Dhaheri	Member
- Mr. Ahmed Ali Khalfan Al Dhaheri	Member
- Mr. Abdulla Seddiq Al Khoori	Member

➤ Among its competencies and tasks entrusted to it

1. Develop a comprehensive risk management strategy and policies that are consistent with the nature and volume of the company activities, monitor its implementation, review and update it, based on the company internal and external changing factors.
2. Identify and maintain an acceptable level of risks that the company may face, and ensure that the company does not exceed such level.
3. Ensure of the availability of adequate resources and systems for risk management
4. Supervise the risk management framework of the company and evaluate the effectiveness of the framework and mechanisms of identifying and monitoring the risks that threaten the company, in order to identify areas of inadequacy and adequacy.
5. Report regularly to the Board on the Company risk profile and promptly inform the Board of any significant changes in the volume of the risk.
6. Verify that the risk management personnel are apart from the activities that
7. Review any matters raised by the Audit Committee that may affect the Company risk management.

C. Risk Committee Meetings during the year 2022

Meeting No.	Meeting Date	Number of attendees	Names of absent members
1	01 June 2022	4	None

D. The Board of Directors has allocated allowances for attending the meetings of the Risk Committee as follows:

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

9. Internal Control System**A. Recognition by the Board of Directors of its responsibility for the company's internal control system and for reviewing its mechanism of action and ensuring its effectiveness**

The Board of Directors is responsible for overseeing the company's internal control system and reviewing its effectiveness and efficiency.

This system aims to assess the means and procedures of risk in the company and to apply the rules of governance properly and to verify the commitment of the company and its employees to the provisions of applicable laws, regulations and decisions.

The Internal control Department reports on the extent to which the policies issued by the Board of Directors and its committees are implemented through periodic and annual reports, and the most important objectives, tasks and powers of the Internal Control Department identified by the Board of Directors are as follows:

- ❖ Ensure the validity and integrity of the work procedures in all departments of the company.
- ❖ Determine the company's compliance with governance requirements and professional conduct rules.
- ❖ Ensure that the organizations and companies dealing with the company and employees of the company are committed to applying the rules of governance, institutional discipline and professional behavior.
- ❖ Prevent, detect and correct errors and irregularities.
- ❖ Ensure that employees comply with the company's laws, regulations and policies.
- ❖ Review the means to ensure the integrity of assets and verify the actual existence of the asset.
- ❖ Cooperation with the external auditor to implement the general assembly resolutions.
- ❖ Executive management cooperates with internal control to achieve the objectives of the Board of Directors.
- ❖ Ensure the accuracy and integrity of accounting records so that they can be relied upon in policy-making and senior decisions.

According to the above, the Board of Directors acknowledges its responsibility for the company's internal control system, which has sufficient powers to apply governance rules in all the company's business and achieves transparency and fair accountability.

B. The name of the director of the Internal Control Department and his qualifications and the date of appointment

Mr. Ashraf Fahmy was appointed as Director of internal control in 2009, holds a Bachelor of Commerce and Chartered Accountant, a member of the British Association of Chartered Accountants and a Microsoft-certified computer systems and applications designer.

C. Compliance officer's name, qualifications and appointment date

Mohsin Khalid was appointed as Compliance Officer in 2018, and he holds a Master's Degree in Professional Accountancy from University of London, Bachelor's Degree in Economics from Punjab University, Certified Internal Auditor (CIA) from the Institute of Internal Auditors, Chartered Certified Accountant (ACCA) from the Association of Chartered Certified Accountants and a UAE Chartered Accountant (UAECA) from Accountants and Auditors Association, UAE. He has more than fifteen years of practical experience in the field of auditing and risk management.

D. How the Internal Oversight Department deals with any major problems with the company or that have been disclosed in annual reports and accounts

Preventive monitoring activities aim to deter errors or fraud from occurring in the first place, and include comprehensive documentation and authorization practices. Segregation of duties, an essential part of this process, ensures that no single individual is in a position to delegate, record and maintain the financial transaction and the resulting asset.

In addition, preventive internal controls include limiting physical access to equipment, inventory, cash, and other assets.

Detective controls are backup measures designed to catch items or events that have missed the first line of defense. Here, the most important activity is leveling, which is used to compare data sets. Corrective action is taken when material differences are found. Other investigative controls include external audits from accounting firms and internal audits of assets such as inventory.

The Internal Oversight Department has assessed the company's risk management methods and procedures, reviewed internal policy regulations, ensured that the company's governance rules are applied, continuously verified the company's compliance with laws and decisions, and periodically reported 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 irregularities in complete confidentiality.

