

EMIRATES DRIVING COMPANY

Governance Report Form for 2019

Company Profile

Emirates Driving Company was established in 2000 as a national public shareholding company with a part of the Abu Dhabi Government. It was established as a solution to reduce the number of traffic accidents, raise the efficiency of training and develop the skills of drivers.

It has been agreed and co-operated with the Swedish National Road Safety Commission (SweRoad) in road safety and driving training services to build the foundation for an innovative and advanced driving education system.

The company developed the quality system and obtained ISO 9001-2008 certificate in 2007 and was renewed in 2010 and then renewed in 2013, 2016 and 2019. The area of the system was traffic safety and driving training services. (OHSAS 18001-2007) of the occupational health and safety system.

In addition, the company received the Sheikh Khalifa Award for Excellence in 2015 from the first participation in this award.

Vision:

To be the leading provider of driving education and training contributing to safer roads in the community.

Mission:

Providing the highest quality driving education, training and standards that exceed our customers' expectations and contribute to increase road safety awareness in our communities.

Value:

Social responsibility; Customer oriented; Building partnerships; Innovative; Ethical; commercially minded and Team work.

Quality Policy:

Emirates Driving Company has implemented, reviewed and developed the quality system and worked to ensure its continued improvement in accordance with the requirements of ISO 9001-2008, to provide training services and improve road safety factors.

Executive Management Obligations:

- Provide traffic culture and leadership training for all categories of vehicles of the highest quality.
- To contribute to increasing awareness of traffic safety for all road users inside and outside the country.
- Provide an appropriate working environment to enable individuals to work together, creativity and increase productivity.
- Working to satisfy customers, providing services beyond their expectations.

Services:

- ✓ The company offers many unique services, which are unique to the country.
- ✓ The company offers theoretical traffic education courses, which include Light Vehicles, Heavy Vehicles, Heavy Buses and Motorcycles.
- ✓ In addition to practical training available for Light Vehicles, as well as to practical training for Heavy Vehicles, Heavy Buses and Motorcycle categories.
- ✓ The company provides training in several languages including Arabic, English, Urdu, Malayalam and Pashto.
- ✓ The company also provides special training for people with special needs.



شركة الإمارات لتعليم قيادة السيارات
EMIRATES DRIVING COMPANY

- ✓ In cooperation with the Vehicles and Drivers Licensing Department, the company provided all kinds of tests to obtain the required certificates.
- ✓ For the convenience of customers, the company provides some additional services such as transportation, cafeteria, ATM, credit card payment and public and private waiting rooms for ladies.
- ✓ In the belief of the importance of spreading traffic awareness among all segments of society, EDC has prepared a plan for several training programs to serve the specialized institutions in the field of transport and communication.
- ✓ In addition to the above, the company offers courses for School Bus Drivers and Supervisors.

Human resources development:

The company believes that its employees are the basis for its success, therefore the appropriate competencies are selected to achieve its objectives and are keen to develop them continuously.

Technology and expertise:

Quality services have been provided by combining the intellectual capacities of individuals with different levels of experience and knowledge, and harnessing the best equipment, systems and advanced equipment.

Events:

The company participates in many activities and activities such as campaigns, workshops, conferences and seminars related to the field of awareness and traffic safety.

Company Branches:

Emirates Driving Company started in 2004 from its headquarters in the Emirate of Abu Dhabi, Musaffah to provide training services.

In 2006, the company opened its branches in Al Ain, Tarif and finally in Dalma Island. In 2015, Tarif branch moved to Madinat Zayed in Al Dhafra area. Other branches were opened in 2017 in Ghayathi,

Emirates Driving Company in collaboration with Belhasa International Group, has established a driving leadership company in Dubai and Ajman.

1. Statement of procedures taken to complete the Corporate Governance system during 2019, and method of implementing thereof.

From the very beginning, Emirates Driving Company (DRIVE) has been keen to implement Ministerial Resolution n° (7 R.M) of 2016 on the Corporate Governance and Institutional Discipline Standards issued by the Securities and Commodities Authority (SCA) and to cover all requirements by defining the responsibilities and duties of the Board of Directors and the Executive Management of the Company. And takes into consideration the protection of the rights of all shareholders and stakeholders through transparency and disclosure of everything that happens at the company. The company's Board of Directors represented by the Chairman, Vice-Chairman and Board members supervises and controls the continued performance of the company and how to implement the Ministerial Resolution:

- The company began to implement the actual application after attending the promotional offers organized by the Securities and Commodities Authority. The first steps were by calling for the Board of Directors and considering them to be independent and non-executive board members at the meeting held on 18/2/2010. The balance between independent and non-independent members has been taken into account.
- All Board members are non-executive members.
- All members are independent members.
- Everyone has pledged to disclose any change that may affect their independence.
- The committees emanating from the Board of Directors were formed at the Board meeting held on 26/02/2019.

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- Members of the Board of Directors have submitted a declaration of independence, which has been submitted to the Authority.
- On 26/02/2019, the Company held a general assembly for the year 2018 at the company's headquarters in Mussafah - Abu Dhabi. The members of the Board of Directors were elected as follows:
 1. **Mr. Rashed Salem Lakhribani Al Nuaimi - Chairman of the Board of Directors**
 2. **Mr. Mohamed Haji Abdulla Hussain Al Khoori - Vice Chairman**
 3. **Mr. Maktoum Abdulla Mohammed Khalfan Al Kaabi - Member**
 4. **Mr. Hamad Adail Mohammed Adail Al Shamisi - Member**
 5. **Mr. Sulaiman Rashed Saeed Sulaiman Al Ghaithi - Member**
- The independence, non-independence, executive or non-executive status was once again confirmed by the signature of the independent board member on February 23rd, 2020.
- In conclusion, the Authority was provided with all the detailed data by the Company to comply with the requirements of governance, which resulted in the granting of a letter to Emirates Securities and Commodities Authority stating that Emirates Driving Company has fulfilled all the necessary requirements to implement the resolution.
- Emirates Driving Company takes upon itself and with every effort to comply with the provisions of the Ministerial Resolution n° (7 R.M) of 2016 on the rules of governance and the standards of institutional discipline.

