



**Corporate Governance report
Abu Dhabi Aviation PJSC
For 2019**

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Abu Dhabi Aviation, in compliance with resolution No. (7 / R.M) of 2016 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority, regarding the standards of institutional discipline and governance of public shareholding companies, has issued the corporate governance report signed by the Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Director of the Internal Control Department, including all data and information according to the form prepared by the Securities and Commodities Authority, which reflects the company's keen interest in the optimal and proper application of the rules of governance.

The company is committed to applying the IFRS when preparing financial statements and data in accordance with the requirements of the laws in force in the United Arab Emirates and takes into account the international standards for preparing new and amended financial reports that have become effective and that apply for annual periods beginning on or after 1 January 2019 and Examining the effect of applying these standards on accounting treatments for future transactions.

The company's board of directors considers the existence of a solid corporate governance system as one of the main pillars of the long-term prosperity and growth of Abu Dhabi Aviation, as the board is committed to enhancing the value that is directly and continuously reflected on shareholders, taking into account the interests of all concerned parties, including shareholders, employees, suppliers, customers and business partners, as well as the societies in which the company operates.

The shareholders represent the highest levels of governance, and the company's articles of association specify the framework within which Abu Dhabi Aviation must operate as a public joint stock company, whereby the corporate governance framework in the company takes into account the application of the principles followed and standards set by each of the Securities and Commodities Authority and the Abu Dhabi Securities Market Also, Federal Law No. (02) of 2015 regarding commercial companies and the laws amending it, in order to set the company's policy, requirements and aspirations.

1: Statement of actions taken to complete the governance system during 2019 and how to apply it

Abu Dhabi Aviation Company adopts a set of controls and rules that achieve institutional discipline in relations and management in the company in accordance with international standards and methods by defining the responsibilities and duties of members of the Board of Directors and the top executive management of the company and take into account the protection of the rights of shareholders and stakeholders, which creates an environment that takes from the standards of institutional discipline and Corporate Governance is a measure that measures the company's business and activities in compliance with these rules and regulations, in order to ensure that the company communicates with the competent authorities and the public to maintain its position locally, regionally and globally.

Within the framework of the company's board of directors to establish a distinct model of compliance with the decision of the Chairman of the Board of Directors no. (7 / RM) for 2016 on the standards of institutional discipline and governance of public joint stock companies, the company committed to applying best practices as follows:

- The company's articles of association have been prepared in accordance with the provisions of Federal Law No. (2) Of 2015 regarding commercial companies, and the decision of the Chairman of the Authority's Board of Directors No. (7 / RM) of 2016 regarding the criteria for institutional discipline and the governance of public joint-stock companies.
- Implementing the policies, procedures and decisions issued by the authority on the standards of institutional discipline and corporate governance of public shareholding companies, commitment to applying best practices regarding the board and its committees, dealing transparently with the external auditor, and implementing the decisions of the general assembly.
- Formulating business rules regarding the dealings of members of the company's board of directors and employees and forming a committee of insiders that is affiliated with the board of directors and works to monitor and supervise all transactions of the insiders and their properties.
- The Board of Directors has taken all necessary measures to maintain the strict confidentiality of the financial statements and information of the company, which has a material impact in an accurate manner, ensuring that it is not used.
- All the insiders parties have signed official declarations confirming his knowledge that he possesses internal data and information related to the company and its clients and bears all legal effects in the event of leaking this information or data. In addition, his commitment to notify the company of any trades he undertakes on the company's securities before and after conducting those trades.
- The company has disclosed the quarterly and annual financial statements after reviewing, auditing and approving them by the external auditor within the permitted legal period.
- The company's board members, employees, and auditors are committed to professional conduct rules, policies, internal controls and adherence to applicable laws and regulations.
- Board members are obligated to disclose their trading and those of their first degree relatives on the company's share.
- Update the company's website, which includes all the information about the company <https://www.ada.ae>

This is to enhance disclosure and transparency, and to present any new or substantive decisions, and it is a means aimed at reaching the shareholder to see all events directly.

2: Statement of the ownership and dealings of the members of the Board of Directors and their spouses and sons in the company's securities during 2019

The Board of Directors of the company adopted written rules on the dealings of the company's board members and employees and insiders the securities and the members of the board of directors of the company are among the insiders with the financial statements and internal information of the company, and in order to ensure the board of directors to raise the level of transparency in disclosure and full compliance with the laws and regulations of the Authority and the market has been done as follows:

- The formation of the Supervision and Follow-up Committee (Insiders Committee) on the transactions of insiders. The committee is responsible for monitoring and supervising the transactions of the insiders and their properties, maintaining their record and submitting periodic statements and reports to the market.
- Created a special register for all insiders, including those who may be considered temporarily insiders and who have the right or have access to the company's internal information prior to publication.

The rules of dealings of the members of the company's board of directors, employees, and insiders in securities explicitly included the periods of the prohibition of trading and stipulated in Article No. (14) of Resolution No. (2) for the year 2001 issued by the Authority's Board of Directors regarding the system for trading, clearing, settlements, transfer of property and custody The securities which stipulate that the chairman and members of the board of directors of the company whose securities are listed in the market and its general manager or any of the insiders with the essential data of the company are prohibited from dealing on his own or on his behalf by others or any other characteristic of the account of others in the securities of the company itself . And the parent company of the subsidiary, sister, or affiliate of that company, if any of these companies is listed on the market, during the following periods:

- Before (10) Ten working days of announcing any substantial information that will affect the price of the stock up or down unless the information is caused by sudden and unforeseen events.
- Before (15) fifteen days from the end of the financial period quarterly or semi-annual or annual until the disclosure of the financial statements.

Statement of ownership and transactions of members of the Board of Directors, their spouses, and their children in the company's securities during 2019 according to the following schedule:

M	Name	Position/relation	Shares owned as of 31 December 2019	Total sale	Total purchase
1	Nader Ahmed Mohamed Ebrahim Alhammadi	Chairman	9,900	0	0
	First-class relatives	The chairman's wife.	50,600	0	0
2	Shaikh Ahmed Mohammed Sultan Suroor Aldhaheeri	Vice chairman	11,000	0	0
	First-class relatives	Vice chairman's wife	100,511	0	0
3	Ahmed Ali Khalfan Almutawa Aldhaheeri	Member	32,560	0	0
4	Homaid Abdulla Ali Mohammed Alshimmari	Member	0	0	0
5	Khalifa Yousif Abdulla Husain Alkhoori	Member	3,443	0	0
6	Saif Saeed Mohammed Bin Jobaiha Aldhaheeri	Member	16,979	0	0
7	Abdulla Seddiq Mohamed Husain Alkhoori	Member	0	0	0
8	Yousef Abdulaziz Ahmed Abdulla Alharmoodi	Member	165	0	0
9	Arwa Ahmed Abdulla Ahmed Alkindi	Member	0	0	0

Based on Abu Dhabi Securities Market records, none of the company's Board Members or their first class relatives traded on the company's shares during 2019.

