

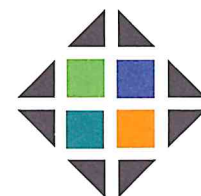
**CORPORATE GOVERNANCE REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020**

Abu Dhabi National Hotels P.J.S.C ("ADNH") was established in 1975 and is a public joint stock company registered in the Abu Dhabi Securities Exchange (ADX) since 2000. It is governed by the Standards of Institutional Discipline and Governance of Public Shareholding Companies issued by the Securities and Commodities Authority ("SCA") Resolution No. (32) of 2007; as amended by the Ministerial Decree No. (518) of 2009, issued by the Minister of Economy in his capacity as Chairman of the SCA Board of Directors ("Corporate Governance Rules") and further amended through Resolution of the SCA Chairman of the Board of Directors No. (7 / R) for the year 2016 on the standards of institutional discipline and governance of public joint stock companies in addition to their conformity with the provisions of Federal Law No: 2 for the year 2015 on commercial companies and further amended through Federal Decree No: 26 for the year 2020 and Resolution of the SCA Chairman No: (3/R) for the Year 2020 regarding the approval of the corporate governance guide for public joint stock companies.

The Company adopts appropriate governance regulations, accounting and accountability principles and ensures the highest levels of transparency in its business.

Below are the requirements for application of the Corporate Governance Rules and the Company's report on fulfillment of such requirements.

- 1. Statement of procedures taken to complete the Corporate Governance system during 2020, and method of implementing thereof.**
  - a) The Company complies with the Corporate Governance Regulations ("CGRs") and applies best practices to reflect the compliance of its Board of Directors and Executive Management with the CGRs by applying its core values of transparency, accountability and responsibility which enhances the relationship between the company's shareholders, Board of Directors and all stakeholders.
  - b) The Board of Directors elects from among its members a Vice Chairman who acts on behalf of the Chairman in the absence of the Chairman or for any other reasons that prevent the Chairman from attending.
  - c) It is not permissible for one person to hold the position of Chairman, Chief Executive Officer and Managing Director at the same time or with any other executive post in the Company. In all cases, the Company Board of Directors (the "BOD") including the Chairman are UAE nationals.
  - d) The Audit Compliance & Corporate Governance (AC&CG) Committee and Nomination, Compensation & HR (NC&HR) and Supervision & Follow-Up Committee work according to the Corporate Governance system and consists of Members of the Board of Directors.
  - e) The AC&CG Committee applies the procedures within the framework of its functions according to the Corporate Governance system and directly reports to the BOD.
  - f) The Company complies with the highest levels of ethical and professional conduct and obliges its employees to comply therewith.



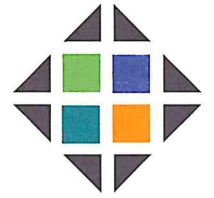
- g) The BOD nominates an external auditor upon the recommendation of the AC&CG Committee and the appointment of the external auditor as well as the fees are approved by the Company's General Assembly.
- h) ADNH continuously strives to strengthen its Sustainability Programs and is committed to make a lasting positive impact on the community by following its principles of working in a socially and environmentally responsible way. In this respect, our Sustainability Program in 2020 included inter alia:
- Reducing our Carbon Footprint across the ADNH portfolio by decreasing commuting emissions through organized communal transport and promotion of "reduce, reuse, and recycle" policies through efficient use of materials and resources including water, electricity, raw materials and other resources, particularly the non-renewable ones.
  - Green Key initiatives across its properties which include the purchase and use of environmentally responsible products that have been selected based on the criteria of low toxicity, durability, use of recycling materials, reduced energy and/or water consumption.
  - Regularly communicate our sustainability programs to all our stakeholders and encourage them to support it.
  - Our Transport Division - Al Ghazal Transport continues to recycle used car parts, tyres & oil to prevent polluting the environment by conserving landfilled space. Further, with the inclusion of Hybrid & Natural Gas vehicles there is less fuel consumption and lower CO2 emissions.
  - Across our ADNH subsidiaries, we have held Medical Camps for instance blood donation campaigns for our employees to support our local communities and hospitals.
  - Volunteering Programs and Charitable Events are held in our hotel properties for the Al Jalila Foundation through Flea Markets to raise funds for those in need on a local and global scale.
  - ADNH pledged one of its hotels free of charge for a period in support of initiatives by the relevant Government Authorities to combat the COVID-19 pandemic. In addition, ADNH placed two other facilities at the Government's disposal to continuously support the Higher Authorities' noble missions.

**2. Statement of ownership and transactions of Board of Directors (Board) Members their spouses and their children in the Company securities during 2020 according to the following schedule:**

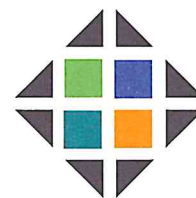
S/N	Name	Position/ Relationship	Shares Held as at 31/12/2020	Total Sale Transactions	Total Purchase Transactions
1.	Sheikh Saif Bin Mohammed Butti Bin Hamed Alhamed	Chairman	4,166,630	Nil	Nil
2.	Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri	Vice Chairman	42,715	NIL	32,715
3.	Mr. Abdulla Khalil Mohamed Samea AlMutawa	Board Member	Nil	Nil	Nil
4.	Mr. Ahmed Khalifa Mohamed Obeid Almehairi	Board Member	Nil	Nil	Nil
5.	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Board Member	3,635,931	Nil	Nil
6.	Mr. Alaa Mohamed Atta Khalil Eraiqat	Board Member	10,000	Nil	Nil
7.	Mr. Khaled Haji Abdulla Hussain Alkhoori	Board Member	342,228	Nil	Nil
8.	Mr. Khalaf Sultan Rashed Saeed Al Dhaheri	Board Member	10,000	Nil	Nil
9.	Mr. Darwish Ahmed Darwish Ahmed Alketbi	Board Member	50,000	Nil	Nil

