

# TRANSFORMING MOBILITY

Delivering on promises and future proofing our business



**CORPORATE GOVERNANCE  
REPORT 2023**





NOW SERVING ARTISAN PIZZA!

مكافآت تسوق، اكسب النقاط واحصل على المكافآت

ARTISAN PIZZA BAKED FOR YOU!







# INTRODUCTION

Abu Dhabi National Oil Company for Distribution PJSC (ADNOC Distribution or the Company) is the UAE's largest fuel and convenience retailer. The Company has been providing energy for customers' journeys since 1973 and has consistently provided best-in-class products and services.



We enable, enhance, and energize every customer journey using digitally enabled, innovative customer services and high-quality non-fuel retail products. The Company has service stations in all seven Emirates of the UAE, and in Saudi Arabia and Egypt. It also sells lubricants across the world via distributors.

In its 50<sup>th</sup> year, ADNOC Distribution has over 800 service stations in total, including 529 in the UAE, 68 in KSA and 243 in Egypt following the acquisition of a 50% stake in TotalEnergies Marketing Egypt LLC in February 2023.

As a leading non-fuel retailer in the UAE, the Company operates 359 ADNOC Oasis convenience stores, 34 vehicle inspection centres, and other leading services including car wash, lube change, and EV charging. The Company is also the leading marketer and distributor of fuels to commercial, industrial, and government entities throughout the UAE.

In 2023, we continued to deliver on our smart growth strategy, reporting our highest EBITDA since IPO of AED 3.68 billion. We continue to serve our customers with quality products and exceptional customer service, while expanding internationally to further affirm on our ambition to be the global mobility retailer of choice, enabler of sustainable mobility, and provider of exceptional customer experiences.

As our reach and influence continues to expand, so does our corporate responsibility. We strive to maintain operational and governance excellence, and are committed to driving enhanced management accountability, creating value for shareholders, and safeguarding the interests of our employees and customers across the communities in which we serve.

We remain resolutely committed to our corporate governance framework which not only complies with all applicable laws and regulations, but also meets the highest standards of international best practices.

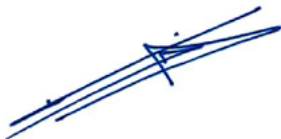
Designed and implemented in line with our culture and values – to be progressive, collaborative, respectful, responsible, and efficient – this framework aims to ensure the long-term sustainability of our business, with the broad ambition of helping the Company achieve its goals and guide our decision-making to ensure consistency in our actions and behaviours.

This year's corporate governance report provides an overview of ADNOC Distribution's corporate governance systems and procedures as of 31 December 2023 which has been filed with the Securities and Commodities Authority (SCA) and posted on Abu Dhabi Exchange (ADX) in addition to the ADNOC Distribution website.

(\* All figures as of 31 December 2023).



**H.E. DR. SULTAN AHMED AL JABER**  
Chairman of the Board of Directors  
Date: March 2024



**H.E. AHMED JASIM ALZAABI**  
Chairman of the Audit  
Committee



**MR. KHALED SALMEEN**  
Chairman of the  
Executive Committee



**MS. MARIAM SAEED GHOBASH**  
Chairwoman of the Nomination  
and Remuneration Committee



**MR. BEN HENNESSY**  
General Counsel\*

\* The General Counsel is responsible for and oversees the Company's internal control function.



# OUR CORPORATE GOVERNANCE OVERVIEW

**The Company is committed to adhering to sound principles of corporate governance, and as a result, we have implemented and continue to maintain a corporate governance framework that complies with the requirements applicable to public joint stock companies in the United Arab Emirates (the UAE) and that are consistent with international best practices.**

In order to accomplish these goals and guarantee compliance with the specific requirements of the Corporate Governance Code relating to accountability, equity (the fair treatment of shareholders), transparency and disclosure, and responsibility, the Company maintains a corporate governance policy in addition to a number of other related policies and practices that serve as the fundamental skeleton of our corporate governance system. These policies and practices form the backbone of our overall corporate governance structure. Below is a brief summary of some of the key policies that we have implemented and under which we operate.