3: Formation of Board of Directors

The Board of Directors is the authority that has all the powers to perform all actions on behalf of the company as it is authorized to do by the company, and to exercise all the powers required to achieve its purposes and does not limit these powers and powers except what is preserved by law or the company's articles of association within the powers of the General Assembly. The company's articles of association also stipulate that the Board of Directors consists of nine members. The Executive Council of the Emirate of Abu Dhabi appoints the Chairman and one of its members, while the General Assembly elects seven members by cumulative secret vote.

a .Statement of the formation of the current Board of Directors

The company is managed by a Board of Directors consisting of 9 members with the expertise and competence in the various activities of the company and the Board is responsible to all shareholders to achieve the objectives of the company and its strategies and develop its business and follow the executive management of the company and ensure that it performs its functions to the fullest Ensure high growth rates and maximize profits and gains for shareholders by developing tools and mechanisms that allow the Board to exercise effective control over the company's performance.

The Article of Associations of the company on the provisions of the formation mechanism of the Board of Directors and the tasks and functions entrusted to them, stating that it consists of nine (9) members have the nationality of the United Arab Emirates, appointed Chairman of the Board of Directors is HE / Nader Ahmed Al Hammadi, and a member of the Board of Directors HE / Hamid Abdulla Al-Shimmari by the Executive Council under the Executive Council resolution No. (23) for 2017 issued on 16 February 2017, The current seven members have been elected by cumulative secret vote by the annual General Meeting of the company held on 7 March 2017 for a period of three years starting from the date of their election, The company took into account when forming its Board of Directors with the requirements of governance rules compatible with the article of associations and related as members of the Board so that at least one-third of members are independent members, and be the majority of the members of non-executives.

Name	Position	Category	Year of appointment
H.E. Nader Ahmed Mohamed Ebrahim Alhammadi	Chairman of the Board	Non-executive non-independent	2008
Shaikh Ahmed Mohammed Sultan Suroor Aldhaheeri	Vice Chairman of the Board	Non-executive independent.	1999
H.E. Ahmed Ali Khalfan Almutawa Aldhaheeri	Member	Non-executive independent.	1999
H.E. Homaid Abdulla Ali Mohammed Alshimmari	Member	Non-executive non-independent	2011
H.E. Khalifa Yousif Abdulla Husain Alkhoori	Member	Non-executive independent.	1999
H.E. Saif Saeed Mohammed Bin Jobaiha Aldhaheeri	Member	Non-executive independent.	2011
H.E. Abdulla Seddiq Mohamed Husain Alkhoori	Member	Non-executive independent.	1999
H.E. Youssef Abdulaziz Ahmed Abdulla Alharmoodi	Member	Non-executive – non independent	2011
Ms. Arwa Ahmed Abdulla Ahmed Alkindi	Member	Executive-non independent	2017



H.E. Nader Ahmed Mohamed Ebrahim Alhammadi
Chairman

H.E. Nader Ahmed Al Hammadi holds a Bachelor of Science degree in Aerospace Engineering from Embry Riddle Air University in Florida, USA and a postgraduate degree in Engineering Management from Warwick University in London, He has previously held various management positions in the Presidential Flight and has also contributed to the establishment of JAMERO and appointed its Executive Director as well as to the Board of Directors of Golden Rim Resources, a registered Australian-based Australian market and currently the Managing Director and Chief Executive Officer of the Presidential Flight and Chairman Vision Group and Internal Holding Company, and a member of the board of directors in Abu Dhabi Airports Company, Royal Jet Company and AL Waha Capital Company.



Shaikh Ahmed Mohammed Sultan Suuroor Aldhaheri
Vice Chairman
Chairman of Audit Committee
Chairman of Nomination and Remuneration Committee
Chairman of Insiders Trading Follow-up and Supervision Committee

Sheikh Ahmed Mohammed Sultan Al Dhahiri holds a bachelor's degree in Civil Engineering from the UAE University and previously served as Executive Director of the Department of Commercial Services and Buildings. He is the Vice Chairman of Abu Dhabi National Hotels Company and a Board Member of Emirates Telecommunications (Etisalat) Group, First Abu Dhabi Bank and Al Dhafra Insurance Company.



H.E. Ahmed Ali Khalfan Almutawa Aldhaheri
Board Member
Member of Audit Committee
Member of Nomination and Remuneration Committee
Member of Insiders Trading Follow-up and Supervision Committee

H.E. Ahmed Ali Khalfan Al Dhaheri holds a Bachelor's degree in Accounting from Seattle Pacific University in the United States of America and he is Certified Public Accountant (CPA) and a holds a high diploma in Business Administration with distinction from the Higher Colleges of Technology. He previously worked as Vice Chairman of the Board of Directors of the Injaz Mena Investment company and board member in Al Qudra Holding Company, Abu Dhabi Chamber of Commerce and Industry, Abu Dhabi Economic Council and currently serves as Chairman of the Board of Directors of Ali and Sons Company LLC, Foodco Holding Company PJSC, Foodco National Food Stuff Company and Vice Chairman of Al Waha Capital (PJSC), and Board Member of Al Wathba Insurance Company (PJSC) and Al Ramz Corporation Investment and Development (PJSC).

H.E. Homaid Abdulla Ali Al Shimmari

Board Member



H.E. Hamid Abdullah Al Shimmari holds a Bachelor's degree in Aeronautical Engineering from Imperial Riedel University of Aeronautics, USA, a Black Belt (Sigma 6) Change Management degree from GENERAL Electric, previously served in the UAE Armed Forces Air Force with the rank of Lieutenant Colonel and currently serves as Group Executive Vice President, Chief Executive Officer of Corporate Affairs and Human Resources at Mubadala Investment Company, Member of the Mubadala Investment Committee and Chairman of the Advisory Board of Etihad Airways Engineering, and Chairman of Maximus Air company and board Member of Abu Dhabi Marine Operations and Services Company -ADNOC, Member of the Board of Trustees at the United Arab Emirates University, Khalifa University of Science TEC Research and member of the study Missions Committee of the Abu Dhabi Education Council.

H.E. Khalifa Yousif Abdullah Al Khoori

Board Member

Chairman of the Investment Committee



H.E. Khalifa Yousif Abdullah Al Khoori holds a master's degree in Business Administration from the Grand Canyon University, USA. He previously served as Chairman of Methaq Insurance Company and Vice Chairman of HS Group for Corporate and Institutional Management and is the Founder and Chairman of Art Casa LLC. (UAE and Saudi Arabia) and Viola Communications Marketing LLC. He is vice chairman of RAK Cement and Al Qudra Holding, in addition he is board members of Growthgate Capital, Takaful Emirates Insurance Company, Sawaeed Recruitment Company and ADNIP, and vice president of the Emirates Tennis Federation.