**3. Board Formation:**

- A. Statement of the current Board formation (along with the names Board Members) according to the following schedule:**



SN.	Name	Category (Executive, Non-Executive, and Independent)		Experience & Qualifications	Period as BM from date of first election	Membership & positions in other joint-stock companies	Positions in any other important regulatory, government or commercial entities.
1	Sheikh Saif Bin Mohammed Bin Butti Bin Hamed Alhamed	Chairman	Independent Non-Executive	Bachelor Degree in Economics & Political Science	Since 2007	Chairman of Al Wathba National Insurance Co Deputy Chairman of Bank of Sharjah	Vice Chairman - United Al Saqer Group & its subsidiaries
2	Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri	Vice Chairman	Independent /Non-executive	Bachelor Degree in Civil Engineering	Since 2007	Board Member: 1)Etisalat 2)FAB 3)Abu Dhabi Aviation 4)Al Dhafra Insurance Co.	BoD Chairman Suroor Engineering Development Company, Abu Dhabi
3	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Board Member	Independent /Non-executive	Bachelor's Degree in business Administration	Since 2013	Board Member, ADNIC	BoD Member: 1)Al Otaiba Investment Grp 2) Emirates General Contr. 3)United Emirates General Construction Est.
4	Mr. Alaa Mohamed Atta Khalil Eraiqat	Board Member	Independent /Non-executive	Has +21 years banking experience @ both local & International levels	Since 2008	Board member of ADCB CEO of ADCB	--



5	Mr. Khaled Haji Abdulla Hussain Alkhoori	Board Member	Independent /Non-executive	Bachelor's & Master's Degree in Civil Engineering	Since 2008	Board Member of ADCB	----
6	Mr. Darwish Ahmed Darwish Ahmed Alketbi	Board Member	Independent /Non-executive	Master's Degree in International Business	Since 2016	----	---
7	Mr Ahmed Khalifa Mohamed Obeid Almehairi	Board Member	Independent /Non-executive	1) Bachelor's Degree Business & Finance 2) Program on Administration from Harvard University	Since 2019	Board member Aldhabi Investment PJSC	----
8	Mr Abdulla Khalil Mohamed Samea Almutawa	Board Member	Independent /Non-executive	Bachelor's Degree, Business Administration	Since 2019	Board Member, ADCB	---
9	Mr Khalaf Sultan Rashed Saeed Al Dhaheri	Board Member	Independent /Non-executive	Master's Degree in Finance & Business Administration	Since 2019	Board Member, Dar Al Takaful	----

**B. Statement of percentage of female representation in the Board in 2020 (in case of non-representation, please state that there is no representation):**

No representation.

**C. Statement of reasons for the absence of any female candidate for the Board membership.**

No female candidates ran for Membership of the BOD during the General Assembly held on 3<sup>rd</sup> March 2019.

**D. Statement of the following:**

**1. Total Remuneration Paid to Members of the Board of Directors for the 2019 Fiscal Year**

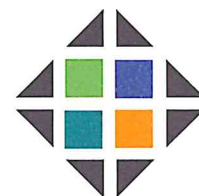
BOD remunerations are determined according to the Company's Articles of Association subject to Article 169 of the Federal Companies Law No. (2) of 2015. The BOD Members' remunerations consist of:

a percentage from the net profits as described in Article 38 of the Company's Articles of Association. The Company may pay additional fees, expenses or a monthly salary to such extent as may be decided by the Board for any Director, if such member works in any Committee, exerts special efforts or carries out additional works to serve the Company beside his normal duties as a Board Member. In all cases, the remuneration of the members of the Board of Directors shall not exceed 10% of the net profit after deduction of depreciations and reserves.

Total remuneration approved by the General Assembly and paid in 2020 to the members of the Board of Directors for the fiscal year ending on 31 December 2019 was AED9,844,000 (Nine million, eight hundred and forty-four Dirhams).

**2. Total remuneration proposed to be paid to Members of the Board of Directors for the year 2020, which shall be presented in the Annual General Assembly for approval:**

The total remuneration proposed to be paid to Members of the Board of Directors for the fiscal year 2020 in accordance with Board Resolution No. 2 of Meeting No. 1 of 2021 held on 11th February 2021 is AED10,940,000 (Ten million, nine hundred and forty thousand Dirhams). This is subject to the approval of the General Assembly scheduled to be held on 14<sup>th</sup> March 2021.



**3. Details of additional allowances, salaries or fees received by a Board Member other than allowances for attending Committee meetings and their reasons.**

No additional allowances, salaries or fees have been paid to any member of the Company's Board of Directors other than the attendance allowances of the Board Committees.

**4. Statement of details of allowances for attending sessions of Committees derived from the BOD, which were paid to the BOD Members for the fiscal year 2020:**

**a. Nomination, Compensation & HR (NC&HR) Committee Meetings/Attendance: Jan-Dec 2020**

	Mr Khalaf AIDhaheri	Sh. Ahmed AIDhahiri	Mr Mohamed Al Otaiba	Mr Darwish Ahmed	Mr Ahmed AlMehairi
Number of Meetings	1	1	1	1	1
Allowance Per Meeting	10,000	5,000	5,000	5,000	5,000
TOTAL PAID	10,000	5,000	5,000	5,000	5,000

**b. Audit Compliance & Corporate Governance Committee Meetings/Attendance – Jan to Dec 2020**

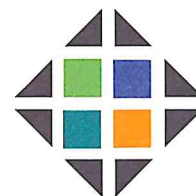
	Mr Abdulla Al Mutawa	Mr Ala'a Eraiqat	Mr Khaled Al Khoori
Number of Meetings	4	4	4
Allowance Per Meeting	10,000	5,000	5,000
TOTAL PAID	40,000	20,000	20,000

**c. Supervision and Follow Up Committee Meeting/Attendance - January to December 2020**

Number of Meetings	Mr Abdulla Al Mutawa	Mr Ala'a Eraiqat	Mr Khaled H Al Khoori
2	There are no allowances paid to the Supervision and Follow-Up Committee.		