In order to comply with the rules & regulations, MBG Management Consultancies was appointed to conduct an assurance review on the ICOFR framework of Abu Dhabi Aviation in June 2021 by performing the following:

- Process GAP Analysis was performed
- Risk assessment was carried out based on actual risks posed by the company
- An assessment of controls within the relevant processes and sub processes was performed via sample testing methods.
- Risk Control Matrix (RCM) Register was submitted for entity-level controls as well as for all in-scope business processes.
- Conducted a limited scope Information Technology General Controls (ITGC) review within the context of ICOFR, as highlighted in the ADAA's Resolution referred to earlier.
- Final GAP report was also submitted

MBG could not identify any risk indicator that can be considered significant nor affecting ADA's ability to fairly and objectively report its financial performance, noting that the Company did not face any major problems in 2022.

E. Number of reports issued by the Internal Control department of the Company's Board of Directors

The Internal Control department has issued one report in 2022

10. Details of violations during the year 2022 and explaining their causes, how to address them and avoid future recurrence

During the 2022, the company was not subject to any fines or restrictions by the Securities and Commodities Authority or any legal authority in relation to any financial market issue.

11. The company's contributions to community development and environmental conservation during 2022

- Participation and sponsorship of the 51st National Day of the United Arab Emirates.
- Participation in the commemoration of Martyr's Day.
- Participation in Abu Dhabi Airshow 2022 with the aim of cooperating with other aviation sectors to build a strong and sustainable economy based on diversifying sources of income
- Participation in the Search and Rescue Exhibition in cooperation with the National Search and Rescue Center 2022.
- Participate in sponsoring and supporting the Al Wathba Community Cycling Team. Official sponsor of the team with the aim of encouraging the creation of a healthy society.
- Participating in an official sponsorship of the 2022 Thraliton Games is a kind of community service that Abu Dhabi Aviation is keen on.
- Sponsor of the UAE Tour 2022. A strategic partner of the Abu Dhabi Sports Council to spread an awareness culture of the importance of sports for the health of the community.
- Official sponsor of ADNOC Marathon, ADNOC is the strategic partner of Abu Dhabi Aviation.
- Sponsor of the Abu Dhabi Desert Challenge. A strategic partner along with government and private companies in supporting the 2022 global sporting event.
- Signing a memorandum of understanding with Zayed Higher Organization for People of Determination to enhance joint cooperation between the two sides on empowering people of

determination by providing aircraft wheel bumpers designed and developed by Zayed Higher Organization for People of Determination employees, which Abu Dhabi Aviation has subjected to international safety standards and has proven its effectiveness and efficiency.

- Cash contribution of AED 50,000 to the UAE Wrestling and Judo Federation.

12. General information

A. Statement of the company's share price on the market (closing price - highest price - lowest price) at the end of each month during the fiscal year 2022

Month	Number of shares traded	Trading value	Number of trades	Highest Price	Lowest Price	Closing Price
01	1,406,840	6,737,503.59	110	4.900	4.670	4.670
02	3,845,668	17,951,169.96	146	4.850	4.510	4.700
03	7,270,320	35,792,289.78	330	5.050	4.750	4.870
04	1,382,403	6,774,896.44	109	4.940	4.870	4.910
05	507,825	2,431,583.99	58	4.900	4.700	4.770
06	1,825,817	8,983,225.37	226	5.190	4.700	4.720
07	5,437,965	25,956,170.46	150	4.900	4.500	4.760
08	11,245,010	57,482,172.67	627	5.940	4.780	5.500
09	3,812,178	20,475,361.68	486	5.750	4.950	4.990
10	8,570,298	56,118,607.81	1,611	7.550	4.910	6.910
11	5,278,114	34,558,970.02	955	7.270	6.100	6.100
12	3,974,203	24,345,354.18	433	6.510	5.950	6.500
Total	54,556,641	297,607,305.95				

B. Statement of the comparative performance of the company's shares with the general market index and the sector index to which the company belongs during 2022



C. Statement of the distribution of shareholders' ownership as of 31 December 2022 (individuals, companies, governments) classified as follows: local, Gulf, Arab, and foreign:

M	Shareholder Classification	Percentage of shares owned			
		Individuals	Companies	government	Total
1	Local	45.95%	21.68%	30.00%	97.63%
2	Arabic	0.13%	0.40%	0.00%	0.54%
3	Foreign	0.05%	1.79%	0.00%	1.83%
	Total	46.13%	23.87%	30.00%	100%

D. Statement of shareholders who own 5% or more of the company's capital as of December 31, 2022 as follows:

Name	Number of shares owned	Percentage of shares owned by the company's capital
Al Mamoura Diversified Global Holding	133,436,160	30.00%

E. Statement of how shareholders will be distributed according to the size of the property as of 31 December 2022 as follows:

Equity ownership (shares)	Number of shareholders	Number of shares owned	Percentage of shares owned by capital
Less than 50, 000	540	6,185,846	1%
From 50,000 to less than 500,000	254	43,888,335	10%
From 500,000 to less than 5,000,000	107	147,421,277	33%
More than 5,000,000	12	247,291,742	56%
Total	913	444,787,200	100%

F. Statement of the 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, the company was keen to develop a department , 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 strengthen communication channels and encourage information sharing in order to enable investors and financial analysts to access clear insights in accordance with the highest standards of transparency and reliability and to provide access to the latest information that confirms the commitment to transparency and the application of institutional discipline standards.