## CORPORATE GOVERNANCE POLICY

Our Corporate Governance Policy provides clear guidance on: (a) the Company's corporate governance structure and the interface between the Company and its stakeholders; (b) the authorities and decision-making mechanisms within the Company and between its stakeholders; and (c) the role and responsibilities of the Company's corporate governance function.





## CODE OF CONDUCT

Our Code of Conduct demonstrates ADNOC Distribution's commitment to compliance and ethical behavior in all that it does. Our Code of Conduct (a) sets out the minimum standard of conduct that we expect from anyone working for or on behalf of ADNOC Distribution; and (b) provides a set of basic rules and standards that are designed to ensure that our business is conducted in an ethical and compliant manner and in accordance with our core values.

### Core Values

# WE ARE...



**Collaborative**



**Respectful**



**Progressive**



**Responsible**



**Efficient**

## DIVIDEND POLICY

Our Dividend Policy sets out the clear and transparent criteria and method for the distribution of our profits such that the distribution of our profits serves the interests of both ADNOC Distribution and its shareholders. The payment of dividends is subject to consideration of: (a) the cash management requirements of the Company for operating expenses, interest expense, and anticipated capital expenditures; and (b) market conditions, the then current operating environment in our markets, and the outlook for the business of the Company. In addition, any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors and approval of the Shareholders.

Under our Articles of Association, the Company may distribute quarterly, semi-annual and/or annual dividends to shareholders from operating profits and/or accumulated profits of the Company. The Company currently intends to pay a dividend twice each fiscal year, with an initial interim payment in October of that year and a second payment in April of the following year.



## RELATED PARTY TRANSACTIONS POLICY

Our Related Party Transaction Policy is designed to ensure that: (a) transactions with related parties are conducted on arm's length terms; (b) the Board of Directors and senior management are aware of the steps required to approve transactions with related parties; and (c) a legitimate business case is present and which supports the relevant related party transactions, including their arm's length nature. In accordance with this policy, we may not enter into a related party transaction unless it has been approved by: (i) our Board of Directors, where the transaction's value does not exceed 5% of the value of our share capital; or (ii) our shareholders at a General Assembly, where the transaction's value exceeds 5% of our share capital. The foregoing requirements do not apply to transactions with ADNOC and with other ADNOC group companies.

However, for so long as ADNOC owns more than 50% of our shares, we may not enter into transactions with ADNOC or other ADNOC group companies unless such transactions have been approved by our Board of Directors, including a majority of the independent members of the Board of Directors, subject to certain thresholds under our Delegation of Authority Matrix.

## INSIDER DEALING POLICY

The requirement to have fair and transparent dealings in our securities is of paramount importance to us and we take a zero tolerance approach to any activities which would prevent this requirement from being properly implemented.

Accordingly, we have implemented an Insider Dealing Policy to ensure that the obligations and responsibilities of our employees, officers and directors with respect to dealings in our securities are clearly defined. In accordance with the Insider Dealing Policy, we have an Insider Dealing Committee to oversee the ongoing implementation of this policy.

## ANTI-BRIBERY AND CORRUPTION POLICY

We are committed to doing business lawfully, ethically and with integrity, and we expect all of our employees and representatives to act accordingly. Consistent with this commitment, we take a zero tolerance approach to fraud, bribery and all other forms of corruption. Our Anti-Bribery and Corruption Policy sets forth our requirements to ensure that none of our employees or representatives engage in any of these activities.

## COMPLIANCE INVESTIGATIONS POLICY

Our commitment to operating with integrity includes investigating, where necessary, allegations of ethical misconduct. Our Compliance Investigations Policy and supporting procedures set forth our approach to investigations relating to alleged violation of: (a) ethical business practices; (b) integrity in our interactions and arrangements with third parties; and (c) applicable laws, regulations, policies and procedures relating to ethical business practices and integrity. This policy requires all of our personnel to cooperate fully and truthfully with all investigations and to avoid engaging in certain activities that may hinder or interfere with an investigation.