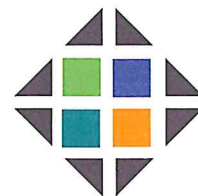
**d. Board Executive Committee (BEC) Meetings/Attendance: January-December 2020**

	Sheikh Ahmed AIDhahiri	Khalaf Al Dhaheri	Mohamed Al Otaiba	Darwish Ahmed	Ahmed Al Mehairi
Number of Meetings	7	7	7	7	7
Allowance Per Meeting	10,000	5,000	5,000	5,000	5,000
TOTAL PAID	70,000	35,000	35,000	35,000	35,000



**C. Number and dates of BOD meetings held during 2020 as well as attendance frequency by all Members; in person and by proxy.**

	Meeting Date	Number of Attendees	By proxy	Absent members
<b>BOD Meeting 1</b>	4 <sup>th</sup> February 2020	Sheikh Ahmed Bin Mohammed Sultan Bin Suroor Al Dhahiri Mr Abdulla Khalil Mohamed Samea Almutawa Mr. Alaa Mohamed Atta Khalil Eraiqat Mr. Khaled Haji Abdulla Hussain Alkhoori Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr Ahmed Khalifa Mohamed Obeid Al Mehairi	Nil	Sheikh Saif Bin Mohammed Butti Hamed Alhamed (Out of Country)
<b>BOD Meeting 2</b>	3 <sup>RD</sup> June 2020	Sheikh Saif Bin Mohammed Bin Butti Hamed Alhamed Sheikh Ahmed Bin Mohammed Sultan Bin Suroor Al Dhahiri Mr Abdulla Khalil Mohamed Samea Almutawa Mr. Alaa Mohamed Atta Khalil Eraiqat Mr. Khaled Haji Abdulla Hussain Alkhoori Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr Ahmed Khalifa Mohamed Obeid Al Mehairi	Nil	Mr. Darwish Ahmed Darwish Ahmed Al Ketbi
<b>BOD Meeting 3</b>	11 <sup>th</sup> August 2020	Sheikh Saif Bin Mohammed Bin Butti Hamed Alhamed Sheikh Ahmed Bin Mohammed Sultan Bin Suroor Al Dhahiri Mr Abdulla Khalil Mohamed Samea Almutawa Mr. Khaled Haji Abdulla Hussain Alkhoori Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr Ahmed Khalifa Mohamed Obeid Al Mehairi	Mr. Alaa Eraiqat (proxy to Mr A Al Mutawa)	
<b>BOD Meeting 4</b>	4 <sup>th</sup> November 2020	Sheikh Saif Bin Mohammed Bin Butti Hamed Alhamed Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr Abdulla Khalil Mohamed Samea Almutawa Mr. Alaa Mohamed Atta Khalil Eraiqat Mr. Khaled Haji Abdulla Hussain Alkhoori Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr Ahmed Khalifa Mohamed Obeid Al Mehairi	NIL	NIL



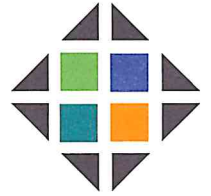
**D. Statement of BOD duties and powers exercised by Board Members or the Executive Management pursuant to an authorization by the BOD to the Management, specifying the duration and validity of the authorization:**

Issues related to the Company's strategies, policies and business plans require the BOD's prior approval and directives to the Management. Consequently, the Executive Management Team has been authorized to conduct the Company's daily management tasks as follows:

Name of the Authorized person	Delegation of Authority	Duration of Authorisation
CEO	Appointing workers and employees, negotiating with them, determining their salaries and dismissing them, as may be necessary,	Up to 29 <sup>th</sup> April 2023
	Recording financial accounts and transactions and issuing regular financial and analytical reports to be submitted to the Company's BOD	
	Managing the normal day-to-day business of the Company	
	Entering into and signing purchase agreements with suppliers and sale contracts with customers	
	Implementing the strategic plans of the Company as approved by the BOD.	

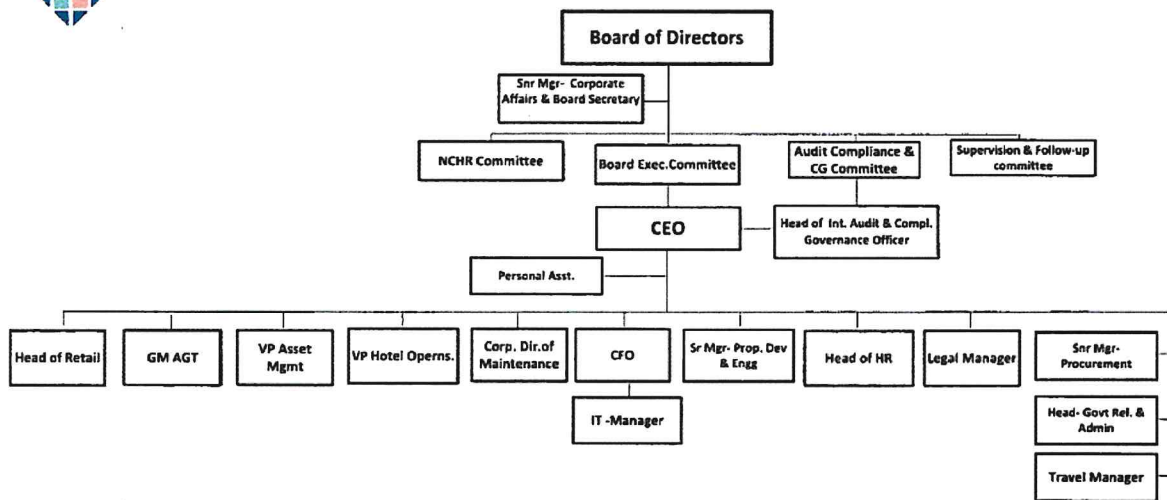
**E. Statement of details of transactions made with related parties (stakeholders), indicating the nature of relationship and transaction type:**

No transactions have been made with related parties (stakeholders) to be disclosed.