HE Saif Saeed Mohammed Bin Jobaiha Aldhaheri

Board Member

Member of Investment Committee



H.E. Saif Saeed Mohammed Al Dhaheri holds a Bachelor of Arts degree in sociology and business management from the University of the Emirates and has previously worked as a director of Al Ain International Airport and a director of finance and administration at the Civil Aviation department and served as a member of the Committee for Development and Promotion of tourism in Al Ain City and board member in both the Marine dredging company and Abu Dhabi National Hotels Company and currently holds the post of Chairman of the Reconciliation Committee in the judicial Department.



H.E. Abdulla Seddiq Mohamed Husain Alkhoori

Board Member

Member of Audit Committee

Member of Nomination and Remuneration Committee

Member of Insiders Trading Follow-up and Supervision Committee

HE Abdulla Seddiq Al Khoori holds a Bachelor of Science degree from South Eastern University in the United States of America and has previously served as Chief Financial Officer at ADDC. Previously, he served as a member of the Board of Directors of the National Hotels Corporation and currently managing his own companies



H.E. Yousef Abdulaziz Ahmed Abdulla Alharmoodi

Board Member

Member of Investment Committee

HE Yousef Abdulaziz Al-Harmoodi holds a Master's degree in Finance and Administration from the University of South New Hampshire and has previously served as Portfolio Manager at the Abu Dhabi Investment Authority (ADIA). and currently Head of Monetary Management at the Accounting and Financial Services Department of the Abu Dhabi Investment Council and a board member of National Union Bank- Egypt.



Ms. Arwa Ahmed Abdullah Al Kindi

Board Member

Member of Investment Committee

Ms. Arwa Ahmed Abdullah Al-Kindi holds a master's degree in Communication Science from the University of Sharjah in addition to obtaining a Rashid Certificate for Scientific Excellence. Currently, Ms. Arwa is the Manager of Media and Communication in the company in addition to her membership in the Board of Directors. In addition to holding a position as a member of the Board of Directors of the College of Communication at Al Ain University of Science and Technology and a member of the Emirates Society for Human Rights.

B. Statement of representation of women in the board of Directors for the year 2019:

Abu Dhabi Aviation Company believes in the importance of women's role as a key partner in the development process taking place in the country and that it represents half of the society and an active member in all that reached the country of advanced at various levels, the country, the company was keen to follow the general national approach regarding the UAE women's empowerment to achieve the highest standards equality and equal opportunities between men and women to take advantage of the women's capabilities and expertise through the field have encouraged to run for membership of the board of Directors experience, currently ,one woman is a member of the board of directors of Abu Dhabi Aviation Company out of nine members.

C. Statement of reasons for the absence of any female candidate for Board membership: Not applicable

D. Directors' remuneration

The remuneration of the Board members shall be determined by the provisions of Article 169 of Federal Law No. 2 of 2015 on commercial companies and the provisions of article 21 of the of the Authority Chairman No. (7/RM) of 2016 concerning the standards of institutional discipline and the governance of public shareholding companies, and the provisions Article (58) of the Articles of Association of the Company in its third clause, which states the following:

The remuneration of the Chairman and members of the Board of Directors consists of a percentage of the net profit provided that it does not exceed 10% of those profits for the fiscal year. The company may also pay additional expenses, fees, bonus or monthly salary in the amount determined by the Board of Directors for any of its members if that member working in any committee or makes special efforts or does additional work to serve the company above his regular duties as a member of the company's board of directors. It is not permissible to pay an attendance allowance to a chairman or a member of the board of directors for board meetings.

The remuneration of the Chairman and members of the Board of Directors shall be deducted from the fines that have been signed against the company by the competent authority or authority for violations of the Company's law or the company's statutes during the fiscal year ended and the General Assembly shall not deduct those fines or some of them if they are found to be those fines are not the result of negligence or error from the Board of Directors.

1. Total remuneration of the members of the Board of Directors paid for the 2018

Based on the decision of the company's annual general assembly held on March 04, 2019, the total remuneration of board members paid for the fiscal year ended December 31, 2018 was AED 6,710 million.

2. Total remuneration proposed to the members of the Board of Directors for 2019

The General Assembly that was held on 25th February 2020 approved to give the Board of Directors a remuneration of AED 6,710 million for 2019.

3. Details of the attendance allowances of the committees of the Board paid by the members of the Board of Directors for the financial year 2019

Name	allowances of the committees of the Board paid by the members		
	Committee Name	allowance value	Number of meetings
Sheikh Ahmed Mohammed Sultan Al - Dhahiri	Audit Committee + Nomination and remuneration Committee	AED 150,000	5+5
H.E. Ahmed Ali Khalfan Al Dhahiri	Audit Committee + Nomination and remuneration Committee	AED 50,000	3+2
H.E. Abdulla Sideeq Mohamed Khoori	Audit Committee + Nomination and remuneration Committee	AED 100,000	5+5

***Note that the Board of Directors has not allocated attendance allowance for the members.**

4. Details of the allowances, salaries, or additional fees that a member of the board of directors charged other than the fees for attending the committees and their reasons

The Board of Directors has decided to allocate a monthly fee of AED 80,000 to the Chairman of the Board of Directors, as he makes special efforts and does additional work to serve the company above his regular duties as the chairman of the company's Board of Directors.

C- Number of Board meetings held during fiscal year 2019

Meeting	Meeting date	Attendance								
		Nader Al Hammadi	Skeikh Ahmed Al Dhahiri	Ahmed Ali Al Dhahiri	Homaïd Al Shimmari	Khalifa Al Khoori	Saif Al Dhaheri	Abdulla Al Khoori	Yousef Al-Harmoodi	Arwa Al Kindi
First meeting	11 February 2019	√	√	X	X	√	√	√	√	√
Second meeting	29 April 2019	√	√	X Sheikh Ahmed Sultan Al Dhahiri was delegated to replace him	√	√	√	√	X Abdulla Al Khouri was delegated to replace him	√
Third meeting	21 July 2019	√	√	X Sheikh Ahmed Sultan Al Dhahiri was delegated to replace him	√	X	√	√	X Nader Al Hammadi was delegated to replace him	√
Forth meeting	28 October 2019	√	√	√	X	√	√	√	√	√
Fifth Meeting	9 December 2019	√	X	√	√	√	√	√	√	√

Attend (√) absent (X)

*** Note that all members of the Board who have not attended some of the Board meetings were excused from the Board of Directors.**

H- Number of Board decisions issued by passing during the fiscal year of 2019

A single pass-through decision was issued on October 15, 2019 approving a general assembly meeting to amend some articles of the company's articles of association.