2. Statement of ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2019, according to the following schedule.

- The Company has issued legislation governing the transactions of the members of the Board of Directors in securities, where the Chairman and members of the company Board of Directors and the members of the senior executive management of the company and its employees, which contributes not less than 30% of its capital, as well as subsidiaries, during the following periods:
 - Before (10) Business days after the announcement of any material information that will affect the price of the stock up or down unless the events result from sudden and sudden events.
 - Before (15) Days from the end of the quarterly, semi-annual or annual financial period until disclosure of the financial statements.
- Continued diligence to fully comply with the laws and the supervisory entities regulations such as authorities, markets and others.
- All members of the Board of Directors and employees of the Company should not disclose material information affecting the share price of the financial market except by the competent department, which is the Finance Department.

Ser.	Name	Position/Kinship	Owned shares as on 31/12/2019	Total Sale	Total Purchase
1	Mr. Rashed Al Nuaimi	Chairman	166	0	166
2	Mr. Mohamed Haji Al Khoori	Vice Chairman	28,322	166	28,488
3	Mr. Slaiman Al Gaithi	Board member	145	0	145

3. Board Formation:

A. Statement of the current Board formation (along with the names of both the resigned and appointed Board members) according to the following schedule:

A statement of the composition of the current Board of Directors according to the categories of its members (executive, non-executive and independent), their data, experience and qualifications, and the duration of their term as members of the Board of Directors from the date of their first election.

Pursuant to the provisions of the Federal Commercial Companies Law n° (2) of the year 2015 and the Ministerial Resolution No. (7 R.M) of the year 2016 on Corporate Governance and Institutional Discipline Standards, the Board of Directors of Emirates Driving Company were elected during the AGM of 2018 held on February 26th, 2019:

- 1) The Board of Directors shall manage the Company. The Articles of Association of the Company shall specify the manner of composition, the number of its members and the duration of its membership therein.
- 2) The members of the first board of directors of the company were elected by the founders. The subsequent members of the board of directors are elected for a specific period by the shareholders of the company. In the composition of the board, the appropriate balance between executive and non-executive members and independent members was taken into consideration. So that at least one third of the members shall be independent members and the majority shall be non-executive members who shall have expertise and technical skills for the benefit of the company. In all cases, when selecting the non-executive members of the company, the member must be able to allocate sufficient time and attention to his membership, such membership is opposed to other interests.
- 3) Prohibition of combining the position of the Chairman of the Board of Directors with the position of Director of the Company and / or the Managing Director.
- 4) Each member of the Board of Directors shall hold his position until the expiration of his term of membership or approval of his resignation by a resolution of the Board of Directors, his death or his dismissal by a resolution of the General Assembly of the Company.
- 5) If the position of a member becomes vacant, the Board of Directors may appoint a member of the vacant position, provided that the matter is submitted to the General Assembly at its first meeting to approve his appointment or appoint another, unless the Company's Articles of Association provide otherwise. The General Assembly shall be invited to meet within three months at the latest date of the vacancy in order to elect who fills the vacant positions.
- 6) The Board of Directors shall hold its meetings four times during the financial year at least, upon written invitation by the Chairman of the Board of Directors or at the written request of at least two members of the Board. The invitation shall be issued at least one week before the date specified, together with the agenda. Each Member shall have the right to add any topic which he considers necessary to be considered at the meeting.
- 7) The meeting of the Board of Directors shall be valid only with the presence of the majority of its members. Decisions of the Board of Directors shall be issued by a majority vote of the attendees and representatives of the meeting. In the case of equal votes, the side of the Chairman or whoever fulfills his position shall prevail.
- 8) Without prejudice to the foregoing, the Board of Directors may exclude the issuance of some of its decisions by passing in emergency cases, taking into consideration the following:
 - ❖ Decisions should not be passed four times a year.
 - ❖ The majority of the members of the Board of Directors agree that the situation requiring the issuance of the decision to pass is an emergency.
 - ❖ The Board of Directors shall deliver the written decision in writing for approval, accompanied by all necessary documents and documents for review.

- ❖ The written approval of the majority of any of the resolutions of the Board of Directors issued by passing must be approved, with the need to be presented at the next meeting of the Board of Directors to be included in the minutes of its meeting.
- 9) The minutes of the meetings of the Governing Council or its committees shall record the details of the issues considered and the decisions taken, including any reservations of members or views expressed on them. All members present must be signed on draft minutes of Board meetings prior to adoption. The minutes of the meetings of the Board of Directors and its committees shall be kept by the Board of Directors' decision. In the event that a member fails to sign, his objection shall be recorded and the reasons for the objection shall be stated as soon as they appear.
- 10) If a member of the Board of Directors has a conflict of interest in a matter to be considered by the Board of Directors, and the Board of Directors decides that it is a matter of substance, it shall issue its decision in the presence of the majority of the members. A member of interest may not participate in voting on the resolution and may in extraordinary cases address such matters through committees emanating from the board of directors formed for this purpose by virtue of a decision issued by it. The opinion of the Committee shall be submitted to the Board of Directors for decision in this regard.
- 11) The Board of Directors may, by a decision of a majority of its members, request an external advisory opinion in any matter related to the Company and at its expense.
- 12) The Board of Directors shall establish rules of procedure for corporate governance, supervision and supervision of its application, in a manner not inconsistent with the provisions of this resolution, and shall be responsible for its application in accordance with its provisions, in condition to ensure that there are no conflicts of interest.
- 13) The Board of Directors works on appropriate development programs for all members of the Board of Directors to develop and update their knowledge and skills and to ensure effective participation in the Board of Directors.
- 14) The Board of Directors establishes written rules regarding the transactions of the Company's Board of Directors and its employees in the securities issued by the Company, the Parent Company or its subsidiaries or sister companies.

