

**Corporate
Governance Report
for the Year 2015**

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Company Profile

Abu Dhabi Aviation is a national public joint stock company incorporated in the Emirate of Abu Dhabi in the United Arab Emirates by virtue of Decree No. 3 of 1982 as amended by Law No. 10 of 1985, Law No. 8 of 1999 and Law No. 11 of 2004 with a current capital of 444,787,200 Dirhams, 30% of which is retained by the government. The parent company and its subsidiaries were incorporated to operate helicopters and fixed-wing aircrafts inside and outside the United Arab Emirates, to lease aircrafts and provide commercial and private aircraft services in addition to air cargo services and other aviation related services. It is noteworthy that the Company's shares are listed in Abu Dhabi Securities Exchange.

Abu Dhabi Aviation is the largest commercial helicopter operator in the Middle East, in addition to private aviation and air cargo services, operating 59 helicopters (15 AW139s, 25 Bell 412s and 19 Bell 212s), 4 fixed-wing aircrafts (DHC-8) and 11 commercial jet aircrafts for private aviation (6 BBJs, 1 G300, 2 G5000s and 2 L-60s) in addition to 2 air cargo aircrafts (1 AN-124 and 1IL-76).

The Company employs over 1500 personnel, including 222 pilots and 338 aircraft maintenance engineers. The Company's business activity includes the support of the oil industries, whether in onshore or offshore oil fields, firefighting, pilot training, medical evacuation, air ambulance, search, rescue and evacuation in case of natural disasters, survey, photography and aerial spraying of crops in addition to providing private aviation services, management of third parties aircrafts, air cargo, government or commercial air brokerage activities, aircrafts repair and maintenance, a regional center for spare parts sale as well as aviation consulting services of all types.

Abu Dhabi Aviation has expanded its operations since its inception and competes now the international aviation companies in the helicopter field, as its services exceeded the United Arab Emirates and reached Brazil, India, Afghanistan, Spain, KSA and Jordan.

Introduction

Corporate Governance is defined as “the system through which companies are managed and their business is controlled”; it is also defined as the relationships between the company’s management and its Board of Directors, shareholders and other stakeholders, as it presents the structure through which the objectives of the company are developed and determines the means of achievement of those objectives as well as the methods of performance control. Corporate Governance is also defined as “the rules and conduct of the company’s management to achieve a proper balance between ownership and management as well as the balance between performance and commitment”, as the corporate governance means the distribution of rights and responsibilities between the parties concerned in the company (employees, shareholders, customers, suppliers, auditors and legislators) and the identification of the procedures and regulations necessary for the issuance of decisions and actions to manage the company effectively and with minimal risk, which helps to achieve the objectives of the company under the laws and regulations of the society and market in which the company lists its shares. The Corporate Governance follows up the procedures, policies and decisions that achieve the shareholders’ objectives.

The basic principles of corporate governance are as follows:

1. Shareholder rights
2. Fair treatment of shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

The implementation of the regulations and standards of institutional discipline of governance has many benefits for the companies including, but not limited to, encouraging companies to optimize the use of resources, helping the company to achieve sustainable growth, promoting productivity and reducing the capital cost, as banks give companies implementing corporate governance loans with lower

rates. Corporate governance also contributes in attracting foreign investments and in the stability of financial markets in the country.

First - Statement of the actions taken to complete the Company's governance system through 2015, and the methods of implementation:

Abu Dhabi Aviation is pleased to present the seventh report in a row for Corporate Governance for the year 2015, which reflects the development and stability of the standards and regulations of governance within all the different departments of the company, to the extent that these standards and controls have become an ideal method to control the relationship between the investors, the company's board of directors and the committees emanating therefrom, the executive departments and its clientele. Abu Dhabi Aviation was one of the first companies in the country to implement these standards and controls since the issuance of the Securities & Commodities Authority's decision in this regard in 2007 by taking the core values of corporate governance as the motto of the company's policy:

- Transparency
- Fairness
- Accountability
- Responsibility

This applies in the relationship between the company's management on the one hand and the stakeholders or parties related to the company on the other hand and through keeping up with the latest management techniques and the development of a structure that allows a great space of freedom under the rule of law while adopting institutional development policies and international standards of transparency, clarity and accuracy of the financial statements and disclosures to achieve the best interests of the shareholders of the company.

The Company is committed to the best standards and controls levels of corporate governance and the implementation of the best practices, which reflects the commitment of the members of the Board of Directors and executive management with the governance regulations and the implementation of its values, as the following actions were taken:

1. Follow-up of the implementation of the principles of procedural rules for corporate governance.
2. Amendment of the articles of the Statute to comply with the Ministerial Decree No. 518 of 2009, and issuance of the Ministerial Decree No. 238 of 2014 on the amendment of the Statute of the company, which has been published in the Official Gazette issue No. 566 in June 2014.
3. The company's management is undertaken by a board of directors consisting of a chairman and eight members. The chairman and one board member shall be appointed by the Executive Council of the Emirate of Abu Dhabi and the seven remaining members shall be appointed by the Assembly General of the Company for three years, by cumulative secret voting. The Board of Directors shall elect from among its members, a vice-president of the Board of Directors.
4. The post of Chairman and Managing Director or Chief Executive Officer or Director-General shall not be combined.
5. Formation of committees emanating from the Board of Directors, i.e. Audit committee, Nomination and Remuneration Committee and Investment Committee in addition to the identification of the duties of each committee.
6. Development of an internal control department, identification of the functions thereof and development of the internal control system.
7. Setting business rules and adoption of the same by the Board of Directors, then circulating the same when entered into force to all the members of the Board of Directors and all the company's employees. Commitment of the Board members to disclose their trades and trading of their first degree relatives on the company's shares.
8. Commitment of the members of the Board of Directors and senior management commitment and all the company's employees during the performance of their duties to the rules of professional conduct and internal regulations of the company and which have been circulated.
9. The Board of Directors shall present annually a proposal to the General Assembly to appoint an external auditor and shall determine his fees annually upon the recommendation of the Audit Committee of the company.

10. Determining the rules of disclosure of information, whether to the Securities and Commodities Authority or to Abu Dhabi Securities Market and identifying the people responsible for the disclosure and communication with the investors.
11. Participating in and communicating with the events and activities that serve the interests of the community.
12. Commitment of the Board members to the annual disclosure of their independence during 2015.
13. The Company has appointed a Director of Investor Relations and has allocated a special section for investors relations on the company's website.

During 2015 the Board of Directors and all employees of the company were fully committed to all the information and results by disclosing the same through adopted channels. Abu Dhabi Aviation Company has always been one of the first companies in the state to disclose the quarterly and annual results while committing to meet all SCA's and ADX requirements as soon as possible.

Second – Statement of the trading of the Board members and their relatives in the securities of the company during 2015:

Business rules concerning the trading of the insiders were approved by the Board of Directors in order to control the trading of the company's shares by the insiders and prohibit the leak of internal information, which have not been published for all investors, so as to achieve the following:

- Equality between all investors in terms of access to internal information in the company.
- Enhancing the level of transparency in disclosure and promoting trust in the company's shares.
- Remove any suspicion of any personal benefits for the insiders from the internal information.

Whereas the insiders' trading rules were circulated to the members of the Board of Directors and senior management and all employees of the company concerning the

securities issued by Abu Dhabi Aviation Company or any of its subsidiaries and associated companies.

All the insiders in Abu Dhabi Aviation Company of the members of the Board of Directors and executive management of the company and all the directors and heads of departments as well as all employees of the company abided by the rules of the insiders trading during the said period and by all the disclosure obligations under the provisions of law, regulations and decisions issued pursuant thereto on trading in securities issued by Abu Dhabi Aviation. During 2015 the insiders did not trade on the company's shares.

Third – Formation of the Board of Directors:

The current board of directors consists of nine non-executive members, including six independent members. The chairman and board member representatives of the Government of Abu Dhabi have been appointed by virtue of the decision of the Executive Committee of the Executive Council No. 53 of 2014, issued on 23/03/2014 for a period of three years.

The seven remaining members were elected in the General Assembly, which was held on 25/03/2014 for a period of three years. The adoption of the independent board member was signed by all independent members.



A. Details of the Current Board of Directors:

S.N.	Name	Category (Executive – Non-Executive – Independent)	The Year of First Appointment as Board Member
1	H.E. Nader Ahmed Mohammed Al Hamadi	Non-executive – Non-independent	2008
2	Sheikh Ahmed Mohamed Sultan AL Dhaheri	Non-executive –Independent	1999
3	H.E. Ahmed Ali Khalfan Al Dhaheri	Non-executive –Independent	1999
4	H.E. Homaïd Abdullah Al Shemmari	Non-executive – Non-independent	2011
5	H.E. Khalifa Yousif Abdullah Khouri	Non-executive –Independent	1999
6	H.E. Saif Saeed Mohammed Al Dhaheri	Non-executive –Independent	2011
7	H.E. Saeed Ali Saleh Al Kuwaiti	Non-executive –Independent	2011
8	H.E. Abdullah Sedeeq Mohammed Khouri	Non-executive –Independent	1999
9	H.E. Youssef Abdel Aziz Ahmed Al Harmoudi	Non-executive – Non-independent	2011

Experience & Qualifications of the Board Members:

Name	Experience & Qualifications	Membership in Joint Stock Companies	Membership in Commercial Companies and Government Entities
H.E. Nader Ahmed Mohammed Al Hamadi	Holder of B.A. in Aviation Engineering and Diploma of Higher Studies in Business Management Worked previously as Head of Maintenance and Engineering Department in the Presidential Aviation and project manager and aviation engineer in GAMCO	Member of the Board of Directors of Asmak	Managing Director and CEO of the Presidential Aviation Chairman of Vision Group and Tamouh Real Estate Company Member of the Board of Directors of Royal Jet
Sheikh Ahmed Mohamed Sultan Al Dhaheri	Holder of B.A. in Civil Engineering Worked previously as CEO in the Department of Services and Commercial Buildings	Vice Chairman of the Board of Directors of Abu Dhabi National Hotels Company Board Member of National Bank of Abu Dhabi Board Member of Etisalat	Chairman of the Board of Directors of Bin Suroor Engineering for Development Member of the National Advisory Council of the Emirate of Abu Dhabi
H.E. Ahmed Ali Khalfan Al Dhaheri	Holder of B.A. in Accounting, Diploma of Legal Accountant and Diploma of Higher Studies in Business Management Worked previously as vice-chairman of the Board of Directors of Enjaz Mina Investment Company and Board Member of Al Qudra Holding Company and Abu Dhabi Chamber of Commerce and Industry	Chairman of the Board of Directors of FOODCO Company Board Member of Al Wathba Insurance Company Board Member of Al Waha Capital	Chairman of the Board of Directors of Ali & Sons Company