I. A statement of the functions and terms of reference of the Board of Directors carried out by a member of the Board or the Executive Management during 2019 on the authorization of the Board.

In accordance with the provisions of Article (9) of the decision of the Chairman of the Board of Authority No. (7 / RM) for the year 2016 concerning the standards of institutional discipline and governance of public shareholding companies, and the provisions of Article (26) of the Company's Articles of Association:

- ❖ The Board of Directors have the right to delegate the chairman or one member or executive management certain administrative matters for which it has the power to decide, in this case, the mandate must be fixed in writing and limited to the delegated authority, particularly in cases where the senior executive management must obtain approval before making any decisions or concluding any obligations on behalf of the company, provided that a written list of the of the functions and terms of reference carried out by the Board of Directors and those delegated to the senior executive management, and review these functions and terms of reference periodically.
- ❖ Each mandate must be specific in its subject matter and authorized persons and the limits of their powers and the duration of their validity, and include the date of presentation of its results to the Board.

In accordance with the above regulations, the General Manager, Deputy General Manager, Chief Financial Officer and Executive Management of the Company conduct daily business in accordance with the best governance practices, provisions of the Statute and the powers delegated to it by the Board of Directors with a valid Power of Attorney for three years ending on 11 November 2021, the Board and executive management have been authorized to:

General Manager, Deputy General Manager and Chief Financial Officer:

- Finalize all transactions with all Government Departments and has the right to submit and receive documents and review in front of all concerned parties.
- Signing with all Government, Federal and Local Authorities, Public and Private Establishment and legal responsibility according to the limits.
- Formulation of the objectives of the Monitoring of Implementation and the overall performance of the company.
- Periodic review and approval of organizational and functional structures in the company.
- Specific funds to be signed by a partnership between the Director General, the Deputy Director General and the chief Financial officer. Moreover, the signing is a partnership between the Chairman of the Board of Directors and the chief financial officer.
- Determining the optimal capital structure of the company, its strategies and financial objectives, and approving the annual budgets.
- Conduct the daily business according to the best practices of the governance system and the delegated powers of the board of Directors.

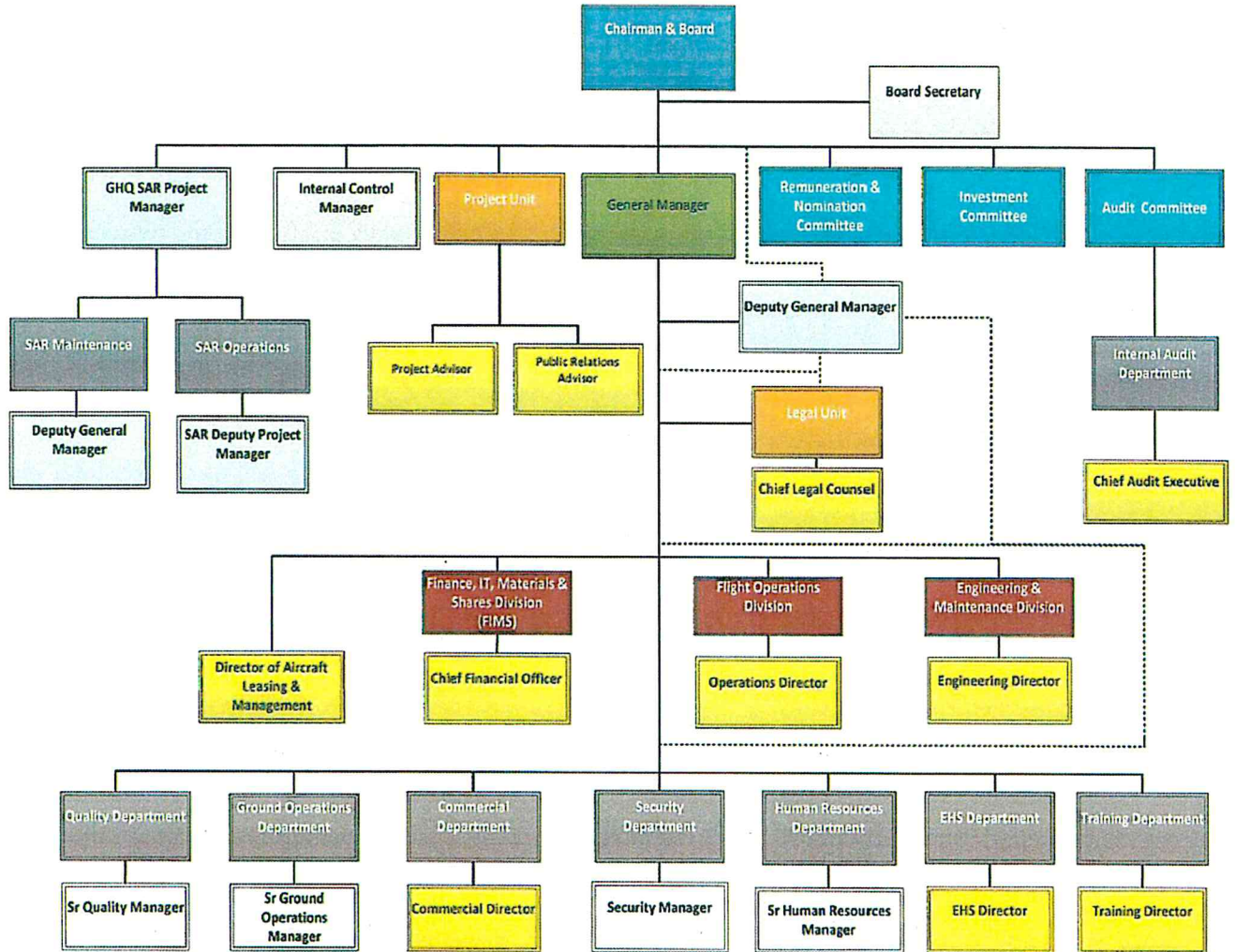


D- Statement of the details of the transactions that took place with the related parties (stakeholders) during the year 2019