- F. The organizational structure of the Company, including at least the first and second levels, and including the General Director and/or Executive Manager, Deputy General Director, and the managers of the Company such as the Financial Manager.

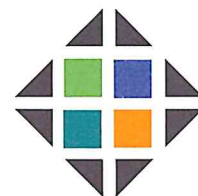
 **ADNH CORPORATE STRUCTURE**



*17/4/2020*

Dec 2020





**G. Detailed statement of senior executive staff in the first and second levels according to the Company's organizational structure (as set out in item (3h) above), their positions and appointment dates, and total salaries and benefits paid thereto, using the table below:**

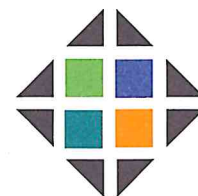
S/N	Position	Appointment Date	Total Salaries and Allowances paid for 2020 (AED)	Total Bonuses paid for 2019 (AED)	Any other Cash/in-kind bonuses for 2020 or due in the future
1.	Chief Executive Officer	20 November 2016	1,669,500.00	720,000.00	
2.	Chief Financial Officer	26 November 2018	880,000.00	300,000.00	
3.	Head of HR	03 July 2019	603,450.00	43,500.00	
4.	Head of Internal Audit	01 December 2009	752,000.00	220,000.00	
5.	Snr Manager Prop. Dev. & Engineering	19 February 2017	713,050.00	117,000.00	
6.	General Manager of Al Ghazal Transport	01 July 2018	548,000.00	NIL	
7.	Head of Retail	02 September 2018	715,000.00	NIL	
8.	VP Hotel Operations	04 December 2018	780,000.00	NIL	
9.	Head Govt. Relations & Administration	27 February 2011	483,535.50	70,110.00	
10.	Legal Manager	11 October 2016	632,000.00	96,000.00	
11.	Snr. Manager Procurement	01 June 2017	448,800.00	54,000.00	
12.	IT Manager	20 December 2017	348,966.68	42,000.00	
13.	Manager, Travel & Tourism	22 September 2019	218,916.67	NIL	
14.	Corp. Director of Maintenance	27 November 2019	555,600.00	NIL	

**4. External Auditor:**

**a. Brief about the External Auditor of the Company to the Shareholders:**

The Company's transactions with the related parties were disclosed according to IAS 24 in Note No. 11 of the Company's audited financial statements enclosed herewith in Appendix 1.

In 2020, Ernst & Young was appointed as external auditors of the Company. The basic task of Ernst & Young was to make a quarter and an annual audit of the Company's accounts according to the International Standards on Auditing (ISA). The Company did not appoint any external auditor other than Ernst & Young to provide auditing services for 2020



The external auditor verifies the consolidated closing accounts of the Company and its subsidiaries; makes sure that all financial transactions are organized, recorded and prepared appropriately and correctly in line with the accounting standards and ensure compliance with the accounting postulates in addressing all the business of the Company and its subsidiaries.

The AC&CG Committee meets with the external auditors to review and discuss the scope, quality and effectiveness of their findings. The external auditors present their conclusions of quarterly and annual reviews and audits of the accounts to the AC&CG Committee and attend the General Assembly Meeting to answer all the questions and inquiries that may be asked and explain, with all transparency, credibility and neutrality, whether there were any obstacles or interventions from the Company's BOD during their work.

In the General Assembly meeting held on 24<sup>th</sup> February 2020, a decision was made to appoint M/s. Ernst & Young to audit the Company's accounts for the 2020 fiscal year. Ernst & Young fees were determined at AED1,039,000 (One million and thirty-nine thousand Dirhams).

Ernst & Young office has operated in the UAE since 1966 and it is one of the major professional service providers in the UAE. Abu Dhabi office has 468 employees including 84 Partners It offers services to several public and private sectors including financial services, insurance, energy, building and contracting, real estate, utilities, consumer's products and sale, communications and entertainment all over the world.

**b. Statement of fees or costs of auditing or services provided by the external auditor, using the table below:**

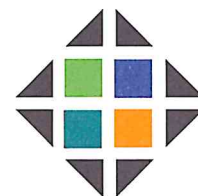
<b>Name of Auditing Firm &amp; Partner</b>	<b>Ernst &amp; Young Partner – Raed Ahmed</b>
Number of years Partner has served as an external auditor for the Company	Four (4) Years
Total fees for auditing the financial statements of 2020 (in AED)	AED1,039,000
The fees and costs of the special services other than the auditing of the financial statements in 2020 (in AED), if any, and in case there are no other fees, this shall be expressly stated	AED87,150
The details and nature of other services provided (if any), and in case there are no other services, this shall be expressly stated	Consultancy Services, Professional Compliance Services in relation to agreements, Issuing monthly reports related to dividends received, certificate of compliance with financial rates, and issuing data required for the Federal Tax Authority.
A statement of the other services performed by an external auditor other than the Company's auditor in 2020 (if any), and in case there is no other auditor, this shall be expressly stated	PricewaterhouseCoopers (PWC) was appointed to provide consultancy services

**c. Statement of qualified opinions made by the company's external auditor in the interim and annual financial statements for 2020. In the absence of any qualified opinions, this shall be stated clearly.**

Nil

**5. Audit Committee:**

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



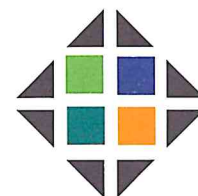
“Abdulla Khalil Mohamed Samea Almutawa, Audit Committee Chairman, acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness”.