<p>H.E. Homaid Abdullah Al Shemmari</p>	<p>Holder of B.A. in Aviation Engineering Worked previously in Abu Dhabi Armed Forces</p>	<p>Chairman of the Board of Directors of Abu Dhabi Ship Building Company Board Member of Du</p>	<p>CEO of the aviation industry sector and engineering services in Mubadala Chairman of the Board of Directors of Emirates Military Industries Chairman of the Board of Directors of Maximus Aviation Chairman of the Board of Directors of the Advanced Military Maintenance, Repair and Overhaul Center (AMMROC) Chairman of the Board of Directors of Strata Manufacturing Company Chairman of the Board of Directors of Abu Dhabi Autonomous Systems Investment Board Board Member of Mubadala Petroleum Board Member of Piaggio Aero Industries Board Member of AerCap Holdings Board Member of Royal Jet Company</p>
<p>H.E. Khalifa Yousif Abdullah Khouri</p>	<p>Holder of Master's Degree in Business Management Worked previously as Chairman of the Board of Directors of Methaq Insurance Company and vice-chairman of the Board of Directors of HS Group for Companies and Establishments Management</p>	<p>Board Member of Takaful Emirates Insurance Company Board Member of Ras Al Khaimah Cement Company</p>	<p>Chairman of the board of Directors of Viola Marketing Communication Board Member of Qudra Holding Company Board Member and CEO of Al Rayan Investment Company</p>
<p>H.E. Saif Saeed Mohammed Al Dhaheri</p>	<p>Holder of B.A. of Arts in Sociology and Business Management Worked previously as Director of Al Ain International Airport and Director of Financial Affairs and Administration in the Civil Aviation Department Former Board Member of the National Marine Dredging Company and Abu Dhabi National Hotels</p>	<p>Nil</p>	<p>Chairman of the reconciliation committee at the Judicial Department</p>

H.E. Saeed Ali Saleh Al Kuwaiti	Holder of B.A. in Military Sciences - Staff College (UK) and Master's Degree in Military Sciences - Nasser Academy (Egypt) Worked previously in the Armed Forces Former Board Member of Abu Dhabi Hotels Company and the Red Crescent	Board Member of Al Ain Ahlia Insurance Company	Chairman of the Board of Directors of Emirates Steel Structures Factory in Al Ain and manages his own companies
H.E. Abdullah Sedeeq Mohammed Khouri	Holder of B.A. in Sciences Worked previously as senior financial controller in Abu Dhabi Distribution Company Former Board Member of the National Corporation for Hotels	Nil	Works currently in managing his own companies
H.E. Youssef Abdel Aziz Ahmed Al Harmoudi	Holder of Master's Degree in Finance and Management from the University of Southern New Hampshire Worked previously as portfolio manager in Abu Dhabi Investment Authority	Board Member of Union National Bank	Head of Cash Management in the Accounting and Financial Services Department at the Abu Dhabi Investment Council Board Member of Union Bank in Egypt Board Member of the investment committee at the Social Welfare and Minors Affairs

B. The female representation in the Board of Directors for 2015:

There is no female representation in the Board of Directors for the year 2015.

C. The reasons of absence of women in the Board of Directors:

The last election of the board members was in 2014 and no election took place in 2015.

D. Statement

1. Total Remunerations Paid for the Board Members in 2014:

The remunerations of the board members are determined by the shareholders at the ordinary general assembly of the Company and in accordance with the provisions of Article 118 of the Companies Law No. 8 of 1984, Article 7 of the Ministerial Decree No. 518 of 2009 and Article 32 of the Company's Statute.

The board members remuneration consists of a percentage of net profit as provided for in Article 58 of this Statute. The Company may pay additional fees, expenses or monthly salary to the extent decided by the Board of Directors to any of its

members if that member works in any committee or make special efforts or additional work to serve the Company more than the regular duties as a member of the board of Directors. In all cases, the remuneration of the board members shall not exceed 10% of the net profit after deduction of depreciation and reserves and the distribution of a dividend of no less than 5% of the capital to shareholders.

The remunerations of the Board Members for 2014 were determined in the ordinary general assembly of the Company which was held on 22/03/2015. The total amount of remunerations was 5 million Dirhams, i.e. 800,000 AED for the chairman, 700,000 AED for the vice-chairman and 500,000 AED for each board member.

2. Total Board Members' Remuneration Proposed for the year 2015:

For the year 2015, a proposal of the Board Members' Remuneration will be presented to the General Assembly, which will be held during 2016. The proposal is of 6.1 million AED, i.e. 1 million AED for the chairman, 900,000 AED for the vice-chairman and 600,000 AED for each board member.