Transactions between group companies and related parties during the year				
	<u>Type of transactions</u>	<u>Related parties</u>	<u>Service type</u>	<u>Total AED'000</u>
1	Services provided to related parties through Royal Jet LLC	Presidential Flight Government agencies	Aviation services	232,748
2	amounts due from related parties v through Royal Jet LLC	Presidential Flight Government entities	Aviation services	21,946
3	aviation services to related parties through Abu Dhabi Aviation	Agusta Westland Aviation Services Presidential Flight	Maintenance of aircraft parts Management and maintenance of fixed wing aircraft	80,485
4	amounts due from related parties through Abu Dhabi Aviation	Agusta Westland Aviation Services	Maintenance of aircraft parts	1,476
5	amounts due to related parties through Abu Dhabi Aviation	Agusta Westland Aviation Services	Supply and repair of aircraft parts	23,132
6	Short-term salaries and other benefits for senior management personnel	Abu Dhabi Aviation employees Royal Jet employees Maximus Aviation employees	Salaries and privileges	19,021
7	Board members' fees	Abu Dhabi Aviation Royal Jet Maximus Air Abu Dhabi Aviation Training Center ADA International Real Estate	Board member fees	12,660
8	provisions for end-of-service senior management personnel	Abu Dhabi Aviation employees Royal Jet employees Maximus Aviation employees	provisions for end-of-service	1,359

Y. The complete organizational structure of the company

Abu Dhabi Aviation has been developing and implementing an efficient and effective organizational structure at the level of the company's various departments and divisions, to ensure a high level of coordination and administrative interaction, as shown below the organizational structure of the company and approved by the company's board of directors, as follows:



T- A detailed statement of the senior executives in the first and second grades of the company, their jobs, dates of appointment, total salaries and bonuses paid to them during 2019

<i>M</i>	Position	Appointment date	Total salaries And Allowances paid for 2019 AED	Total rewards Paid for 2019 (Bonuses) AED	Any other cash/in-kind rewards for 2019 or due in the future
1	General Manager	07/11/1988	1,713,508	not yet determined	No
2	Deputy General Manager	06/07/2004	1,227,600	not yet determined	No
3	GHQ and Search and Rescue Projects Manager	08/10/2006	1,440,000	not yet determined	No
4	Chief Financial Officer	08/05/2009	1,038,000	not yet determined	No
5	Engineering Director	02/07/2017	907,800	not yet determined	No
6	Senior Ground Operations Manager	14/09/1997	907,800	not yet determined	No
7	Director of Aircraft Leasing and Management	01/06/1994	858,000	not yet determined	No
8	Commercial Director	24/04/2017	907,423	not yet determined	No
9	Chief Audit Executive	01/03/2009	858,000	not yet determined	No
10	Chief Legal Counsel	21/09/2010	747,290	not yet determined	No
11	Senior Quality Manager	04/09/2016	594,288	not yet determined	No
12	Training Director	30/06/2004	858,000	not yet determined	No
13	Environment, Health and Safety Director	15/03/2003	847,932	not yet determined	No

Note: The report will be updated as soon as the executive management bonus or any other bonus is approved.

4: External Auditor

a. About the External Auditor

Deloitte & Touche (M.E.) was appointed as the company's external auditor for the year 2019 through the general assembly of the company, which is a British company and each of its member companies has its own independent legal personality, Deloitte provides auditing services, taxes, administrative consultancy and financial advice to clients from the public sector The private sector in a wide range of economic fields through an interconnected global network of member companies in more than 150 countries worldwide and includes about 200,000 professionals and has a group of consultants with distinguished competencies to provide high-quality services to clients through Lol effective to meet the challenges facing their operations, the first professional services firm established in the Middle East region and extends its presence continuously for more than 87 years in the region.

Deloitte is one of the leading professional companies that provide auditing, tax, management consulting and financial advice services and has more than 2500 partners, managers and employees working through 26 offices in 15 countries .Since 2010, Deloitte (Middle East) has achieved the first level of tax advice in the GCC region according to the classification of International Tax Review (ITR).

B. Fees and costs of the external auditor and the services provided during the year 2019

Audit office name	Deloitte & Touche (M.E.)
Auditor partner name	Mohammad Khamees Al Tah
Number of years spent as an external auditor for the company	1 year
Total audit fees for the financial statements for 2019 (AED)	AED 210,000
Fees and costs of other private services other than auditing the financial statements for 2019 (AED)	-
Details and nature of other services provided	-
Statement of other services provided by another non-audited external auditor during 2019	-

C. A statement clarifying the reservations made by the Company's auditor to be included in the interim and annual financial statements for the year 2019

The Company's external auditor did not present or register any **reservations** in the interim and annual financial statements of 2019.

5: Audit Committee

a. "I, Sheikh Ahmed Mohammed Sultan Al - Dhahiri - Chairman of the Audit Committee, acknowledge my responsibility for the committee's system in the company and for my review of its work mechanism and ensuring its effectiveness."

b. Members names of the audit committee

Sheikh Ahmed Mohammed Sultan Al - Dhahiri	Chairman of the Committee
H.E. Ahmed Ali Khalfan Al Dhahiri	Member
H.E. Abdulla Seddiq Mohamed Alkhoori	Member

➤ Statement of the terms of reference and tasks assigned to the audit committee

Duties:

The Audit Committee shall assume the duties assigned to it as per the requirements of the decision of the Chairman of the Board of Directors No. (7 / R) of 2016 regarding the standards of institutional discipline and the governance of public shareholding companies as follows:

1. Review financial and accounting policies and procedures of the company.
2. Monitoring the safety of the company's financial statements and reports (annual and quarterly and half-yearly) and reviewed as part of the regular work during the year and focus particularly on the following:
 - ✓ Any changes in accounting policies and practices.
 - ✓ Highlight under estimation.
 - ✓ Essential adjustments resulting from the audit.
 - ✓ Assuming the continuity of the company's work.
 - ✓ Compliance with accounting standards established by the Commission.
 - ✓ Adherence to listing rules and disclosure and other legal requirements in relation to financial reporting.
3. Coordinate with the company's Board of Directors and executive management and head of the Executive and audit financial director or Manager acting the same tasks in the company in order to perform its tasks.
4. Consider any significant and unusual items contained or reflected in such reports and accounts and must give the necessary attention to any issues raised by the company's financial director or acting Director of the same tasks or compliance officer or auditor.
5. Recommend to the Board on the selection or the resignation or removal of the Auditor, if the Governing Council's approval of the recommendations of the Audit Committee thereon, the Board of Directors to ensure the corporate governance report a statement explaining the reasons for the recommendations of the Audit Committee The Board called for not to adopt.
6. Development and application of a policy of hiring the auditor and submit a report to the Board specifying the matters which sees the importance of action with recommendations on steps to be taken.
7. Ascertain the auditor to the conditions contained in laws and regulations and the regulations of the company and monitor his independence.