A statement about the membership of the members of the board of directors in any other public joint stock companies, their positions in those companies and their positions in any other important governmental, commercial or commercial sites

- The 2018 General Assembly was held on 02/26/2019 elected the members of the Board of Directors for the years (2019, 2020, 2021), and the company has sent a detailed statement of their names, their positions within the council and an explanation of whether they are executive or non-executive of the authority, and has also been provided The authority declares independence.
- All Board members are Emirati citizens.



S/N	Name	Nationality	Category (Executive, Non-executive, and Independent)	Experience	Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental or business entities.
1	Mr. Rashed Salem Saif Lekhraibani Al Nuaimi	Emirati	Non-executive, and Independent	<ul style="list-style-type: none"> * Advisor to His Highness the Deputy Prime Minister and Minister of Interior and member and Secretary General of the Federal Demographic Council - from 2010 to date * Chairman of the Board of Directors of Qeyadah Driving Company - from 2010 to date * Undersecretary of the Ministry of Education - from 2008 to 2009 * Assistant Secretary General of the National Consultative Council - from 2001 to 2009 * Head of Financial and Administrative Departments at the National Consultative Council, 1997-2001 * Director of the Member Affairs Department of the National Consultative Council (Al Ain) - 1995-1997 	<ul style="list-style-type: none"> * Master of Public Administration - University of Southern California - USA. * Bachelor of Finance - University of California - USA. 	Chairman (19 years)	*Member of the Board of Directors of the UAE Wrestling and Judo Federation.	All members hold high-level investment, legal, scientific and advisory positions within UAE Government.
2	Mr. Mohamed Haji Abdulla Hussain Al Khoori	Emirati	Non-executive, and Independent	<ul style="list-style-type: none"> * General Director of Khalifa Bin Zayed Al Nahyan Foundation for Humanitarian Work - from 2007 to date * Secretary General of Abu Dhabi Chess Club - from 1990 to 2017 Vice President of Al Jazeera Investment and Real Estate Development Company - from 2011 to 2018 * Director of Special Affairs at the Ministry of Presidential Affairs - from 2004 to 2007 * Director of the Private Office at the Crown Prince's Court - from 1998 to 2004 * Director of the Medical Department at the Diwan of the Crown Prince - from 1992 to 1997 * Financial Controller at the Crown Prince's Court - from 1990 to 1991 	<ul style="list-style-type: none"> * Bachelor's degree in Economics - University of California - 1989 	Vice Chairman (1 year)	<ul style="list-style-type: none"> *Member of the Board of Directors of the Emirates Takaful Company (Insurance) since 2020 * A public joint stock company 	

3	Mr. Maktoum Abdulla Mohammed Khalfan Al Kaabi	Emirati	Non-executive, and Independent	<ul style="list-style-type: none"> * Advisor to the Head of Department and Head of Transport Technology and Systems Group - Department of Transport - 2017 to date * Engineer officer in the Armed Forces from 2000 until 2017 * Member of the Traffic Safety Technical Committee in the Emirate of Abu Dhabi from 2017 to 2018 	<ul style="list-style-type: none"> * Master of Science in Communication and Computer Science, George Washington University, 2004 * Bachelor of Science in Electrical Engineering, George Washington University, 2000 * Management Course from UAE University - Affiliation 	Board Member (1 year & 3 months)	NONE	All members hold high-level investment, legal, scientific and advisory positions within UAE Government.
4	Mr. Hamad Adail Mohammed Adail Al Shamisi	Emirati	Non-executive, and Independent	<ul style="list-style-type: none"> * Advisor to the Abu Dhabi Police General Command - from 2018 to date * Director General of the General Organization for Punitive and Correctional Institutions - from 2015 to 2016 * Director of the Traffic and Patrols Directorate - from 2010 to 2015 * Director of Traffic and Patrols Department - from 2007 to 2010 * Director of Project Engineering and Building Maintenance Department - from 2006 to 2007 * Deputy Director of the Vehicles and Drivers Licensing Department - from 2005 to 2006 Head of the Vehicle Licensing Department - from 2002 to 2005 * Director of the Traffic Inspection Committees Branch - from 2000 to 2002 * Director of the Drivers Licensing Branch - from 1996 to 2000 	<ul style="list-style-type: none"> * Master in Police Administration - Police College - 2013 * BA in Legal and Police Sciences - Police College - 2003 * Diploma in Police Sciences - Police College General 	Board Member (1 year)	NONE	
5	Mr. Sulaiman Rashed Saeed Sulaiman Al Ghaithi	Emirati	Non-executive, and Independent	<ul style="list-style-type: none"> * Facilities Management & Maintenance Specialist - Department of Transport * Facilities Management Consultant - Ministry of Education * Facilities Manager - General Authority for Health Services - from 2004 to 2009 * Architect - Abu Dhabi Tourism Authority - 2003-2004 - Head of the Maintenance Department - General Services Administration - from 1999 to 2003 * Architect - Military Business Administration - from 1998 to 1999 Officer - Army Command - from 1992 to 1998 	<ul style="list-style-type: none"> * Bachelor's degree in Architectural Engineering, Al Ain University, 1998 	Board Member (1 year)	NONE	

B. Statement of the percentage of female presentation in the Board for 2019 (In case of non-representation, please state that there is no

- There is no representation of the female component on the company's Board of Directors.