**B. AC&CG Committee consists of the following Members**

Audit Compliance & Corporate Governance Committee	Name	Independent /non-executive	Position
	Mr Abdulla Khalil Mohamed Samea Almutawa	Independent /non-executive	Chairman
	Mr. Ala’a Mohamed Atta Khalil Eraiqat	Independent /non-executive	Member
	Mr. Khaled Haji Abdulla Hussain Alkhoori	Independent /non-executive	Member
	Ms. Naseem Hussein Ahmed Al Hamed		Committee Secretary

**Statement of AC&CG Committee functions and the duties assigned thereto:**

1. Developing and applying contractual policy with the external auditor; submitting a report to the BOD defining the issues that should be decided and providing its recommendations on the steps to be taken;
2. Following up and monitoring independence and objectiveness of the external auditor and discussing the nature, scope and effectiveness of audit with the external auditor according to the approved auditing standards;
3. Controlling the safety of and reviewing the financial statements and (annual, biannual and quarterly) reports as a part of its normal business within the year and particularly focusing on:
  - Any changes in accounting policies and practices;
  - Highlighting the areas subject to the BOD discretion;
  - Essential modifications resulting from the audit;
  - Business continuity assumption;
  - Compliance with such accounting standards as may be prescribed by the SCA;
  - Compliance with the listing and disclosure rules and other legal requirements in relation to preparation of the financial reports
4. Coordinating with the BOD, Executive Management, Chief Financial Officer and equivalent manager inside the Company to facilitate performance of the Committee tasks and the Committee shall meet with the external auditor of the Company once a year at least;
5. Considering any other significant and extraordinary items that may or should be included in such reports and accounts and giving the necessary importance to any issues raised by the CFO, the equivalent manager, the Compliance Officer or the External Auditor;
6. Reviewing the financial control, internal control and risk management systems of the Company.
7. Discussing the internal control system with the management and ensuring that it has established an effective internal control system;
8. Considering the findings of the main investigations into the internal control issues assigned to the BOD or made by the Committee after approval of the BOD;
9. Ensuring that there is coordination between the head of internal control department and the external auditor; making sure that the resources needed by the internal control body are available and monitoring the effectiveness of such body;
10. Reviewing the financial and accounting policies and procedures in the Company;
11. Reviewing the external auditor's letter, action plan and any essential questions asked by the auditor to the BOD concerning the accounting records, the financial accounts or the control systems and answering and approving the same;
12. Ensuring that the BOD has timely answered the essential questions asked in the external auditor's letter;
13. Developing controls that would enable the Company's employees to report any potential violations in the financial reports or internal control or any other issues with confidentiality and defining the steps that ensure independent and fair investigations into such violations;
14. Monitoring extent of the Company's compliance with the professional behavior;



15. Ensuring that the rules related to the tasks and authorities assigned to the Committee by the BOD are applied;
16. Filing a report to the BOD including, with full transparency, all the Committee's actions, findings, recommendations and implemented tasks and responsibilities; and
17. Considering any other subjects as may be determined by the BOD.

**C. Number and dates of meetings held by the Audit Committee during the year 2020 to discuss issues related to the financial statements and any other issues, and a statement of the attendance frequency in person by the Committee's Members:**

Audit Compliance & Corporate Governance Committee	Meeting No.	Meeting Date	Number of Attendees	Absent members
	1.	4 <sup>th</sup> February 2020	Mr Abdulla Khalil Mohamed Samea Almutawa Mr. Ala'a Mohamed Atta Khalil Eraiqat Mr. Khaled Haji Abdulla Hussain Alkhoori	NIL
	2.	2 <sup>nd</sup> June 2020	Mr Abdulla Khalil Mohamed Samea Almutawa Mr. Ala'a Mohamed Atta Khalil Eraiqat Mr. Khaled Haji Abdulla Hussain Alkhoori	NIL
	3.	10 <sup>th</sup> August 2020	Mr Abdulla Khalil Mohamed Samea Almutawa Mr. Ala'a Mohamed Atta Khalil Eraiqat Mr. Khaled Haji Abdulla Hussain Alkhoori	NIL
	4.	3 <sup>rd</sup> November 2020	Mr Abdulla Khalil Mohamed Samea Almutawa Mr. Ala'a Mohamed Atta Khalil Eraiqat Mr. Khaled Haji Abdulla Hussain Alkhoori	NIL

**6. Nomination and Remuneration Committee:**

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

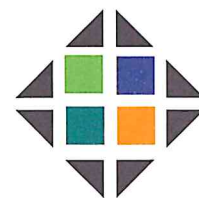
"Khalaf Sultan Rashed Saeed Al Dhaheri, Nomination and Remuneration Committee Chairman acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness".

**B. NC&HR Committee consists of the following Members:**

NC & HR Committee	Name	Independent /non-executive	Position
	Mr Khalaf Sultan Rashed Saeed Al Dhaheri	Independent /non-executive	Chairman
	Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri	Independent /non-executive	Member
	Mr Darwish Ahmed Darwish Al Ketbi	Independent /non-executive	Member
	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Independent /non-executive	Member
	Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi	Independent /non-executive	Member
	Ms. Naseem Hussein Ahmed Al Hamed		Committee Secretary

**Statement of NC&HR Committee functions and the duties assigned thereto:**

1. Ensuring independence of the independent members on regular basis;



2. Preparing the remuneration, benefit, incentives and salary policies for the BOD members and the Company's employees and reviewing the same on annual basis; consistently verifying that the remuneration and benefits given to the senior executive management are reasonable and consistent with the Company's performance.
3. Defining the Company's needs of talents at the level of the senior executive management and employees and the criteria for selecting them.
4. Preparing, controlling the implementation of and, on annual basis, reviewing the Company's HR and Training policy;
5. Organizing and following up the process of nominations for BOD membership according to the applicable laws and regulations of the corporate governance.
6. Developing a policy for nominations of the BOD membership that aims to ensure gender diversity and encourage women to run for the BOD membership.