8. Meeting with the company's Auditors without the presence of any senior executive management or persons represented, at least once a year and discuss about the nature, scope and effectiveness of the audit process in accordance with the approved auditing standards.
9. Discuss everything related to the work of the auditor of the company and its work plan and his correspondence with the company and his observations and suggestions and reservations and any questions posed substantial senior executive management auditor regarding the accounting records or financial accounts or systems of control and tracking Response of the management of the company and provide the facilities necessary to do his job.
10. Make sure the Board in a timely response to inquiries and substantive issues raised in the auditor's letter.
11. Review and evaluate internal control systems and risk management in the company.
12. Discussion of the system of internal control the Board, and ensure the performance of its duty to establish an effective system of internal control.
13. Consideration of the outcome of major investigations of internal control matters as entrusted by the Board of directors or on the initiative of the Commission and approval by the Governing Council.
14. Review the auditor's assessment of internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.
15. Ensure that resources are available for internal oversight management and to review and monitor the effectiveness of the Department.
16. Study the internal control reports and follow up the implementation of the corrective actions of the observations contained therein.
17. Establish controls that enable company staff to report any potential irregularities in financial reports, internal controls or other matters in secret and steps to conduct independent and fair investigations of such violations.
18. Monitor the extent to which the company complies with professional codes of conduct.
19. Review the transactions of related parties with the company and ensure that there is no conflict of interest and recommend them to the Board of Directors before they are concluded.
20. Ensure the application of the rules of work for the functions and powers entrusted to it by the Board of Directors.
21. Submit reports and recommendations to the Board of Directors on the above-mentioned issues.
22. Consider any other matter specified by the Board of Directors.

c. Audit committee meetings during 2019

Meetings Number	Meeting Date	Attendance		
		Sheikh Ahmed Mohamed Al Dhaheri	Ahmed Ali Al Dhaheri	Abdulla Seddiq Mohamed Khoori
First meeting	4 February 2019	√	√	√
Second meeting	29 April 2019	√	X	√
Third meeting	21 July 2019	√	X	√
Fourth meeting	28 October 2019	√	√	√
Fifth meeting	23 December 2019	√	X	√

Attend (√) Absent (X)



6: Nomination and Remuneration Committee

a. "I, Sheikh Ahmed Muhammad Sultan Al Dhaheri - Chairman of the Nomination and Remuneration Committee, acknowledged my responsibility for the committee's system in the company and for my review of its work mechanism and ensuring its effectiveness."

B . Members Nomination and Remuneration Committee names

Members:

Sheikh Ahmed Mohammed Sultan Al - Dhahiri	Chairman of the Committee
H.E. Ahmed Ali Khalfan Al Dhahiri	Member
H.E. Abdulla Seddiq Mohamed Khoori	Member

statement of duties and tasks assigned to the Nomination and Remuneration Committee

The nomination and remuneration Committee shall assume the functions and duties assigned to it according to the requirements of the decision of the Chairman of the Board of Directors No. (7/Rum) for the year 2016 concerning the standards of institutional discipline and governance of public shareholding companies as follows:

1. Develop a policy of candidacy for membership of the Board of Directors and executive management aimed at taking into account the gender diversity in the formation and promotion of women through incentives and training programs, and to provide the authority with a copy of this policy and any changes to it.
2. Organizing and following up the procedures for nominating to the board of directors in accordance with the laws and regulations in force and the provisions of this decision.
3. Ensure the independence of independent members continuously.
4. Preparing the policy for granting rewards, benefits, incentives and salaries for the members of the Board of directors and employees and reviewing them on an annual basis, and the Committee must verify that the rewards and benefits granted to the senior executive management of the company are reasonable and commensurate with the performance of the company.
5. Annual review of the required requirements of the appropriate skills for membership of the Board of Directors and prepare a description of the capabilities and qualifications required for the membership of the Board of directors, including specifying the time that the member needs to devote to the work of the board of Directors.
6. Review the structure of the Board of directors and make recommendations on changes that can be made.
7. Identify the needs of the company's competencies at the level of senior executive management and staff and the basis of their selection.
8. Prepare the policy on human resources and training in the company and monitor its application and review on an annual basis.

c. Nomination and Remuneration committee meetings during 2019

Meetings Number	Meeting Date	Attendance		
		Sheikh Ahmed Mohamed Al Dhaheri	Ahmed Ali Al Dhaheri	Abdulla Seddiq Mohamed Khoori
First meeting	4 February 2019	√	√	√
Second meeting	29 April 2019	√	X	√
Third meeting	17 June 2019	√	√	√
Fourth meeting	21 July 2019	√	X	√
Fifth meeting	28 October 2019	√	√	√

Attend (√) Absent (X)

7: Insiders Follow-up and Supervision Committee.

According to the Authority's Board of Directors Decision No. (7 / RM) for the year 2016 regarding the criteria for institutional discipline and the governance of public joint stock companies and the decision of the company's board of directors at its meeting No. (2017/27), which understands the obligations arising from it regarding the requirements to disclose their trades on the company's shares And the importance of identifying insiders in the company, the company's board of directors has formed a committee dedicated to insiders 'affairs that specializes in following up and overseeing all insiders' dealings and properties, submitting reports to the competent authorities, and identifying committee members, terms of reference and tasks assigned to them.

a. "I, Sheikh Ahmed Muhammad Sultan Al Dhaheri - Chairman of the Follow-up and Supervision Committee for the transactions of the insiders with my responsibility for the committee's system in the company and for my review of its work mechanism and confirmation of its effectiveness."

B. Names of members of the Insiders Follow-up and Supervision Committee

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

Statement of terms of reference and functions of Insider's Follow-up and Supervision Committee.

1. Prepare of a special and integrated register for all persons who are permanently or temporarily informed and who are entitled or have access to the internal information of the company prior to its publication.
2. Follow up and supervise the dealings of insiders and their ownership and keep their record.
3. Maintaining an official statements of persons who are permanently or temporarily informed of the company's internal information.
4. Submit periodic reports on insider transactions to the Abu Dhabi Securities Exchange.
5. Notify all persons familiar with the required controls and legal responsibility by extraditing them and signing official statements

c. Summary of the Committee's Work report during 2019:

During 2019, the committee updated the Register of knowledgeable persons and circulated the rules concerning the dealings of knowledgeable persons, as well as announcing the periods of downtime of the insiders in the company's share, in addition to the signature of persons familiar with official statements confirming their possession of data and information Special procedure and their obligation to take legal responsibility for their diversion.

Note: The Board did not allocate any allowances for attending the Insider's Follow-up and Supervision Committee meetings.

8: Any other committee approved by the Board of Directors

a. Investment Committee

b" ..I, Khalifa Yousif Abdullah Al Khouri - Chairman of the Investment Committee, acknowledged my responsibility for the committee system in the company and for my review of its work mechanism and ensuring its effectiveness".

c. Investment Committee names

HE Khalifa Yousif Abdullah Al Khouri	Chairman of the Committee
HE Saif Saeed Mohammed Al Dhaheri	Member
HE Yousef Abdulaziz Al-Harmoudi	Member
Ms. Arwa Ahmed Abdullah Al Kindi	Member

- Statement of terms of reference and functions of the Investment Committee.