C. Statement of the reasons for the absence of any female candidate for the Board membership. (Explanatory example: No female candidate is

- No female candidate in the 2019 elections was nominated to the Board of Directors.

D. Statement of the following:

1. The total remunerations paid to the Board members for 2018.

The General Assembly held on 26/02/2019 approved the granting of 8.22% of the profits of 2018 as a bonus to the Board members amounting to AED 7,804,484 for the year ended 31 December 2018 after deducting the value of reserves and depreciation.

2. The total remunerations of the Board members, which are proposed for 2019, and will be presented in the annual General Assembly meeting for approval.

The proposed remuneration is determined as 10% of 2019 net profit which is equal to AED 11,309,768 after the reserves and depreciations deduction, in order to be discussed and approved at the upcoming general assembly meeting.

3. Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for 2019 fiscal year.

None of the Board members has been paid any fees or allowances for the attendance of the meetings of the Board of Directors or the committees emanating from it for the year 2019.

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

None of the Board members has received any allowances and additional fees for the attendance for the year 2019.

E. Number of Board meetings held during 2019 fiscal year along with their conversion dates, personal attendance times of all members, and members attending by proxy (The Board members names must match what is stated in the above-mentioned Clause (3A)).

#	Date of the meeting	Number of Attendees	Number of attendance by proxy	Names of absent members
1	27/01/2019	4 attendees	NONE	Mr. Rashed Al Nuaimi (with acceptable excuse)
2	26/02/2019	5 attendees	NONE	NONE
3	14/05/2019	5 attendees	NONE	NONE
4	03/11/2019	5 attendees	NONE	NONE

F. Number of the Board resolutions passed during the 2019 fiscal year, along with its meeting convention dates.

No Board resolutions have been issued during the 2019 fiscal year.

G. Statement of Board duties and powers exercised by Board members or the executive management members during 2019 based on an authorization from the Board, specifying the duration and validity of the authorization according to the following schedule:

The functions and terms of reference of the executive management and delegated by the Board of Directors to the Chief Executive Officer - Mr. Khaled Al Mansoori are as follows:

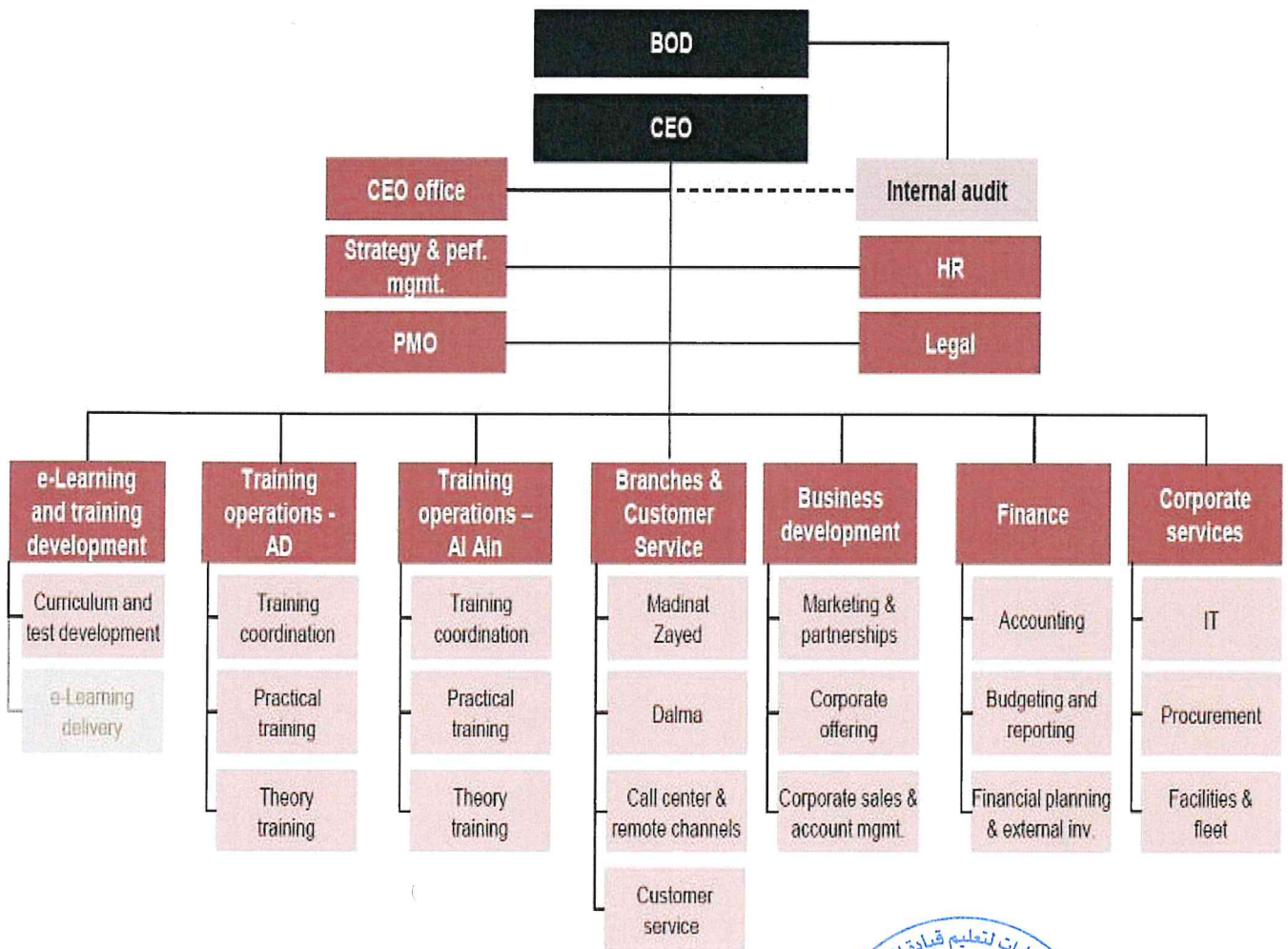
- ✓ General responsibility for the management of Emirates Driving Company and its projects.
 - ✓ The responsibility of implementing the plans aimed at developing the performance of Emirates Company for the coming years.
 - ✓ Develop current and future policies and strategies that will enhance the prosperity and development of Emirates Driving Company.
 - ✓ Payment of maximum financial payments (AED 300,000).
 - ✓ Approving non-financial bank transactions (ex: activating bank accounts / requesting check books / bank accounts disclosure request).
 - ✓ Renewal of fixed deposits and investing surplus funds in new fixed deposits with the highest profitability rates.
- The Chief Executive Officer carries out his duties and responsibilities through a number of experienced and highly qualified executives who are considered as a pillar of the company's executive and administrative work.