3. Details of Allowances for Attending Meetings of the Board and Committees for the Financial Year of 2015:

The Board of Directors has not allocated any allowances for attending its meetings. However, for attending the meetings of the committees emanating from the Board, the Board of Directors decided to grant the committees' Chairman and members the following allowances:

- The committee Chairman is granted 9,000 AED for every meeting he attends.
- The committee member is granted 7,000 AED for every meeting he attends.

In 2015, six meetings were held for the Audit Committee and 4 meetings for the Nomination and Remuneration Committee, while the Investment Committee did not hold any meeting during 2015. Accordingly, the following amounts were paid as follows:

Audit Committee:

Sheikh Ahmed Mohamed Sultan Al Dhaheri	Chairman of the Committee	54,000 AED	Attended 6 Meetings
H.E. Ahmed Ali Khalfan Al Dhaheri	Committee Member	28,000 AED	Attended 4 Meetings
H.E. Abdallah Siddiq Khoury	Committee Member	42,000 AED	Attended 6 Meetings

Nomination and Remuneration Committee:

Sheikh Ahmed Mohamed Sultan Al Dhaheri	Chairman of the Committee	36,000 AED	Attended 4 Meetings
H.E. Ahmed Ali Khalfan Al Dhaheri	Committee Member	21,000 AED	Attended 3 Meetings
H.E. Abdallah Siddiq Khoury	Committee Member	28,000 AED	Attended 4 Meetings

E. Number of Board Meetings Held during the Financial Year Ended on 31/12/2015 and the Number of Attendances of each Board Member:

During 2015, 5 board meetings were held in accordance with the provisions of Article 3-6 of the Decision No. 518 of 2018 on the governance regulations and institutional discipline standards and the Company's Statute. Below are the details of the meetings held during 2015:

Meeting	First	Second	Third	Fourth	Fifth	Number of Attendances
Name	27/02/2015	27/04/2015	21/07/2015	26/10/2015	14/12/2015	
H.E. Nader Ahmed Mohammed Al Hamadi	√	√	√	√	√	5/5
Sheikh Ahmed Mohamed Sultan AL Dhaheri	√	√	√	√	X	5/4
H.E. Ahmed Ali Khalfan Al Dhaheri	√	X	X	√	X	5/2
H.E. Homaid Abdullah Al Shemmari	√	√	√	X	√	5/4
H.E. Khalifa Yousif Abdullah Khouri	√	√	√	√	X	5/4
H.E. Saif Saeed Mohammed Al Dhaheri	√	√	√	√	√	5/5
H.E. Saeed Ali Saleh Al Kuwaiti	√	√	√	√	√	5/5
H.E. Abdullah Sedeeq Mohammed Khouri	√	√	√	√	√	5/5
H.E. Youssef Abdel Aziz Ahmed Al Harmoudi	√	√	X	X	√	5/3

Furthermore, a circular decision was taken on 26/01/2015. It is noted that all the members of the Board of Directors who did not attend some board meetings have presented excuses that were accepted by the Board of Directors.

The Tasks and Functions Delegated by the Board of Directors to the Executive Management:

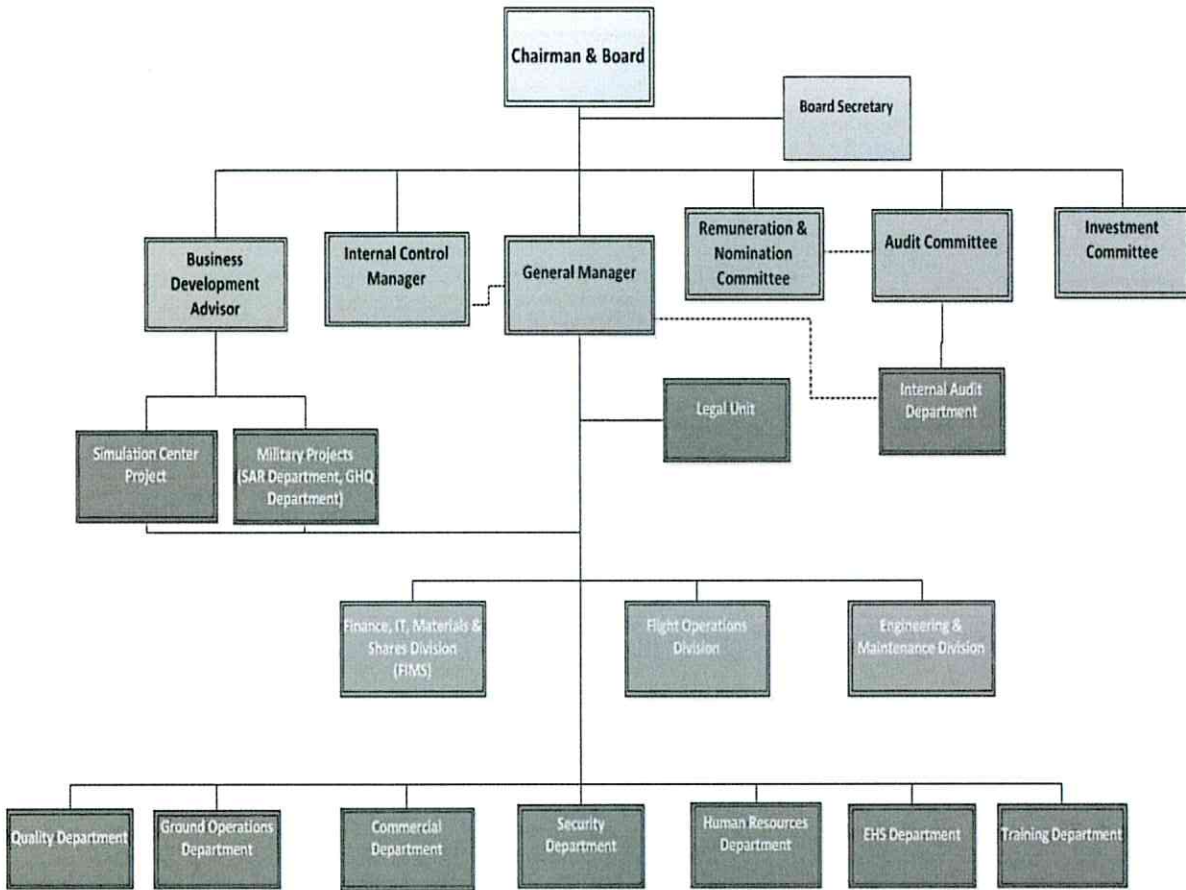
1. Managing the Company's business in line with its strategic objectives and policies approved by the Board of Directors and the provisions of the law and other regulations related to the work and activities of the Company.
2. Providing the Board of Directors with accurate periodic reports on the financial situation of the Company and its business in addition to the actions taken in risk management and internal control system, so as to enable the Board of Directors to review the objectives, plans and policies and holding accountable the executive management for its performance.
3. Providing the board members with any information and documents necessary for the board meetings and providing the Board of Directors with the same within a reasonable time before the meeting.
4. Presenting recommendations regarding any proposals it deems necessary relating to the Company's business.
5. Providing the regulatory bodies (Ministry of Economy, Securities and Commodities Authority, ADX, etc.) with any information, data and documents required pursuant to the provisions of law, regulations, instructions and decisions issued by any of them.