**C. Statement of number of meetings held by the Committee during the year 2020 and their dates and statement of all Committee Members' attendance.**

Nomination, Compensation & HR Committee (NC&HR)	Meeting No.	Date of the Meeting	Number of Attendees	Names of absent members
	1.	29 <sup>th</sup> January 2020	Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi Mr Ahmed Khalifa Mohamed Obeid Al Mehairi	Nil

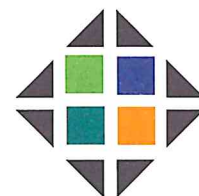
**7. Supervision and Follow-up Committee of Insiders' Transactions.**

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

"Abdulla Khalil Mohamed Samea Almutawa, Supervision and Follow-up Committee Chairman, acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness".

**B. Supervision and Follow-up Committee of insiders' transactions consisted of the following Members:**

Supervision and Follow Up Committee	Name	Independent /non-executive	Position
	Mr Abdulla Khalil Mohamed Samea Almutawa	Independent /non-executive	Chairman
	Mr. Ala'a Mohamed Atta Khalil Eraiqat	Independent /non-executive	Member
	Mr. Khaled Haji Abdulla Hussain Alkhoori	Independent /non-executive	Member
	Ms. Naseem Hussein Ahmed Al Hamed		Committee Secretary



**Statement of Insiders' Trading Supervision and Follow-Up Committee functions and the duties assigned thereto:**

The Insiders' Trading Supervision and Follow Up Committee is responsible for managing, following up and supervising transactions and ownerships of the insiders as well as keeping their register, referring regular statements and reports to ADX.

**C. Summary of the Committee's activities in 2020.**

Insiders' names were uploaded on ADX website.

The Committee followed up with the BOD's Secretary on notifying the insiders of the transaction prohibition periods and made sure that the Chairman, BOD members and all the employees were informed of the prohibition imposed on trading in the Company's securities until the disclosure of the financial statements.

**8. Any Committee or other Committees approved by the Board of Directors: Board Executive Committee**

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

"Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri, Chairman of the Board Executive Committee acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness".

**B. Name of Committee:** Board Executive Committee (BEC)

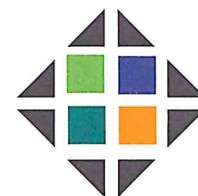
**C. Names of members of Board Executive Committee, and statement of its functions and duties assigned thereto:**

Name	Non-executive/Independent	Capacity
Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri	Non-executive / Independent	Chairman
Mr. Khalaf Sultan Rashed Saeed Al Dhaheri	Non-executive / Independent	Member
Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi	Non-executive / Independent	Member
Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Non-executive / Independent	Member
Mr. Darwish Ahmed Darwish Ahmed Al Ketbi	Non-executive / Independent	Member
Ms. Naseem Hussein Ahmed Al Hamed		Committee Secretary

The Board Executive Committee meets regularly to follow up on the directives issued by the Board of Directors and to guide the Executive Management of the company in line with the strategic objectives and policies established by the Board of Directors, the provisions of the law and legislation related to the company's work and activities.

Responsibilities of the Committee include, but are not limited to the following:

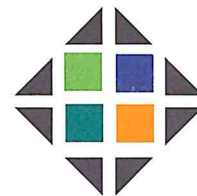
- Recommending the Group's Strategic Plans and Long Term Business Objectives for Board's approval;
- Reviewing the annual financial plan/budget and monitor its performance at least on a quarterly basis.
- Recommending to the Board the establishment by the Company of new legal entities and recommending to the Board the liquidation, sale and any other action with regard to disposing of any legal entities/businesses owned by the Group.
- Approving contractual commitments in line with the Company's Delegation of Authority (DoA) .
- Approving capital expenditures in line with the Company's DoA.
- Approving business transactions as per the DoA of the Company.
- Monitoring implementation of strategic projects and significant transformation initiatives.
- Overseeing financial and operational performances of the Company and referring/submitted reports to the Board in such regard.
- Overseeing the operations of the Company's business and providing directions and guidance to the Executive Management.
- Carrying out any other works assigned to the Committee by the Company's Board.



- Addressing areas or topics specifically referred to the Committee by the Board from time to time.
- The Committee may seek advice and assistance from any of the Company's departments (finance department, legal department, engineering/projects department, etc.) and external advisors in order to perform its duties.
- The Committee may recommend to the Board referring certain matters for investigation by the Audit, Compliance & Corporate Governance Committee.
- The Committee may appoint sub-committees and delegate certain authorities to the said sub-committees as it deems appropriate and necessary.
- The Committee recommends to the Board the annual KPIs to be met by the Chief Executive Officer of the Company subject to Board's approval to the same.

**D. Statement of number of meetings held by the Committee during 2020, stating the frequency of attendance in person by all the members of the Committee:**

BOARD EXECUTIVE COMMITTEE	Meeting No.	Date of the meeting	Number of Attendees	Names of absent members
	1.	20 <sup>th</sup> January 2020	Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi	NIL
	2.	21 <sup>st</sup> April 2020	Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi	NIL
	3.	14 <sup>th</sup> June 2020	Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi	NIL
	4.	9 <sup>th</sup> August 2020	Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi	Nil
	5.	8 <sup>th</sup> October 2020	Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi	Nil
	6.	2 <sup>nd</sup> November 2020	Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi	Nil
	7.	20 <sup>th</sup> December 2020	Sheikh Ahmed Bin Mohammed Bin Sultan Bin Suroor Al Dhahiri Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Mr. Ahmed Khalifa Mohamed Obeid Al Mehairi Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Al Ketbi	Nil



**9. Internal Control System:**

**The BOD's acknowledgement of its responsibility for the Internal Control System in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness:**

The BOD acknowledges its responsibility for the Company's internal control system as well as its review and effectiveness and the BOD has established an internal audit department that is directly reporting to it. Moreover, the internal audit Committee of the BOD is responsible for application of the internal control system and it has set objectives, functions and powers of the Internal Audit Department.