## CONFLICTS OF INTEREST POLICY

We understand that our employees, officers and directors will engage in legitimate social, financial and business activities outside the scope of their work for us. Our Conflicts of Interest Policy sets forth our requirements for the avoidance and management of conflicts of interest that may arise as a result of these other activities, including the avoidance of situations that merely have the appearance of a conflict of interest. Under this policy, conflicts of interest must be promptly disclosed so that the appropriate course of action can be taken in order to protect ADNOC Distribution's interests.

## WHISTLEBLOWING POLICY

Having an open, honest and transparent culture supports our commitment to integrity. Our Whistleblowing Policy encourages our employees to report concerns about unethical behavior in connection with our business by assuring confidentiality and by protecting good faith whistle-blowers from retaliation, even if they are mistaken.

## GENDER DIVERSITY POLICY

We are committed to advancing gender diversity and equality across the organization and are constantly working to recruit more women in all areas of our business. We are also working on a number of initiatives to advance women's career growth across the Company. To this end, our Gender Diversity Policy has been designed to both Board-level appointments and the company-wide approach to gender diversity. In addition, the Company will continue to ensure that its female employees obtain access to all necessary training and development in order to achieve their full potential in line with the standards of high performance we expect from all our employees - both men and women alike.



# SHARE DEALINGS

## Purchases and sales of our shares and other transactions involving our securities by employees, officers and directors are governed by our Insider Dealing Policy.

It is the policy of ADNOC Distribution that inside information must not be used by any of our employees, officers or directors for personal gain. ADNOC Distribution expects that all of its people, as well as the other persons with

whom ADNOC Distribution transacts, abide by this policy, and in doing so adhere to applicable laws that apply to inside information and dealings in ADNOC Distribution's securities.

The following table sets forth the details of all purchases and sales of our shares undertaken by our Directors, their spouses and their children in 2023:

Director	Position	Shares held as at 31 December 2023	Total Sale Transactions	Total Purchase Transactions
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	–	–	–
H.E. Ahmed Jasim AlZaabi	Deputy Chairman	–	–	–
H.E. Ahmed Tamim Al Kuttab	Director	–	–	–
H.E. Mohamed Hassan Alsuwaidi	Director	–	–	–
Mr. Khaled Salmeen	Director	–	–	–
Ms. Mariam Saeed Ghobash	Director	–	–	–
Mr. Abdulaziz Abdulla Alhajri	Director	–	–	–





# ADNOC DISTRIBUTION'S BOARD OF DIRECTORS

**In 2023, our Board of Directors comprised seven Directors elected by the General Assembly at our annual meeting on 16<sup>th</sup> March 2021.**

All Directors were independent non-executive directors, within the meaning of Resolution No. (3/R.M) of 2020 of the Securities and Commodities Authority of the United Arab Emirates (the **SCA** and the **Corporate Governance Rules**). Pursuant to our Articles of Association, each Director serves a three-year term, after which a Director may be elected to a successive term or terms.

## COMPOSITION OF THE BOARD OF DIRECTORS

Set forth below is a table detailing the composition of our Board of Directors in 2023:

### H.E. Dr. Sultan Ahmed Al Jaber

Chairman  
Since February 2016(\*)

### Mr. Khaled Salmeen

Director  
Since February 2019

### H.E. Ahmed Jasim AlZaabi

Deputy Chairman  
Since April 2019

### Ms. Mariam Saeed Ghobash

Director  
Since March 2021

### H.E. Ahmed Tamim Al Kuttab

Director  
Since March 2021

### Mr. Abdulaziz Abdulla Alhajri

Director  
Since November 2017

### H.E. Mohamed Hassan Alsuwaidi

Director  
Since March 2021

(\*) Pre IPO, H.E. Dr. Sultan Ahmed Al Jaber was appointed in February 2016 as the Chairman of the Board of Directors of ADNOC Distribution, he was reappointed as the Chairman of the Board in November 2017 at the time of the IPO and in March 2021 when the current Board was elected.