The Investment Committee is competent to discuss, study, analyze and submit the available investment opportunities of the company to the Board of Directors, supported by detailed information, adequate scientific analyzes and sufficient justification with the recommendations to assist the Board in making the appropriate investment decision. Ensure that investment safety; profitability and ease of future medium- and long-term sustainability are balanced at all times.

d. Investment Committee meetings

The investment committee did not hold any meeting during 2019

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

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

9: Internal Control System

A- Acknowledgment by the Board of its responsibility for the internal control system in the company and its review of the mechanism of its work and ensure its effectiveness

The Board of Directors approved the establishment of the Department of Internal Control in accordance with the requirements of the governance according to the provisions of Article No. (50) of the decision of the Chairman of the Board No. (7/R M) for the year 2016, where this administration has sufficient independence to perform its functions and directly follow the board of Directors The internal control system in the company and its review of this system and ensure its effectiveness.

We note that the internal control department is reviewing the effectiveness of the company's internal control system and informing the Board of the results by presenting periodic reports to the Board of Directors responsible for the internal control system, reviewing and verifying its effectiveness.

The aim of this system evaluate the means and procedures of risks in the company and to apply the rules of governance properly and verify the commitment of the company and its employees to the provisions of the laws, regulations and decisions in force that regulate its work and internal policies and procedures and review the financial data presented to the company's senior management that are used in preparing the financial statements and examining And review all the documents and records used in the company to verify their authenticity and sufficiency to achieve the desired goals. Mechanisms, documents, records and property of the company, data and trading company employees.

The Department of Internal Oversight reports on the implementation of the policies issued by the Board of directors and its committees through periodic and annual reports and urgent reports, and one of the most important objectives, tasks and powers of the Department of Internal Control established by the Board of Directors as follows:

- ❖ Ensure the correctness and integrity of work procedures in all departments of the company.
- ❖ Determine the extent to which the company complies with the requirements of governance and professional codes of conduct.
- ❖ Ensure the commitment of institutions and companies dealing with the company and employees of the company to apply the rules of governance and corporate discipline and professional behavior.
- ❖ Prevent, detect and correct errors and irregularities.
- ❖ Ensure that employees comply with company laws, regulations and policies.
- ❖ Review the means to ensure the integrity of the assets and verify the actual existence of the asset.
- ❖ Cooperation with the external auditor to implement the resolutions of the General Assembly.
- ❖ Cooperation of the executive management with internal control to achieve the objectives of the Board of Directors.
- ❖ Ensure the accuracy of accounting records and their integration so that they can be relied upon in the formulation of policies and higher decisions.

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

b. Name and qualifications of the Director of Internal control Department

Mr. Ashraf Fahmy was appointed Director of the Internal Control Department in 2009. He holds a Bachelor of Commerce and a Chartered Accountant, a member of the British Association of Chartered Certified Accountants, and a Microsoft Certified Systems and Systems Designer. He has over twenty-nine years experience in corporate accounting as well as serving as chief financial officer of the company.

c. Compliance Officer

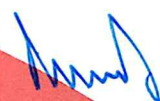
Mr. Mohsin Khalid has been appointed compliance officer in 2018 and holds a Bachelor of Economics and Certified Internal Auditor from the Institute of Internal Auditors of the United States of America .In addition, he is a Chartered Chartered Accountant (ACCA) and has more than 13 years of experience in auditing and risk management.

d. How the internal control department deals with any major problems in the company or that have been disclosed in the annual reports and accounts

The Internal Control Department has evaluated the means and procedures for managing the risks in the company, reviewing the systems used in the matter of internal policies, ensuring that the rules of corporate governance are applied and continuous verification of the company's compliance with laws and decisions, and submitting periodic reports to both the Board of Directors and the Audit Committee, and the company supports a policy for reporting violations It allows any employee, customer, or supplier to report any financial, professional, legal, or moral violations in strict confidentiality.

e. Number of reports issued by the Internal Control Department of the company's board of directors

The Internal Control Department issued four reports during 2019.



10: Irregularities during the year 2019

The company is committed to comply with all laws and regulations in force in the United Arab Emirates and through its keen keenness and commitment to prevent any irregularities on the company, as no irregularities were recorded on the company during 2019.

11: company's contributions during the year 2019 to develop the local community and preserve the environment

The company is committed to applying best practices and complying with the standards of safety, health and safety related to protecting the environment from its priorities. It is committed to all laws and regulations in force in the United Arab Emirates for the preservation of the environment and made sure to provide a safe working environment for its employees and all those who work for its benefit. Effective management of the environment, health, safety and security remains an integral element in everything that is done and an important part of the company's main activities and the company's contributions, for example, but not limited to:

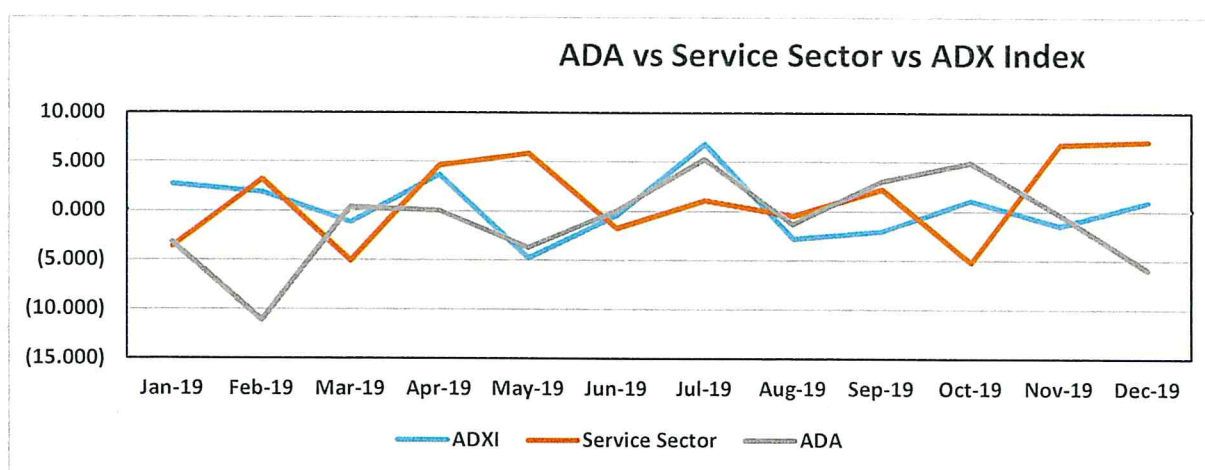
- Participation and sponsorship for the 49th National Day of the UAE.
- Participating in the commemoration of Martyr's Day.
- Emirates Racing
- Participate in sponsoring the Daman International Championship for Triathlon
- Participation in Dubai Airshow
- Participation in the IDEX exhibition
- Sponsor the Abu Dhabi Desert Challenge
- Participation in the wrestling of the United Arab Emirates and the judo federation
- Supporter of the steering committee for the development of the aviation sector.