A report is prepared at the end of each task performed by the Internal Audit Department. This report is issued to the audited entity and is circulated to the Chairman, Executive Management and all members of the Audit Committee. The Audit Committee regularly receives a summary of the issues addressed by reports circulated during the year by the Internal Audit Department and the steps taken on those matters by the responsible body. It is worth mentioning that the total number of Reports received this year are ten (10).

**B. Name of Department Director, his Qualifications and Date of Appointment:**

Head of Internal Audit Department is Mr. Mehmood Ahmed who is a Chartered Accountant and Certified Internal Auditor who has been working in the internal audit profession for over 20 years. He joined the Company on 1<sup>st</sup> December 2009.

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

Mr. Mehmood Ahmed is also appointed as Compliance Officer, in order to ensure that an appropriate degree of independence is maintained in performance of the functions of the Internal Audit Department.

The Head of Internal Audit Department has unrestricted access to the BOD as he reports to it. He was appointed by the Company on December 1<sup>st</sup>, 2009.

**D. How the Internal Control Department handles any significant issues in the company, or issues disclosed in the annual reports and accounts (in case there are no significant issues, it should state that the Company did not have any significant issues):**

The Internal Audit Department deals with any major problems in the Company by presenting them to the Audit Committee which takes the necessary decisions to address such problems and ensure that they are not repeated in the future. It is worth mentioning that the Company did not encounter any major problems during 2020.

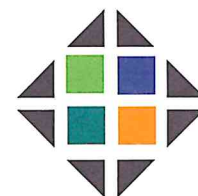
**10. Details of violations committed during 2020, explaining their causes, how to address them and avoid their recurrence in the future:**

The Company did not commit any violations during the fiscal year ended on 31 December 2020, with respect to regulatory requirements for Corporate Governance rules.

**11. Statement of cash and in-kind contributions made by the Company during the year 2020 toward the local community development and environmental conservation. (In case there are no contributions, it should be stated that the Company did not make any contributions):**

The company has maintained its commitment to provide a safe working environment for its employees and all its labor. To ensure compliance with the highest standards, the Company's Executive Management and its subordinates conduct an active internal audit and inspection program to ensure that there are no violations. The Executive Management is also keen to work with all stakeholders and competent authorities to protect and preserve the environment. In this respect, ADNH pledged one of its hotels free of charge for a period in support of initiatives by the relevant Government Authorities to





combat the COVID-19 pandemic. In addition, ADNH placed two other facilities at the Government's disposal to continuously support the Higher Authorities' noble missions.

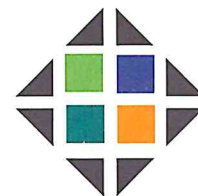
## 12. General Information:

### A. Statement of the Company share price in the Market (closing price, highest price and lowest price) at the end of each month during the fiscal year 2020:

ADNH Share price – 2020			
Date	Closing price	Highest	Lowest
31 January	3.68	3.79	2.33
28 February	3.55	3.79	2.33
31 March	3	3.79	2.33
30 April	2.71	3.79	2.33
31 May	2.71	3.79	2.33
30 June	2.71	3.68	2.33
31 July	2.58	3.68	2.33
31 August	2.52	3.68	2.33
30 September	2.45	3.68	2.33
31 October	2.33	3.68	2.33
30 November	2.49	3.68	2.33
31 December	2.8	3.55	2.33

### B. Statement of the Company's comparative performance with the general market index and sector index to which the company belongs during 2020:

Comparison with General and Sector Index			
Date	Closing price	General Index	Sector Index
31 January	3.68	5,156.18	2,732.67
28 February	3.55	4,901.42	2,648.07
31 March	3	3,734.68	2,363.47
30 April	2.71	4,230.37	2,309.54
31 May	2.71	4,141.61	2,290.91
30 June	2.71	4,285.79	2,445.23
31 July	2.58	4,304.73	2,468.55
31 August	2.52	4,519.32	2,564.94
30 September	2.45	4,518.06	2,560.49
31 October	2.33	4,660.04	2,532.36
30 November	2.49	4,964.93	2,700.64
31 December	2.8	5,045.31	2,859.53



**C. Statement of shareholders' ownership distribution as of 31/12/2020 (individuals, companies, governments) classified as follows: local, GCC, Arab, foreign:**

S/N	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Government	Total
1.	Local	487,854,543	503,376,782	1,453,616	992,684,941
2.	GCC	387,406	1,446,282	-	1,833,688
3.	Arab	1,575,569	-	-	1,575,569
4.	Foreign	169,424	3,736,378	-	3,905,802
	<b>Total</b>	<b>489,986,942</b>	<b>508,559,442</b>	<b>1,453,616</b>	<b>1,000,000,000</b>

**D. Statement of shareholders who hold 5% or more of the Company's capital as of 31/12/2020:**

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital
1.	Abu Dhabi Investment Council	174,999,154	17.50%
2.	Emirates International Investment Company LLC (EIIC)	107,778,742	10.78%
3.	Al Masa' Limited Liability Company	70,700,000	7.07%

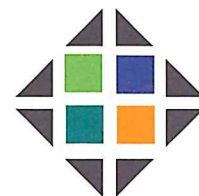
**E. Statement of shareholders' distribution by the size of equity as of 31/12/2020:**

S/N	Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held of the Capital
1.	Less than 50,000	357	4,509,249	0.45%
2.	From 50,000 to less than 500,000	157	26,723,654	2.67%
3.	From 500,000 to less than 5,000,000	94	196,281,352	19.63%
4.	More than 5,000,000	25	772,485,745	77.25%
	<b>Total</b>	<b>633</b>	<b>1,000,000,000</b>	<b>100%</b>

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

- An Investor Application form is made available on the Company's website to facilitate the process of submitting applications from shareholders for transactions related to their shares.
- Communication between the competent departments of the company (Legal and Finance departments) is activated regarding facilitating and accelerating the transactions and requests of shareholders and considering any complaints received from them.