# OUR BOARD OF DIRECTORS

H.E. Dr. Sultan Ahmed Al Jaber has served as Minister of Industry and Advanced Technology since July 2020 as the COP28 President-Designate, as a member of the Supreme Council for Financial and Economic Affairs since December 2020, as UAE Cabinet Member since March 2013, as Minister of State from March 2013 up to July 2020, as Chairman of the National Media Council from 2016 up to July 2020, as the UAE's special envoy for Climate Change since November 2020, as Group Chief Executive Officer of ADNOC since February 2016 and additionally Managing Director of ADNOC since February 2021. From January 2014 to February 2016, he served as Chief Executive Officer, Energy, of Mubadala Development Company.

H.E. Dr. Al Jaber is also Chairman of several ADNOC Group companies, Chairman of Masdar, Chairman of Emirates Development Bank, Chairman of FAB Misr and Chairman of the Board of Trustees of Mohammed bin Zayed University of Artificial Intelligence, as well as a member of the Board of Directors

**H.E. DR. SULTAN AHMED AL JABER**  
CHAIRMAN

of Advanced Technology Research Council, Mubadala Investment Company, Emirates Global Aluminum, Emirates Investment Authority and First Abu Dhabi Bank.

H.E. Dr. Al Jaber holds a PhD in business and economics from Coventry University in the United Kingdom, an MBA from the California State University, and a Bachelor in Chemical Engineering from the University of Southern California, USA.







### **H.E. Ahmed Jasim AlZaabi**

#### **Deputy Chairman**

Chairman of the Audit Committee

H.E. Ahmed Jasim AlZaabi currently serves as the Chairman of Abu Dhabi Department of Economic Development and a member of Abu Dhabi Executive Council since January 2023 and as Chairman of Abu Dhabi Global Market (ADGM) since October 2021. He previously served as Group Chief Financial Officer of ADNOC from December 2019 to December 2021. In addition to this, he is currently the Chairman of Hub 71 and Khalifa Fund for Enterprise Development and a board member of ADNOC Drilling, ADNOC L&S, Emirates Investment Authority, Burjeel Holdings, Al Jazira Investment Company and Astra Tech. In the past, H.E. AlZaabi has also served as a member of the Board of Directors of a number of banks and financial institutions including the Abu Dhabi Securities Exchange (ADX) Union National Bank (UNB) and the Abu Dhabi Retirement Pensions & Benefits Fund (ADRPBF).

H.E. AlZaabi holds a Master's degree in Economics Science with Honors from the University of Aberdeen, UK.



### **H.E. Ahmed Tamim Al Kuttab**

#### **Director**

Member of the Nomination and Remuneration Committee

Member of the Audit Committee

H.E. Ahmed Tamim Al Kuttab has served as Chairman of Abu Dhabi Department of Government Enablement and as member of Abu Dhabi Executive Council since January 2023. He previously served as Director of the Executive Office of ADNOC. H.E. Al Kuttab also serves as a member of the Board of the Advanced Technology Research Council, Khalifa University, Bayanat.AI, Emirates Development Bank, and the National Defence College.

H.E. Al Kuttab holds a Master's degree of Business Administration (MBA) from the University of Oxford (UK) and a BSc (Finance) from George Mason University, USA.