H. Statement of the details of transactions made with the related parties (Stakeholders) during 2019, provided that it shall include the following:

The Company has no transactions with related parties (whether they are directors of the Company or members of the senior executive management and employees of the Company) or any companies in which any of them contributes at least 30% of its capital. Also, there are no deals "whether with related parties or others" that the company carried out during the year 2019 is equal to 5% or more of its capital.

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





J. A detailed statement of the senior executives in the first and second grade according to the company's organizational structure (according to 3-I), their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:

S/N	Position	Date of Appointment	Total Salaries and Allowances paid in 2019 (AED)	Total Bonuses paid in 2019 (AED)	Any other Cash/in-kind benefits for 2019 or payable in the future
1	Chief Executive Officer	31/12/2012	2,187 K	4,300 K	-
2	Director of Training Operations (Al Ain)	29/05/2004	847 K	510 K	-
3	Director of Training Operations (Abu Dhabi)*	21/08/2004	200 K	-	-
4	Director of Finance	03/02/2015	973 K	765 K	-
5	Director of Corporate Services	These departments are currently vacant as a result of the restructuring that took place in the company, noting that the following mentioned departments & sections are under the direct supervision of the company CEO until hiring the related executive employees later on (Human resources, Legal Affairs, Project Management Office, Strategy & Performance Management)			
6	Director of Business Development				
7	E-learning and training development				
8	Branches and Customer Service Department				

*Resigned from the company on 24/04/2019.

4. External Auditor:

A. Submit an overview of the company auditor to shareholders.

➤ **About the Company's auditor for shareholders**

The external auditor of Emirates Driving Company is Ernst & Young (EY). They were hired in 2018, a globally renowned financial and professional auditing and advisory firm and one of the four largest auditing firms worldwide. They were contracted to carry out audit work and the work of quarterly and final financial reports.

➤ **Selection mechanism of external auditor:**

The external auditor is selected through the annual general assembly where the external auditor is nominated by the Board of Directors on the recommendation of the Audit Committee.



➤ **Functions of the External Auditor:**

The functions of the External Auditor are as follows:

- 1- Conduct annual audit.
- 2- Quarterly audit (March, June and September) plus one interim audit.
- 3- Preparation and adoption of financial statements within the specified time frame:
 - ✚ Three months from the end of the year, for the final audit
 - ✚ Forty five days from the end of the quarter audited, for the quarterly audit
- 4- Submit audited financial statements in Arabic and English

B. Statement of fees and costs for the audit or services provided by the external auditor, according to the following schedule:

The audit fee for the year 2019 is AED 220,500 (two hundred twenty thousand and five hundred dirhams including VAT). In 2019, Ernst & Young did not have any professional services other than auditing. We would like to emphasize that the auditor does not engage in any other activities that are inconsistent with its independence and neutrality.

Name of the audit office and partner auditor	Ernst & Young (Mother Company)	Ernst & Young (Tabieah Company)	PWC (Qeyadah Company)
Audit partner name	Raed Ahmad	Raed Ahmad	Jacques Fakhoury
Number of years he served as the company external auditor	Two Year	Two Year	Five Years
Total audit fees for 2019 in (AED)	AED 183,750	AED 36,750	AED 57,750
Fees and costs of the other private services other than auditing of the financial statements for 2019 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	NONE	NONE	NONE
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	NONE	NONE	Audit the financial statements of the subsidiary.
Statement of other services that an external auditor other than other than the Company accounts auditor provided during 2019 (if any). In the absence of another external auditor, this matter is explicitly stated	NONE	NONE	NONE

C. Statement clarifying the reservations that the company auditor included in the interim and financial statements for 2019 and in case of the absence of any reservations, this matter must be mentioned explicitly.

- There are no reservations made by the Company's auditor in the interim and annual financial statements for 2019.

5. Audit Committee:

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

Mr. Sulaiman Rashed Al Ghaithi - Chairman of the Audit Committee, acknowledges his responsibility for the committee's system in the company and for his review of its work mechanism and ensuring its effectiveness.