Name and contact information of the Investors' Relations Manager



Name	Contact Details
Mr. Nadim Elias El-Haj	- Office Tel: +971 2 4445210 - Mob.: +971 56 9904983 - Email: <a href="mailto:nadim.elhaj@adnh.com">nadim.elhaj@adnh.com</a> - P.O.Box: 46806

Page relating to Investor Relations includes:

- The Company's Annual Financial Statement
- Management Discussion Reports
- Corporate Governance Report
- Minutes of the Annual General Assembly Meetings
- Contact Details of the Investor Relations Section
- Daily share price
- Announcements on Unclaimed dividends

The link of the Investor Relations webpage on the website of the Company.

<https://www.adnh.com/contents/page/investor-relations/20656>

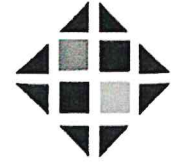
**G. Statement of Special Resolutions presented to the General Assembly held in 2020 and the procedures taken with respect thereto:**

The Company's General Assembly was held on 24<sup>th</sup> February 2020 to discuss the items of the meeting's agenda duly notified, and after discussion, the following decisions were taken with respect thereto:

1. Review and approve the report of the Board of Directors on the Company's activities and its financial position for the year ended 31<sup>st</sup> December 2019 - **Approved**
2. Review and approve the report of the Auditor on the financial position of the Company for the financial year ended 31<sup>st</sup> December 2019 - **Approved**
3. Discuss and approve the Company's balance sheet and its profit and loss accounts for the financial year ended 31<sup>st</sup> December 2019 - **Approved**
4. Consider and approve the proposal of the Board of Directors to distribute cash dividends of AED0.14 per share amounting to AED140 million which represents 14% of the Company's nominal capital for the financial year ended 31<sup>st</sup> December 2019. – **Approved and executed**
5. Determine and approve the proposed remuneration of the Board of Directors for the year ended 31<sup>st</sup> December 2019 amounting to AED9,844,000/- – **Approved and executed**
6. Absolve the Board of Directors of liability for their activities for the financial year ended 31<sup>st</sup> December 2019 - **Approved**
7. Absolve the Auditors of liability for their activities for the financial year ended 31<sup>st</sup> December 2019 - **Approved**
8. Appoint Auditors for the financial year 2020 and determine their remuneration (AED1,079,000). **Approved and executed**
9. Matters that require a special resolution:  
Consider the Board of Directors' proposal regarding the amendment of Article (41) of the Company's Articles of Association relating to invitations to the Meetings of the General Assembly – **Approved**

**H. Name of Rapporteur of the Board Meetings.**

The Rapporteur is M/s Naseem Al Hamed and was formally appointed as Acting Board Secretary in December 2014. This appointment was confirmed in March 2015.



The Board Secretary has 30 years' experience in a similar position having held positions in UAE-based blue chip companies such as Abu Dhabi Investment Authority, Abu Dhabi Fund for Development and subsequently Abu Dhabi National Hotels. As a result of this M/s Al Hamed today enjoys a thorough understanding of ADN H business and the hospitality industry having worked with ADN H since 1995. In addition, she has at all times demonstrated excellent communication skills with all pertinent stakeholders. Similarly, M/s Al Hamed has attended several relevant workshops and seminars.

As far as duties and responsibilities performed during the year are concerned M/s Al Hamed performed the following:

- Managing all aspects of Board of Directors' and Board Committee meetings including from development of the agenda, arranging meeting logistics, recording Minutes, disseminating relevant information to Directors and other stakeholders.
- Ensuring compliance of relevant Laws with particular reference to the Regulatory Authorities including but not limited to SCA and ADX.
- Managing all aspects of the Annual General Assembly (AGM) including communication with SCA, ADX, External Auditors, arranging meeting logistics (Venue, translators,) and ensuring the presence of appropriate stakeholders such as shareholders registry custodians and timely and accurate disclosures of AGM results to SCA and ADX.

**H. Statement of significant events that took place in the Company in 2020.**

On 29<sup>th</sup> December 2020, Abu Dhabi National Hotels signed a Sale and Purchase Agreement to sell part of its Retail Division to Messrs. Holiday Marine Services. This transaction is subject to fulfilling certain conditions required to complete the sale.

**I. Statement of the Emiratisation percentage in the Company in 2020**

In line with the guidelines and directives of the Higher Authorities, ADN H set up an Emiratisation program. The program focused on providing UAE Nationals with the opportunity to train them and prepare them for sound career development.

During the year 2020, out of a total number of 67 employees in ADN H Head Office 18 are UAE Nationals including 10 working under the "Khebrati" program as well as two Develepees. These represent 26.86% of the total number of employees in ADN H Head Office.

During the year 2019, out of a total number of 64 employees in ADN H Head Office 17 were UAE Nationals including 10 working under the "Khebrati" program. These represent 26% of the total number of employees in ADN H Head Office.

During the year 2018, out of a total number of 61 employees in ADN H Head Office 15 were UAE Nationals including 10 working under the "Khebrati" program. These represent 25% of the total number of employees in ADN H Head Office.

**J. Statement of Innovative projects & Initiatives Implemented by the Company or which were under development during 2020:**

In line with the Board of Directors' directives and guidance to enhance and upgrade the ADN H portfolio of properties, the company carried out significant renovations to its hotels and resorts, including guest rooms, food and beverage outlets, health clubs and public areas.

Signature of Chairman - Board of Directors	Signature of Chairman - Audit Compliance & Corporate Governance Committee	Signature of Chairman - Nomination & Remuneration Committee	Signature of Director - Internal Control Department
Date: 16/02/21	Date: 15/02/2021	Date:	Date: 14.02.2021