### **H.E Mohamed Hassan Alsuwaidi**

#### **Director**

H.E. Mohamed Alsuwaidi has served as the UAE Minister of Investment and as a member of the UAE Cabinet since July 2023, and as the Managing Director and Chief Executive Officer of ADQ since May 2019. Previously he served as the Director of Metals and Mining of Mubadala Investment Company from 2007 to 2019. H.E. Alsuwaidi is Chairman of the Board of Directors of TAQA, the Deputy Chairman of Abu Dhabi Future Energy Company (Masdar) and Second Vice Chairman of Aldar Properties. H.E. is also a member of the Board of Directors of Emirates Investment Authority, Abu Dhabi Pension Fund, Advanced Technology Research Council, Emirates Nuclear Energy Corporation, and Al Dahra Holding.

H.E. Alsuwaidi holds a BSc Degree in Accounting from the United Arab Emirates University, UAE.



## **Khaled Salmeen**

### **Director**

Chairman of the Executive Committee

Member of the Nomination and Remuneration Committee

Mr. Khaled Salmeen has served as ADNOC's Executive Director of Downstream Industry, Marketing and Trading (DM&T) since January 2021, having previously served as ADNOC's Executive Director of Marketing, Sales & Trading (MS&T) since February 2019. He previously also served as Chief Executive Officer of the Khalifa Industrial Zone (KIZAD), Chairman of Abu Dhabi Terminals, and Chief Operating Officer of National Central Cooling Company (Tabreed). He also served as Director of ADNOC's Transformation Project Management Office from 2016 to 2017. Mr. Salmeen currently serves as a member of the Board of Directors of a number of ADNOC Group companies. He is also Chairman of TA'ZIZ and Chairman of ADNOC Trading.

Mr. Salmeen holds a BSc in Engineering from Colorado School of Mines, Colorado, USA, an Executive MBA from INSEAD and a Project Management Professional (PMP) from the Project Management Institute (PMI) and Harvard Business School, USA.



## **Mariam Saeed Ghobash**

### **Director**

Chairwoman of the Nomination and Remuneration Committee

Member of the Executive Committee

Ms. Mariam Saeed Ghobash served as Director of Global Special Situations Department of Abu Dhabi Investment Council from 2009 to June 2021.

Ms. Ghobash is a member of the Board of Directors of Telecommunications Group Company "Etisalat", Emirates Development Bank and Gulf Capital.

She previously served as Vice-Chairperson of Aldar Properties and Invest AD and was a member of the Board of Directors of National Bank of Abu Dhabi, Al Hilal Bank, Abu Dhabi National Takaful Co. "Watania" and Zayed University.

Ms. Ghobash holds a BSc in Economics from the University of Pennsylvania, Philadelphia, USA.



## **Abdulaziz Abdulla Alhajri**

### **Director**

Member of the Executive Committee

Member of the Audit Committee

Mr. Abdulaziz Abdulla Alhajri has served as Executive Advisor of ADNOC since January 2021. He previously served as Executive Director, Downstream Directorate of ADNOC from May 2016 until December 2020.

From October 2007 to May 2016, he was Chief Executive Officer of Abu Dhabi Polymers Company (Borouge), a joint venture of ADNOC and Borealis. He also serves on several ADNOC Group company boards of directors.

Mr. Alhajri holds a BSc in Chemical Engineering from the University of Texas, USA.



## WOMEN'S REPRESENTATION ON THE BOARD OF DIRECTORS

On 16<sup>th</sup> March 2021, Ms. Mariam Saeed Ghobash was elected to the Board of Directors and accordingly there is currently one female member of the Board, which is in compliance with SCA's Corporate Governance Rules.

Where vacancies on the Board of Directors arise we will actively seek out greater female representation while at the same time considering all qualified candidates, regardless of gender, and recognizing that appointment of directors is a matter reserved for the shareholders of ADNOC Distribution.

## DIRECTORS' REMUNERATION

In 2023, our shareholders approved a total remuneration of AED 23.55 million which was paid to the members of our Board of Directors for 2022. It is proposed that the remuneration for the Board of Directors for 2023, to be paid in 2024, is a total of AED 25.56 million plus any applicable VAT. This will be presented to our shareholders at our upcoming annual General Assembly meeting for approval.