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

Members:

- ♦ **Mr. Sulaiman Rashed Al Ghaithi** - Head of the Committee
- ♦ **Mr. Maktoum Al Kaabi** - Member
- ♦ **Mr. Hamad Adail Al Shamisi** – Member

Statement of Competence and Tasks:

- 1) Develop and implement the contracting policy with the external auditor, and submit a report to the Board of Directors specifying the issues that it considers important to take action and recommending the steps to be taken.
- 2) Follow up and monitor the independence of the external auditor and the extent of its objectivity and discuss the nature and scope of the audit and its effectiveness in accordance with the approved auditing standards.
- 3) Monitor the integrity of the financial statements of the company and its reports (annual, semi-annual and quarterly) and review them as part of its normal work during the year, and should focus in particular on the following:
 - ❖ Any changes in accounting policies and practices.
 - ❖ To highlight the areas subject to the discretion of the Board of Directors.
 - ❖ Significant revisions resulting from the audit.
 - ❖ Presumption of business continuity.
 - ❖ Compliance with the accounting standards determined by the Commission.
 - ❖ Compliance with the rules of incorporation, disclosure and other legal requirements related to the preparation of financial reports.
- 4) Coordinate with the Board of Directors of the Company, the Executive Management and the Financial Manager or the Manager, who shall perform the same functions in the Company in the performance of its duties. The Committee shall meet with the External Auditor of the Company at least once a year.

- 5) Consider any significant and unusual items that are or should be included in such reports and accounts, with due attention being given to any matters raised by the CFO of the company, the manager with the same functions, the compliance officer or the external auditor.
- 6) Review the financial control and internal control systems and risk management in the company.
- 7) Discuss the internal control system with the administration and ensure that it fulfills its duty to establish an effective internal control system.
- 8) To consider the results of the main investigations in the internal control matters assigned to it by the Board of Directors or at the initiative of the Committee and the approval of the Board of Directors.
- 9) Ensure that there is coordination between the internal auditor and the external auditor, and ensure that the necessary resources are available to the internal audit body and to review and monitor the effectiveness of that body.
- 10) Review the financial and accounting policies and procedures of the company.
- 11) Reviewing the External Auditor's letter of work and its work plan and any material questions raised by the auditor on the executive management regarding accounting records, financial accounts or control systems, and their response and approval.
- 12) Ensure that the Board of Directors responds in a timely manner to the clarifications and material issues raised in the external auditor's letter.
- 13) Establish controls that enable employees of the Company 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.
- 14) Monitor the company's compliance with the rules of professional conduct.
- 15) Ensure the application of the rules of work for the functions and powers entrusted to it by the Board of Directors.
- 16) To report to the Governing Council on the matters listed in this item.
- 17) Consideration of any other matters determined by the Board of Directors.

C. Number of meetings held by the Audit Committee during 2019 and their dates to discuss the matters related to financial statements and any matters, and demonstrating the members' personal attendance times in the held meetings.

- The Committee held four meetings during the fiscal year 2019 according to the following dates:
 - ✓ **The First meeting:** was held on 26/02/2019 - (3) members attended
 - ✓ **The Second meeting:** was held on 21/04/2019 – (3) members attended
 - ✓ **The Third meeting:** was held on 23/07/2019 - (3) members attended
 - ✓ **The Fourth meeting:** was held on 27/10/2019 - (3) members attended

6. Nomination and Remuneration Committee:

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

Mr. Mohamed Haji Al Khoori - Chairman of the Nomination and Remuneration Committee acknowledges his responsibility for the committee system in the company and for his review of its work mechanism and ensuring its effectiveness.

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

Members:

- ♦ Mr. Mohamed Haji Al Khoori - Head of the Committee
- ♦ Mr. Maktoum Al Kaabi – Member
- ♦ Mr. Hamad Adail Al Shamisi – Member

Statement of Competence and Tasks:

- 1) Ensure always the independence of independent members.
- 2) To prepare the policy for the granting of bonuses, benefits, incentives and salaries for the members of the Board of Directors of the Company and its employees, and to review them on an annual basis. The Committee shall verify that the remuneration and benefits granted to the Company's Executive Management are reasonable and proportionate.
- 3) Identify the company's needs of competencies at the level of senior executive management and employees and the bases of their selection.
- 4) Prepare the human resources policy and training in the company and monitor its application, and review annually.
- 5) Organizing and following up the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the provisions of this resolution.

Statement of the number and dates of the meetings held by the committee during the year 2019, stating the frequency of attendance in person by all the members of the committee.

- The Nomination and Remuneration Committee held two meetings during the year 2019 according to the following dates:
 - ✓ **The First meeting:** was held on 06/01/2019 - All members attended
 - ✓ **The Second meeting:** was held on 16/06/2019 – All members attended

7. The Supervision and Follow-up Committee of insiders' transactions.

- The Audit Committee is currently performing the duties and powers of this committee.

8. Any other committee (s) approved by the Board.

- There are currently no other committees on the company's board of directors.

9. Internal Control System:

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

- ◆ The internal control department of the company carries out its work in accordance with the provisions of Article (8) of Ministerial Resolution No. (7 R.M.) for the year 2016 and its amendments, where the Internal Control Department has sufficient independence to carry out its functions and functionally follow the Audit Committee emanating from the Board of Directors.
- ◆ The Board of Directors acknowledges its full responsibility for the internal control system, its follow-up, review and effectiveness.
- ◆ The Internal Audit Charter has been adopted by the Audit Committee, which defines the nature, purpose and scope of the internal audit activity and authorizes the Internal Audit Manager the authority necessary to achieve these objectives.
- ◆ The Internal Audit Charter regulates the functions and responsibilities of the Internal Control Department, determines the mechanism of work and the internal control function and contributes to the achievement of the objectives and objectives of the Company.

The Internal Oversight Department reports to the Board of Directors through the Audit Committee, allowing it to operate independently and objectively.

Its role is to create a strong internal control environment by ensuring the following:

- Compatibility of information and data.
- Adherence to policies, plans, procedures and laws.
- The extent to which operations and activities are appropriate to specific objectives and to verify their applicability.
- Emphasis on preventive control to avoid undesirable events.