Transactions between the Group Companies and the Stakeholders:

The transactions between the Group companies and the stakeholders - according to the IAS 24 definition - have been disclosed in Note 10 of the audited financial statements.

- Commercial transactions between the group companies and other related parties amounting to 236.228 million Dirhams.
- An amount of 15.508 million Dirhams payable for the Group companies.
- An amount of 43.791 million Dirhams payable by the Group companies.

F. Organizational Structure



G. Detailed Statement of the Senior Executives in the First and Second Row as Shown in the Company's Organizational Structure, their Functions, Dates of their Appointment and Total Remunerations and Allowances Paid to them:

S.N.	Position	Date of Appointment	Total Salaries Paid for 2015 (AED)	Total Remunerations and Allowances Paid for 2015 (AED)
1	Director General	07/11/1988	1,720,708	*
2	Business Development Consultant	08/10/2006	1,056,300	*
3	Chief Financial Officer	08/05/2009	1,038,000	*
4	Engineering Director	05/11/2013	918,000	*
5	Operations Director	14/09/1997	1,038,000	*
6	Commercial Director	01/06/1994	858,000	*
7	Chief Audit Executive	01/03/2009	858,000	*
8	Chief Legal Counsel & Head of Contract	21/09/2010	858,000	*
9	Quality Director	30/07/2001	845,040	*
10	Training/HEMS Program Director	11/08/2006	915,480	*
11	EHS Director	15/03/2003	847,932	*

Notes:

*Allowances of the Senior Executives in the First and Second Row will be disclosed in April.

Fourth – External Auditor:

At the ordinary General Meeting held on 22/03/2015, the shareholders approved to appoint KPMG as the external auditor of the Company for the year 2015. KPMG is considered one of the world's leading audit firms approved in the State.

A. About the External Auditor

KPMG is responsible for the external audit of the Company. It is one of the global audit firms providing auditing services, and was appointed by the General Assembly to audit the Company’s accounts.

KPMG International is a multinational professional services firm headquartered in the Netherlands, and is considered one of the four largest companies in the world in the field of auditing, tax and advisory services, and it serves its customers’ in 154 countries with more than 162,000 employees worldwide.

KPMG – UAE in the United Arab Emirates is a member of KPMG International. It was established in 1973, and employs more than 750 employees, including more than 34 partners. The company’s branch in Abu Dhabi employs more than 130 employees, including 7 partners. It provides all the audit, tax and advisory services of KPMG to its customers in Abu Dhabi.

B. External Auditor’s Fees:

Auditing Firm Name	KPMG
Number of years being an external auditor for the company	One year
Total fees for auditing the financial statements of 2015 (AED)	200,000 AED
Fees and Expenses of the services other than the auditing of the financial statements of 2015 (AED)	Nil
Details and nature of the other services provided	-
Statement of the other services provided by an external auditor other than the company’s auditor during 2015	Nil

No other external auditor has offered any other services for the Company during 2015. A proposal of re-appointing KPMG as the external auditor of the Company for the year 2016 and of KPMG’s fees will be presented to the General Assembly which will be held in 2016.

Fifth: Audit Committee

Based on the Governance Committee's report presented to the Board of Directors, the Board has decided in resolution No. (6/2) in the board meeting session No. 2 of the 2014 to form the Audit Committee of the Board members in accordance with the corporate governance regulations and requirements.