## STATEMENT OF ALLOWANCES PAID TO COMMITTEE MEMBERS FOR 2023

In 2023, no allowances, salaries or additional fees were paid to committee members.

## BOARD AND BOARD COMMITTEES – ANNUAL PERFORMANCE EVALUATION

In 2023 the Board of Directors conducted the evaluation of its performance, and the performance of its members and committees, for the year 2022, led by the Nomination & Remuneration Committee Chairwoman, Ms Mariam Ghobash. For the year 2023, the annual evaluation process is being performed by an independent professional party, in accordance with SCA's Corporate Governance Rules.

## BOARD MEETINGS – ATTENDANCE RECORDS

Our Articles of Association require that the Board of Directors meets a minimum of four times each year. The quorum for meetings is a majority of directors, and voting during meetings is a majority of attendees. The following table sets forth the meetings held by our Board of Directors in 2023:

Board Member	Position on the Board	08 Feb 2023	17 Feb 2023 <sup>(1)</sup>	09 March 2023 <sup>(2)</sup>	12 May 2023	04 Aug 2023	25 Sept 2023 <sup>(3)</sup>	09 Nov 2023
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	P	P	P	P	P	P	P
H.E. Ahmed Jasim AlZaabi	Deputy Chairman	P	P	P	P	A	P	P
H.E. Ahmed Tamim Al Kuttab	Director	P	P	P	P	A	P	P
H.E. Mohamed Hassan Alsuwaidi	Director	P	P	P	A	P	P	A
Mr. Khaled Salmeen	Director	P	P	P	P	P	P	P
Mr. Abdulaziz Abdulla Alhajri	Director	P	P	P	P	P	P	P
Ms. Mariam Saeed Ghobash	Director	P	P	P	P	P	P	P

P – Present, A – Absent.

(1) Meeting held by circulation to approve a proposal to amend the dividend policy for 2023.

(2) Meeting held by circulation to approve a proposal to pay the Board of Directors AED 23.55 million as remuneration for the financial year ended 31 December 2022.

(3) Meeting held by circulation to approve payment of 2023 interim dividend.

## MATTERS RESERVED TO THE BOARD OF DIRECTORS AND DELEGATED TO MANAGEMENT

The Board of Directors has issued a Delegation of Authority to our Chief Executive Officer, Mr. Bader Saeed Al Lamki, under which the Board of Directors has delegated to him the authority to conduct the daily management activities of the Company, subject to appropriate limits (beyond which, the approval of the Board of Directors must be sought). Under the Delegation of Authority, Mr. Al Lamki has the ability to sub-delegate activities to other members of ADNOC Distribution's management. Notwithstanding the Delegation of Authority that has been provided to Mr. Al Lamki, the Board of Directors maintains oversight over these activities, and Mr. Al Lamki is regularly required to report to the Board of Directors with respect to the activities undertaken by him pursuant to the terms of the Delegation of Authority. Details of the Delegation of Authority are provided below:

Details of the Delegation of Authority are provided below:

Name of the authorized person	Scope of authority	Duration of delegation
Chief Executive Officer	Authority to conduct the daily management activities of ADNOC Distribution, subject to appropriate limits as set down by the Board of Directors from time to time	Until the authority is revoked by the Board of Directors