12: General information about the Company

a. Share price at the Abu Dhabi Securities Exchange (closing price - highest price - lowest price) at the end of each month during the fiscal year 2019.

Month	Number of shares traded	Trading value	Number of deals	Highest price	Lowest price	Closing price
01	126,000	391,394.40	6	3.390	3.080	3.320
02	1,538,668	4,554,495.28	32	3.250	2.800	2.950
03	29,735	86,291.50	2	2.960	2.900	2.960
04	449,591	1,241,868.13	11	2.960	2.670	2.960
05	176,477	494,484.75	10	2.900	2.650	2.850
06	10,000	28,500.00	1	2.850	2.850	2.850
07	210,288	604,911.45	9	3.000	2.800	3.000
08	128,043	374,401.65	7	2.990	2.850	2.960
09	2,487,546	7,350,480.94	24	3.050	2.680	3.050
10	480,156	1,510,211.06	13	3.440	2.880	3.200
11	40,123	128,448.36	4	3.210	3.190	3.190
12	1,832,710	5,315,379.00	5	3.000	2.700	3.000
Total	7,509,337	22,080,866.52	124			

b. A statement of the comparative performance of the company's share with the general market index and the sector index to which the company belongs



c. Statement of shareholders' ownership distribution as at 31/12/2019 (individuals, companies and governments)

Shareholder rating	Shareholders	Number of shareholders	Number of shares
local	Abu Dhabi Investment Council	1	133,436,160
	Companies	29	82,142,397
	Individuals	686	229,208,643
Arabic	/	0	0
Foreign	/	0	0
Total		716	444,787,200

d. Statement of shareholders who own 5% or more of the company's capital

Name	Number of shares owned	Percentage of shares owned by the capital
Abu Dhabi Investment Council	133,436,160	30%
H.E. Abdulla Mohamed Al Mehairbi	22,704,688	5%

e. Statement of shareholders distribution according to the size of the ownership as at 31/12/2019 according to the following table:

Ownership of shares	Number of shareholders	Number of shares owned	Percentage of shares owned by capital
Less than 50,000	347	4,808,363	1 %
From 50,000 to less than 500,000	222	40,275,864	9%
From 500,000 to less than 5,000,000	110	165,698,171	37%
More than 5,000,000	10	234,004,802	53%
Total	716	444,787,200	100%

f. Statement of actions taken on investor relations controls

In accordance with the decision of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M.) for 2016 on the standards of institutional discipline and governance of public joint stock companies and decisions and circulars issued by the Authority regarding the controls of investor relations, and out of the keenness of Abu Dhabi Airlines to apply the rules and regulations in force in this regard, the company during the previous year developed the management of investor relations and strengthened its role and activate the best ways to communicate with the company, as well as the company has developed and updated its website completely and accurately, including the management of the investors' page, as well as the company's relationship with the company. Investor Relations) through which the company seeks to enable investors and those interested in access to the latest information, especially those related to financial statements, annual reports, profits, stock prices and other disclosures and governance.

The Investor Relations page aims to strengthen communication channels and encourage the exchange of information in order to enable investors and financial analysts to access clear insights in accordance with the highest standards of transparency and reliability and provide access to the latest information that confirms the commitment to transparency and the application of standards of institutional discipline, where it is responsible for managing investor relations **Ms. Suhaila Mohammed Al Mazroui, Manager of Investor Relations.**

Contact details:

Mobile phone:	050-4445116
Phone number:	02-5051177 or 25051215
Fax no.	+971 25757775
E-mail:	s.almazrouei@abudhabiaviation.com
Link to investor relations page:	https://ada.ae/investor-relations-2/

g. Statement of the special resolutions that were presented at the meeting of the general assembly during 2019 and the actions taken thereon

The company held a general assembly meeting on October 13, 2019, to obtain the approval of the general assembly to issue a decision to amend some articles of the articles of association, and the approval of the general assembly for that was obtained by a majority.

h. Name of rapporteur Board meetings and date of appointment.

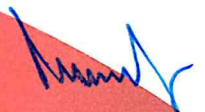
- ❖ Name: Ms. Suhaila Mohammed Al Mazrouei
- ❖ Appointment Date: 2012
- ❖ Qualifications and Experience: Ms. Suhaila Al Mazrouei holds an MBA from Abu Dhabi University, a bachelor's degree in accounting from Al Ghurair University and a diploma in business administration and computer information systems from the Emirates College of Technology, formerly a managing officer in the company's human resources department and accountant and currently the Director of Investor Relations and Secretary of the Board of Directors.

Statement of its work tasks during the year 2019:

- Briefing board members on meeting dates and sending them meeting invitations and agendas at least one week in advance.
- Remind board members of the dates of regular meetings and pass on the new information and decisions of the members to be consulted and approved.
- Preparing the venue for the Council meetings with the necessary equipment.
- Writing the minutes of the sessions and preparing the decisions issued by the Board of Directors, preparing the drafts and relevant speeches and editing, printing and auditing them and following up their signature and distribution accordingly.
- Provide relevant departments with their own decisions.
- Providing council members with council resolutions.
- Coordinating the dates of the meetings of the committees emanating from the Board of Directors and coordinating with the chairs of the members of those committees to prepare their minutes and present their recommendations and decisions to the Board.
- Providing the competent authorities (Abu Dhabi Stock Exchange and the Securities and Commodities Commission) with board meetings and the results of meetings in addition to any other disclosures that will affect the company's shares.
- Communicate with investors and competent authorities and respond to any questions or queries related to the company.
- Do any other tasks assigned by the Board of Directors.

Statement of the company's core events in 2019

1. Signing agreements for the purchase of aircraft and flight simulator (AW169).
2. Selling the company's property in London.
3. Allowing foreigners to trade on the shares of the listed company by not more than 30%.
4. Obtaining a license to own and operate drones.



J. Statement of the Emiratization rate in the company by the end of 2019, 2018, 2017

<u>Emiratization Rate 2017</u>	<u>Emiratization Rate 2018</u>	<u>Emiratization Rate 2019</u>
9.5%	9%	9%

k. Statement of innovative projects and initiatives undertaken by the company or under development during 2019 .

None.

Nader Ahmed Mohamed Al Hammadi
Chairman



Sheikh Ahmed Sultan Al Dhaheri
Chairman of the Nomination and Remuneration Committee and Chairman of the Audit Committee

Ashraf Fahmy

Director of the Internal Control Department