A. Names of the Audit Committee Members:

S.N.	Name	Membership
1	Sheikh Ahmed Mohamed Sultan Al Dhaheri	Chairman of the Committee
2	H.E. Ahmed Ali Khalfan Al Dhaheri	Member & Financial and Economic Expert
3	H.E. Abdallah Siddiq Khoury	Member

Functions and duties of the Audit Committee:

1. Developing and implementing the policy of contracting with the external auditor and submitting a report to the Board of Directors of the issues that require taking action and suggesting the necessary steps to be taken.
2. Following up and monitoring the independence and objectivity of the external auditor and discussing the nature and scope of the audit process and its effectiveness in accordance with the audit standards approved.
3. Monitoring the integrity of the financial statements of the company and its (annual, semi-annual and quarterly) reports and reviewing the same as part of the normal work during the year.
4. Reviewing the financial control, internal control and risk management systems in the Company.
5. Reviewing the external auditor's letter and action plan in addition to any essential inquiries required by the auditor from the management about the accounting records, financial accounts or control systems and approving the same.
6. Developing controls that enable the Company's employees to report any possible irregularities in the financial reports, internal control or other in a confidential way in addition to the steps of conducting an independent and fair investigation concerning those irregularities.
7. Monitoring the Company's compliance with the rules of professional conduct.
8. Reviewing the internal control system in the Company and ensuring the performance of its duty in terms of establishing an effective internal control system.

9. Supervising the qualifications and independence of the internal audit staff and their compliance in the Company and adopting the annual audit plan prepared by the internal auditor.

During 2015, a meeting was held between the internal auditor and the external auditor (KPMG) of the Company on Thursday, 17/12/2015.

It is noteworthy that the department of internal audit in the Company was established in 2009. This department is directly affiliated to the Audit Committee, enjoys full independence, and raises to the management reports on the operations of the internal audit and compliance with all departments of the group companies. Mr. Muhannad Abdel Hadi is the Head of executive Internal Audit of the Group; he has great experience in the field of audit and business risk management. He holds a Bachelor degree in Accounting and is a certified internal auditor and member of the American Society of internal auditors.

It is worth mentioning that all internal audits of the group companies were carried out according to the audit plan 2014 approved by the members of the Audit Committee. The follow-up and compliance operations in Abu Dhabi Aviation, Royal Jet, Maximus Aviation and the other affiliated companies have continued throughout the year. The following up operations are continuing now in order to complete all the deficiencies and observations that have emerged during the internal audits in some departments of Abu Dhabi Aviation, Royal Jet and Maximus Aviation Company.

Updating the list of the potential risks that the group may encounter has been completed during the month of December 2015, as the latest update was during the year 2012.

B. Number of the Audit Committee Meetings Held during the Financial Year Ended on 31/12/2015 and Number of Attendances of each Board Member:

Meeting	First	Second	Third	Fourth	Fifth	Sixth	Number of Attendances
Name	08/02/2015	17/02/2015	27/04/2015	09/06/2015	21/07/2015	26/10/2015	
Sheikh Ahmed Mohamed Sultan Al Dhaheri	√	√	√	√	√	√	6/6
H.E. Ahmed Ali Khalfan Al Dhaheri	√	√	x	√	X	√	6/4
H.E. Abdallah Siddiq Khoury	√	√	√	√	√	√	6/6

Sixth: Nomination and Remuneration Committee:

Based on the Governance Committee's report presented to the Board of Directors, the Board has decided in resolution No. (6/2) in the board meeting session No. 2 of the 2014 to form the Nomination and Remuneration Committee of the Board members in accordance with the corporate governance regulations and requirements.

A- Names of the Nomination and Remuneration Committee Members:

Name	Membership
Sheikh Ahmed Mohamed Sultan Al Dhaheri	Chairman of the Committee
H.E. Ahmed Ali Khalfan Al Dhaheri	Member
H.E. Abdallah Siddiq Khoury	Member

Tasks and Duties of the Nomination Committee:

1. Ensuring the independence of the independent members on an ongoing basis.
2. Preparing the policy of remunerations, benefits, incentives and salaries for the board members and staff policy, and reviewing the same on annual basis. The committee shall ensure that the remunerations and benefits granted to the senior executive

management of the Company are reasonable and proportionate to the performance of the Company.

3. Determining the needs of the Company in terms of human resources at the level of senior executive management and staff and determining the criteria of selecting them.
4. Preparing the human resources and training policy in the Company, monitoring the implementation of the same and reviewing the same in addition to reviewing any changes to the job structure.
5. Organizing and following up the procedure of nomination for membership of the Board of Directors in accordance with the laws and regulations in force and the provisions of Resolution No. 518 of 2009 on the regulations and standards of governance and institutional discipline.