Investor Relations Officer Name: Ms. Suhaila Mohammed Al Mazrouei, Manager of Investor Relations

Contact information:

- ❖ Mobile No. +971 504445116
- ❖ Phone: +971 25051177 or +971 25051215
- ❖ Fax: +971 25757775
- ❖ E-mail: s.almazrouei@abudhabiaviation.com
- ❖ Electronic link of the Investor Relations Page on the Company's Website: <https://ada.ae/investor-relations-2/>

G. Statement of the special resolutions presented at the 2022 General Assembly Meeting and the actions taken in this regard.

No special resolutions were presented at the General Assembly held during the year 2022.

H. Name and Appointment Date of Board Meetings Reporter

- ❖ Name: Ms. Suhaila Mohammed Al Mazroui
- ❖ 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 Investor Relations Manager Board Secretary.

❖ **Statement of its work during the year 2022**

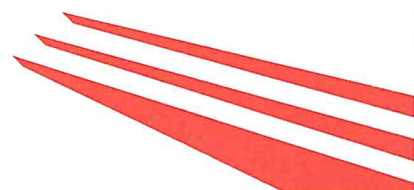
- Inform the members of the Board of Directors of the dates of the meetings and send the meeting invitations and agenda to them at least one week before the meeting.
- Reminding the members of the Board of Directors of the dates of the periodic meetings and passing any new information and decisions to the members for review and approval.
- Preparing the meeting place of the Council with the necessary equipment.
- Writing minutes of meetings, preparing decisions issued by the Board of Directors, preparing, editing, printing and auditing drafts and related correspondence, and following up on their signature and distribution duly.
- Provide the relevant departments with their decisions.
- Provide the members of the Council with the decisions issued by the Council.
- Coordinate the dates of the meetings of the committees emanating from the Board of Directors and coordinate with the chairmen of the members of those committees to prepare their minutes and present their recommendations and decisions to the Board.
- Provide the competent authorities (Abu Dhabi Securities Exchange and Commodities Authority) with the meetings of the Board of Directors and the results of the meetings in addition to any other disclosures that may affect the company's shares.
- Communicate with investors and competent authorities and respond to any questions or inquiries related to the company.
- Perform any other tasks assigned to it by the Board of Directors.

I. Statement of the major events and important disclosures that the company encountered during 2022.

Abu Dhabi Aviation has received an offer from ADQ Aviation to merge 100% of its stake in Etihad Airways Engineering, 100% of AMARC and 50% of GAL in exchange for Abu Dhabi Aviation issuing convertible bonds for Abu Dhabi Holding or one of its subsidiaries for 652 million ordinary shares in the share capital. Abu Dhabi Aviation is still in the bid evaluation phase.

j. Statement of the transactions the company made with the related parties during 2022, equivalent to 5% or more of its Share Capital.

None.

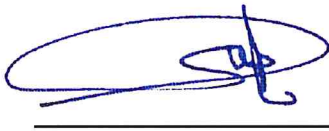


K. Statement of Emiratization Percentage in the Company by the end of 2022

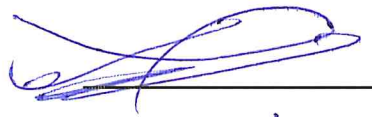
Emiratization Percentage 2020	Emiratization Percentage 2021	Emiratization Percentage 2022
9.5%	9.5%	%9.1

L. Statement of Innovative Projects and Initiatives undertaken by the Company or currently under development during the year 2022

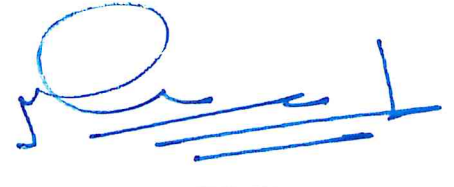
None



Nader Ahmed Al Hammadi
Chairman of the Board



Sheikh Ahmed Sultan Al Dhaheer
Chairman of the Nominations and
Remuneration Committee
Chairman of the Audit Committee



Ashraf Fahmy
Internal Control
Manager

Date: 22/03/2023