B. Name of the department director, his qualifications, and date of appointment.

The Internal Oversight Department (IOSA) is headed by **Mr. Sufyan Arif**, who was appointed on 07/09/2016. He holds a Certified Internal Auditor (CIA), Certified as UAE Certified Public Accountant (UAECA) and a member of the British Association of Certified Public Accountants (ACCA). Besides he has more than ten years of internal audit experience.

C. Name of the compliance officer, his qualifications, and date of appointment.

For the purposes of the Ministerial Resolution, the Director of Internal Oversight Services shall also be the Compliance Officer as of the date of his appointment on 07/09/2016.

D. How the Internal Control Department dealt with any major problems at the Company or those that were disclosed in the annual reports and accounts (in case of the absence of major problems, it must be mentioned that the Company did not face any problems).

The Internal Audit Manager reports to the Audit Committee on these problems. These problems are discussed at the first meeting of the Audit Committee with the information of the senior management of the Company. The Internal Audit Manager also monitors the implementation of proposed solutions and procedures.

Note that during 2019, the Company did not face any problems requiring the intervention of its Audit Committee.

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

The Internal Control Department issued four reports during 2019.

10. Details of the violations committed during 2019, explaining their causes, how to address them and avoid their recurrence in the future.

In the fiscal year 2019, the Company did not commit any material violations affecting the Company's work or activity in order to comply with the laws and regulations in force in the State. The Company's policies and procedures have been established in accordance with these laws.

11. Statement of the cash and in-kind contributions made by the Company during 2019 in developing the local community and preserving the environment.

At the community level and environmental conservation, the company has participated in many activities and participations that serve the benefit of society, including, but not limited to:

- ✦ Participation in the traffic safety awareness event for visitors to the Dalma Mall.
- ✦ Participated in the health and safety event at Zayed University to educate university students about the basics of traffic safety and the importance of a driver's license.
- ✦ Participated in the Traffic Week event at the Emirates College of Science and Technology to educate college students about the basics of traffic safety and the importance of a driver's license.
- ✦ Participated in an event in Zayed Military Hospital with the aim of raising awareness about the traffic safety of national service youths, their families, doctors and medical teams.
- ✦ Participation in the "Ramadan without accidents" campaign in the blessed month of Ramadan, in cooperation with the Ministry of Interior.
- ✦ Participated in the "Safe Summer" event, with the aim of raising awareness of traffic safety for visitors to shopping centers, in cooperation with the Abu Dhabi Police.
- ✦ Participation in the "Safe Traffic Summer" event, in cooperation with the Ministry of Interior.
- ✦ We participated in the "I appreciate global" event with the aim of supporting the national initiative in developing the people of the country in the ability to enable them to work and develop in the future, and to highlight the company's development site in the field of education and traffic safety that is in line with the goals of the conference.
- ✦ Participation in the National Service Exhibition for jobs organized by the National Service to support the people of the country.

- ✦ Cooperating with Abu Dhabi Heritage Club - Al Samha in the annual heritage festival, with the aim of spreading awareness to attend the festival of all ages and groups, and to support them towards the initiative in preserving the country's heritage and history.
- ✦ Participated in the International Traffic Safety Conference as main supporters in line with the directives on spreading traffic awareness, and perusal of what is evolving in this field, a working paper was presented on all of the developments in the methods and capabilities of training and education for driving vehicles.

12. General Information:

A. Statement of the company share price in the market (closing price, highest price, lowest price) at the end of each month during the fiscal year 2019.

- The maximum and minimum price of Emirates Driving Company's share during the 12 months of 2019 was as follows:

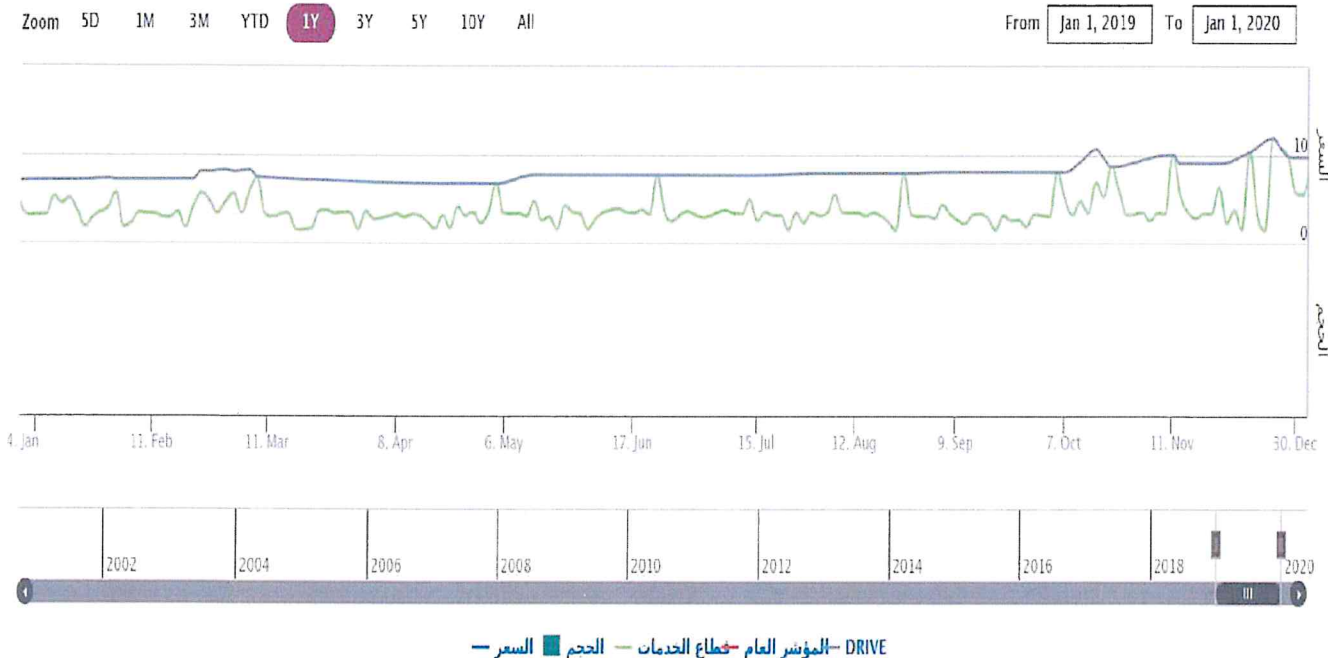
MONTH	Opening Price	Highest Price	Lowest Price	Closing Price
January	7.00	7.20	6.99	7.10
February	7.11	8.15	7.11	8.00
March	8.15	8.15	7.34	7.34
April	There is no trading on the stock			
May	6.65	7.64	6.65	7.64
June	7.64	7.64	7.64	7.64
July	7.61	7.61	7.61	7.61
August	7.50	7.85	7.50	7.85
September	8.00	8.00	8.00	8.00
October	8.00	10.58	8.00	8.67
November	9.97	9.97	8.99	9.00
December	10.32	11.86	9.70	9.70