B. Number of the Nomination and Remuneration Committee Meetings Held during the Financial Year Ended on 31/12/2015 and Number of Attendances of each Board Member:

During 2015, the Nomination and Remuneration Committee has held 4 meetings as follows:

Meeting	First	Second	Third	Fourth	Number of
Name	17/02/2015	27/04/2015	09/06/2015	26/10/2015	Attendances
Sheikh Ahmed Mohamed Sultan Al Dhaheri	√	√	√	√	4/4
H.E. Ahmed Ali Khalfan Al Dhaheri	√	x	√	√	4/3
H.E. Abdallah Siddiq Khoury	√	√	√	√	4/4

Seventh: The Internal Control System:

A. Statement by the Board Confirming its Responsibility for the Internal Control System in the Company and for Reviewing its Mechanism and Ensuring its effectiveness:

The Board of Directors approved the establishment of the department of internal control in line with the corporate governance requirements and in accordance with the provisions of Article 8 of the Ministerial Decree of 2009. This department shall be sufficiently independent to perform its tasks and keep track of the Board of Directors. The Board declares that it is responsible for the internal control system in the Company and for reviewing this system and ensuring its effectiveness.

It is noteworthy that the department of internal control reviews the effectiveness of internal control system of the Company and reports the results to the Board of Directors by presenting periodic reports to the Board of Directors, which is responsible for the internal control system and for reviewing the same and ensuring its effectiveness.

This system aims to assessing the risk management means and procedures in the Company, implementing the corporate governance rules properly, monitoring the compliance of the Company and its employees with the provisions of laws, regulations and decisions in force governing its work and internal policies and procedures, reviewing the financial statements presented to the senior management of the Company, which are used in the preparation of financial statements and examining and reviewing all the documents and records used in the Company to verify their accuracy and adequacy to achieve the desired objectives. For these purposes, the internal auditor and his staff shall have the full authority to access without restriction to all events, documents, records and properties of the Company, and to the data and trading of the Company's employees.

The department of internal audit shall report to the Board of Directors, and shall be liable to the Board directly and shall have a direct relationship with all the heads of departments in the Company and all the heads of other sections of the Company with regard to all matters of internal control, including:

1. Ensuring the compliance of the Company and its staff with the provisions of laws, regulations and decisions in force for the organization of the work of the Company.
2. Supervising the implementation of the governance regulations.
3. Presenting proposals and recommendations to the management with respect to risk management.
4. Assessing the means and procedures for risk management.
5. Performing administrative control to ensure accuracy and improve the performance level.
6. Performing the accounting control, i.e. all the procedures that aim to ensure the accuracy of the data and accounts and ensuring the integrity of the accounting process before submitting the data to the Company's management.

The internal control system is reviewed by the Board of Directors on annual basis. This review took place last year and the results were positive. No significant problems were reported by the internal control system in 2015.

B. Name and Qualifications of the Director of the Internal Control Department:

Name: Mr. Ashraf Fahmy

Qualifications: +25 years of experience in the field of corporate accounting and Director of Internal Control Department in the Company.

Holder of B.A. in Commerce, legal accountant and member of the British Chartered Accountants Association, computer systems and applications designer accredited by Microsoft.

C. Name and Qualifications of the Compliance Officer:

Name: Mr. Arneil Liyego

Qualifications: + 10 years of experience in the field of risk management and auditing.

Holder of B.A. in Accounting and Certified Internal Auditor.

D. The Department of Internal Control's Way of Dealing with any Major Problems in the Company or with the Problems Disclosed in the Annual Reports and Accounts:

During 2015 the Company did not encounter any problem.

Eighth – Violations Committed during 2015

Abu Dhabi Aviation Company abides by all the laws, decisions and regulations in force in the United Arab Emirates; therefore, it did not violate the laws and regulations during the said financial year.

Ninth – The Company's Contributions in the Local Community Development and Preserving the Environment during 2015:

During 2015, Abu Dhabi Aviation has continued providing a safe working environment for its employees. The HSE effective management is still considered an integral and significant component in all the Company's activities and contributions, namely, but not limited to:

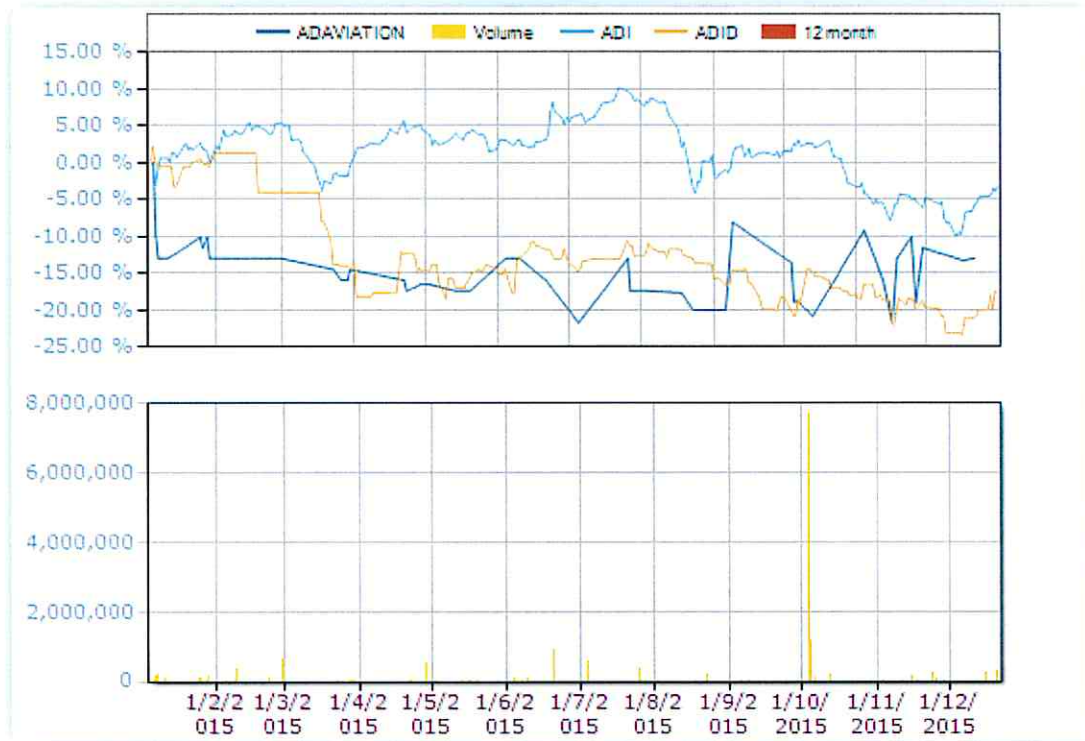
- Organization of the activities of the National Day 44 of the UAE in 2015 for a whole week.
- The activities of the Flag Day events in 2015.
- Participation in the International Exhibition and Conference of Defence 2015 (IDEX).
- Participation in Dubai Air show 2015.
- Official sponsor for the Financial Markets Forum 2015
- Official sponsor of the champion Mohammed Al Blooshi, the Motocross Rider
- Official sponsor of the Cup of H.H. the UAE President for open water swimming Championship (UAE Swimming Federation)
- Official sponsor of the Abu Dhabi Desert Rally 2015
- Official sponsor of the golf tournament.

Tenth: General Information

A. The Company's Share Price in ADX (Closing Price – Highest Price – Lowest Price) at the End of each Month of 2015:

Date	Number of Shares Traded	Trading Value	Number of transactions	Highest Price	Lowest Price	Closing Price
29/01/2015	793,717	2,410,496.10	17.00	3.90	3.00	3
26/02/2015	538,698	1,616,094.00	5.00	3.00	3.00	3
31/03/2015	746,346	2,232,888.00	10.00	3.00	2.90	3
30/04/2015	538,252	1,550,892.54	10.00	2.94	2.85	2.95
31/05/2015	48,364	138,919.94	6.00	2.90	2.85	2.88
30/06/2015	1,150,000	3,360,000.00	4.00	3.00	2.90	2.85
30/07/2015	953,468	2,694,307.90	12.00	3.00	2.70	2.9
31/08/2015	273,100	767,484.76	13.00	2.85	2.76	2.85
30/09/2015	11,100	30,677.00	2.00	3.17	2.76	2.76
29/10/2015	9,135,961	27,135,123.08	10.00	2.99	2.73	3.17
30/11/2015	468,513	1,292,763.45	12.00	3.13	2.70	2.73
31/12/2015	522,830	1,565,261.70	3.00	3.00	2.99	3.05
	15,180,349	44,794,908.47	104.00			

B. Comparative Performance of the Company's Shares with the General Market Index and the Sector Index to which the Company Belongs:



Total of 2015	Number of Deals	Number of Shares Traded	Market Value
Abu Dhabi Aviation	104	15.180.349	44.794.908.47
Services Sector	518	39.564.101	118.706.145.27
Market	436.911	25.656.581.969	58.821.897.924.34

C. Distribution of the Shares among the Shareholders as of 31/12/2015
(Individuals, Companies and Governments)

Total		Individuals		Companies		Abu Dhabi Investment Council	
Number of Shares	Number of Shareholders	Number of Shares	Number of Shareholders	Number of Shares	Number of Shareholders	Number of Shares	Number of Shareholders
444,787,200	707	232,722,893	678	78,628,187	68	133,436,160	1

D. Shareholders Owning 5% or more of the Company's Capital:

S.N.	Name	Number of Shares Owned	Percentage of owned Shares in the Company Capital
1	Abu Dhabi Investment Council	133,436,160	30%

No shareholder, whether individuals or companies, owns 5% or more of the Company's capital, except Abu Dhabi Investment Council which owns 30% of the Company's capital.

The above table shows that the Company's shares are distributed as follows:

30% of the Company's shares, i.e. 133,436,160 shares are owned by the Government of the Emirate of Abu Dhabi, represented by the Abu Dhabi Investment Council.

52.32% of the Company's shares, i.e. 232,722,893 shares are owned by UAE national shareholders.

17.68% of the Company's shares, i.e. 78,628,147 shares are owned by 28 national companies in the United Arab Emirates.

Based on the Company's Statute, no non-UAE nationals may acquire any shares in the Company.



E. Distribution of Shareholders according to size of their Shares ownership as of 31/12/2015:

S.N.	Shares ownership (Shares)	Number of Shareholders	Number of Shares Owned	Ratio of owned capital shares
1	< 50,000	323	4,501,694	1%
2	> 50,000 and < 500,000	254	44,821,809	10%
3	> 500,000 and < 5,000,000	120	173,207,250	30%
4	> 5,000.000	10	222,256,447	50%

F. The Main Events Encountered by the Company during 2015:

The Company did not encounter any significant events that had an impact on it during 2015.



Chairman of the Board of Directors