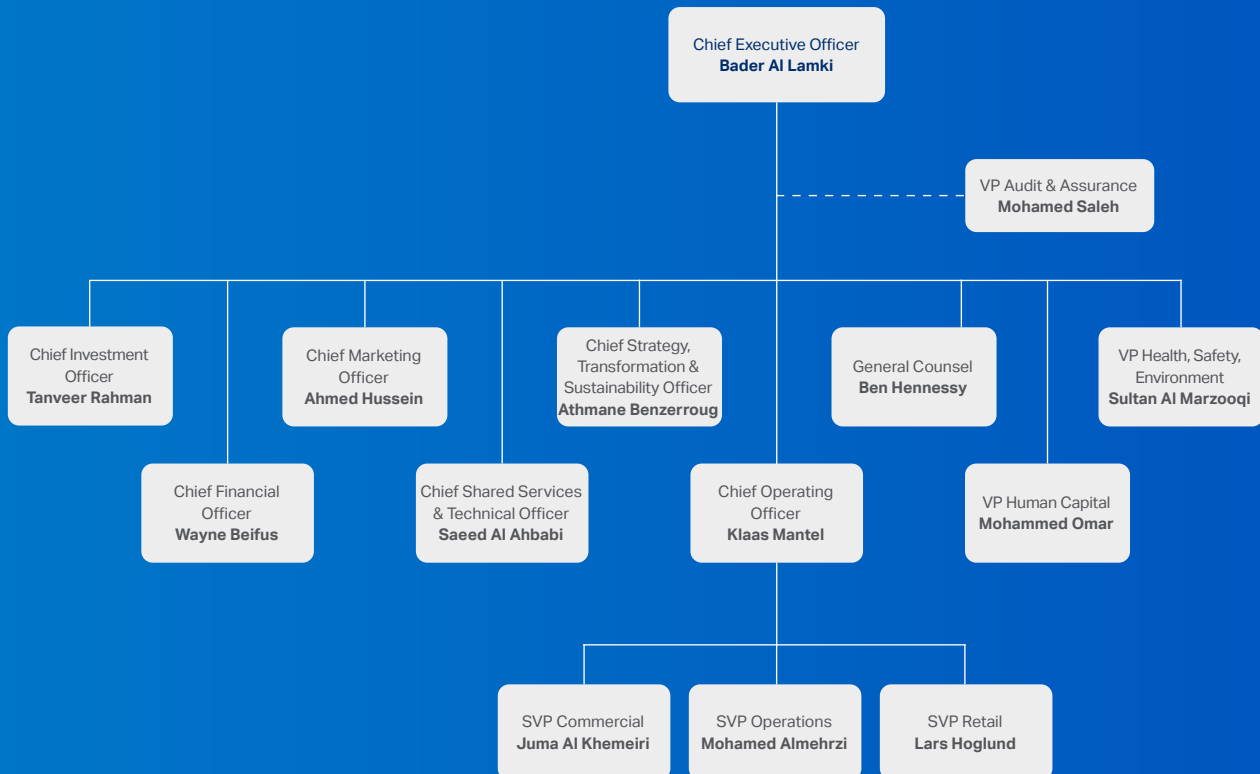


# EXECUTIVE MANAGEMENT

Under the Delegation of Authority, and in consultation with the Board of Directors, our Chief Executive Officer has sub-delegated some of the powers given to him to members of our executive management team. Our executive management team carries out the day-to-day activities of ADNOC Distribution pursuant to this authority and in line with international best practice and the relevant governance rules and regulations.

## ADNOC DISTRIBUTION ORGANIZATION CHART

Below is the organization chart of ADNOC Distribution:



Note: Organization Chart as of 31<sup>st</sup> December 2023

# KEY EXECUTIVE MANAGEMENT - GOVERNANCE

Eng. Bader Al Lamki was appointed Chief Executive Officer in May 2021. He is responsible for managing the Company's overall operations, as well as developing and implementing long-term regional and international growth strategies. He brings more than 20 years of diversified experience in the oil and gas, clean energy, and utilities sectors.

Previously, Eng. Al Lamki held the role of the Chief Executive Officer at National Central Cooling Company PJSC (Tabreed) from April 2019 to May 2021, leading the company's operations and growth ambitions in the UAE and internationally.

