



Audit Committee


The Audit Committee assists the Board of Directors in discharging its responsibilities with regard to the oversight role related to corporate governance, risk management, internal control, internal and statutory audits, financial reporting and compliance, including:




Reviewing and monitoring the integrity of annual and interim financial statements.




Reviewing and monitoring the extent of the non-audit work undertaken by external auditors.




Advising on the appointment of external auditors.



Overseeing the relationship with external auditors.



Reviewing the effectiveness of the external audit process.



Reviewing the effectiveness of the internal control review function.



The Audit Committee makes recommendations to the Board of Directors, which retains ultimate responsibility for reviewing and approving our annual report and financial accounts.

The Audit Committee gives due consideration to the applicable laws and regulations of the UAE, SCA, ADAA and the ADX, including the provisions of the Corporate Governance Rules.

The Audit Committee is comprised of three members who are non-executive directors and independent members. The members of the Audit Committee during 2024 were as set forth in the table below.

The Audit Committee has taken appropriate steps to ensure that ADNOC Distribution’s external auditors are independent of ADNOC Distribution as required by the Corporate Governance Rules. The Audit Committee has also obtained written confirmation from its auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The Audit Committee’s responsibilities in relation to the Audit & Assurance function include the review and approval of the overall audit strategies and annual audit work plan, budget, and overseeing the Internal Audit programs and performance.

In addition, the Audit Committee ensures that Audit & Assurance has full and unrestricted access to all required sources of information relevant to the performance of its work.

As part of his role as the Chairman of the Audit Committee, H.E. Ahmed Jasim AlZaabi is responsible for ensuring the Committee’s overall effectiveness and that the Committee properly complies with its stated objectives.

The Audit Committee met four times during 2024. Details of those meetings (including attendance records) are provided in the table below. In 2024, all recommendations of the Audit Committee were accepted by the Board of Directors.

Committee Member	Position in Committee	Feb 5, 2024	May 2, 2024	Jul 31, 2024	Oct 25, 2024
H.E. Ahmed Jasim AlZaabi	Chairman	P	P	P	P
Mr. Khaled Al Zaabi ⁽¹⁾	Member		P	P	P
Mr. Marwan Nijmeh ⁽¹⁾	Member		P	A	P
H.E. Ahmed Tamim Al Kuttab ⁽²⁾	Member	P			
Mr. Abdulaziz Abdulla Alhajri ⁽²⁾	Member	P			

P = Present, A = Absent
(1) Appointed as an Audit Committee member on March 27, 2024.
(2) Served as an Audit Committee member until March 27, 2024.

Audit Committee Annual Report

During the year 2024, the Audit Committee performed the following actions:

- Reviewed and endorsed ADNOC Distribution's 2024 Quarterly and Annual Financial statements for the Board's approval. The review included ADNOC Distribution's transactions with related parties and compliance with the applicable IFRS requirements.
- Made inquiries of management and reviewed the Statutory Auditor Appointment Rules (SAAR) checklist provided by the Finance function and Audit & Assurance function to evaluate the independence and effectiveness of the external statutory auditor appointment process.
- Reviewed and evaluated non-audit services performed by the statutory auditors to ensure that no conflict of interest situations existed and that it sought to maintain the objectivity, independence and value for money.
- Reviewed and endorsed the reappointment of Grant Thornton UAE as external auditors for financial year 2025, in line with management's recommendation, ADAA requirements and SCA rules.
- Reviewed and endorsed the appointment of Grant Thornton UAE as external auditors for financial year 2023 for our ADGC subsidiaries for tax compliance purposes, in line with management's recommendation.
- Reviewed the following significant accounting and key reporting matters with the statutory auditors and management, noting that no material exceptions or issues were raised based on the reviews performed:
 - Early Adoption of Lack of Exchangeability (Amendments to IAS 21 – The Effects of Changes in FX Rates)
 - UAE Corporate Tax
 - Currency exchange differences on operations for TotalEnergies Marketing Egypt LLC, an entity in which the Company indirectly holds a 50% interest.
- Reviewed the top corporate risks as reported by the Enterprise Risk Management function noting related changes and provided necessary guidance.
- Reviewed the updated Internal Control over Financial Reporting (ICFR) status and provided necessary guidance.
- Reviewed ethics & compliance, corporate governance and legal updates.
- Reviewed the status update of the risk-based 2024 Internal Audit Work Plan and the activities performed by the Audit & Assurance Division comprising of assurance reviews, advisory engagements and forensic reviews.
- Reviewed the quarterly audit reports issued by the Audit & Assurance Division containing high, medium and low ranked findings and statistics.
- Reviewed key audit findings and the implementation status of the Audit & Assurance Division recommendations.
- Evaluated the performance of the Audit & Assurance Division for the year 2024.
- Reviewed and approved the risk-based Internal Audit Plan as well as the proposed budget of the Audit & Assurance Division.