B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2019.

- The opening price of the company's shares reached AED 7 as of 01/01/2019 and closed at AED 9.70 as at 31/12/2019 with an increase of 38.57%.
- The following chart shows the movement of the company's shares during 2019 compared to the general market index and the service sector index.



شركة الإمارات لتعليم قيادة السيارات
EMIRATES DRIVING COMPANY



C. Statement of the shareholders ownership distribution as on 31/12/2019 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.

➤ All Emirates Driving Company shareholders from the United Arab Emirates.

Shareholder Category (Local only)	Number of Shares Held	Percentage of Shares Held
Government	33,342,449	%37.14
Individuals	32,817,027	%36.55
Companies	23,626,924	%26.31
Total	89,786,400	%100

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D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2019 according to the following schedule:

S/N	Name	Category	Number of Shares Held	Percentage of the Shares Company's Held of the Capital
1	Abu Dhabi Government	Government	33,000,000	%36.75
2	Al Ahmed Ali Matar Khamis Rumaithi	Individual	4,489,320	%5
3	CERT Foundation LLC	Company	4,489,320	%5
4	Al Nahda Investment	Company	4,489,320	%5
5	Al Dhabi Investment Company PJSC	Company	4,485,720	%5

E. Statement of how shareholders are distributed according to the volume of property as on 31/12/2019 according to the following schedule:

S/N	Owned Share(s)	Number of Shareholders	Share Number of Held	Percentage of the Shares Held of the Capital
1	Less than 50,000	348	3,933,898	%4.38
2	500,000 From 50,000 to less than	48	6,685,506	%7.45
3	than 5,000,000 From 500,000 to less	20	46,166,996	%51.42
4	More than 5,000,000	1	33,000,000	%36.75

F. Statement of measures taken regarding the controls of investor relationships and an indication of the following:-

In implementation of the provisions of Article 35 of the Authority's Chairman's Board Decision No. (7 / RM) for the year 2016 regarding the standards of institutional discipline and corporate governance of public joint-stock companies, the company has created a special page for investor relations on the company's website so that all special financial reports are available on this page. The company and all the disclosures made by the company and this page has been continuously updated, and a manager for investor relations and data has been appointed as follows:

◆ **Name and contact details of the Investors' Relations Officer:**

✚ Contact Officer: **Faisal Al Awbathani**
✚ Phone number: **0526666983**
✚ Email: falawbathani@edcad.ae

◆ **The link of investor relationships page on the Company website: <http://www.edcad.ae/Investors>**

G. Statement of the special decisions presented to the General Assembly held in 2019 and the procedures taken in their regard.

- There is no special resolutions that were presented to the General Assembly Meeting held on 26/02/2019.

H. Rapporteur of the Board meetings.

- The name of the rapporteur of the meetings of the Board of Directors: **Mr. Saeed Taye**
- Date of appointment: 06/17/2007
- Qualifications and experience: Bachelor's degree in Economics and Accounting, and the rapporteur has experience in administrative, financial, accounting and corporate governance businesses.
- Statement of his duties during the year: The Board of Directors' meetings rapporteur undertakes all administrative work related to the Board of Directors, from documenting Board meetings, preparing minutes, organizing a record of board disclosures and any other work assigned to it by the Board of Directors.

I. Detailed statement of major events and important disclosures that the Company encountered during 2019.

- There are no major events during 2019.

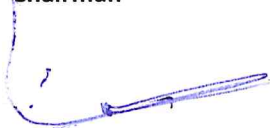
J. Statement of the Emiratisation percentage in the Company at the end of 2017, 2018 2019

- The percentage of citizens working in the company according the years below:
 - ❖ On 2017: 5.35%
 - ❖ On 2018: 5.20%
 - ❖ On 2019: 4.90%

K. Statement of the innovative projects and initiatives created out by the Company or which were being developed during 2019.

- The company is currently working on taking the necessary approvals to start building an integrated building for the company in Madinat Zayed in the Al Dhafra Region.

Signature of the Board
Chairman



Date: 10./3/2020

Signature of the Audit
Committee Chairman



Date: 5./3/2020

Signature of the
Nomination and
Remuneration Committee
Chairman



Date: 8./3/2020

Signature of the Internal
Control Department
Director



Date: 5./3/2020