Eng. Al Lamki has extensive experience with some of the UAE's biggest energy companies, including ADNOC operating company ADMA-OPCO, where he successfully led a strategic development initiative to increase the company's daily oil production. He also worked with Masdar Clean Energy, where he was responsible for business growth activities, including bidding, acquisitions and green field project development, including having an instrumental role in building the company's international renewable energy portfolio, with projects spanning across

25 countries. Earlier in his career, Eng. Al Lamki gained experience with a number of renowned organizations, including French oil major Total, where he advised on oil and gas projects in Africa.

Eng. Al Lamki holds a BSc degree in Chemical Engineering from the United Arab Emirates University.

**BADER SAEED AL LAMKI**  
CHIEF EXECUTIVE OFFICER







**WAYNE BEIFUS**  
**CHIEF FINANCIAL OFFICER**

Mr. Wayne Beifus is the Chief Financial Officer of ADNOC Distribution. He has over three decades of experience in finance, strategy, and business transformation, with senior leadership roles in global FMCG and retail companies. He joined ADNOC Distribution in June 2022, after serving as the Chief Financial Officer of Walgreens Boots Alliance – International Retail, one of the world’s largest pharmacy-led health and beauty retailers. Previously, he worked for British American Tobacco, where he held various CFO positions across Asia, Europe and Africa. He is a registered Chartered Accountant in Australia and South Africa and holds dual Bachelors’ degrees in Commerce and Accounting Science from the University of South Africa.



**ATHMANE BENZERROUG**  
**CHIEF STRATEGY, TRANSFORMATION & SUSTAINABILITY OFFICER**

Mr. Athmane Benzerroug was appointed as the Chief Strategy, Transformation and Sustainability Officer in April 2023. He is responsible for driving ADNOC Distribution’s growth strategy, transformation initiatives and sustainability agenda. He is also contributing value to the Investor Relations function with his experience and insights. Previously, Mr. Benzerroug served as the Chief Investor Relations Officer from September 2018 to March 2023. Prior to joining ADNOC Distribution, Mr. Benzerroug served 10 years at Deutsche Bank as a Director focusing on industrials, Real Estate, and Retail. He has 20 years of experience in investment banking and equity capital markets leading major IPOs in Europe, the Middle East, and Turkey. Previously, Mr. Benzerroug was responsible for European Infrastructure at Natixis Securities in Paris. Mr. Benzerroug holds an MSc in Banking and Finance from the University of Paris X, France.



**BEN HENNESSY**  
**GENERAL COUNSEL**

Mr. Ben Hennessy joined ADNOC Distribution in October 2019 as General Counsel and is responsible for Legal, Governance and Compliance across the organization. He has served as an international lawyer for 20 years, including at global law firm DLA Piper and integrated energy company BP PLC, where he led legal teams supporting BP’s downstream marketing businesses.

Mr. Hennessy is a qualified solicitor in England & Wales and holds an LPC from the University of Law, London and a BA from the University of Newcastle, UK.

## EXECUTIVE MANAGEMENT REMUNERATION

Details of the total salaries and benefits paid to the senior members of our executive management team in 2023 are provided in the table below:

<b>Position</b>	<b>Appointment date</b>	<b>Total salaries &amp; allowances paid in 2023</b>	<b>Total bonuses paid in 2023</b>	<b>Other benefits for 2023 or due in the future<sup>(2)</sup></b>
Chief Executive Officer	May-21	2,700,300.00	1,950,000.00	-
Chief Financial Officer	Jun-22	1,745,580.65	801,875.00	-
Chief Operating Officer	Jul-23	549,166.67	-	-
Chief Strategy, Transformation and Sustainability Officer	Sep-18	1,704,383.87	753,125.00	-
Chief Investment Officer	Jun-22	1,884,000.00	900,000.00	-
Chief Shared Services and Technical Officer	Jun-19	1,667,556.00	588,232.00	-
Chief Marketing Officer	Oct-22	1,561,233.33	350,000.00	-

<b>Former – Position</b>	<b>Appointment date</b>	<b>Total salaries and allowances paid in 2023</b>	<b>Total bonuses paid in 2023</b>	<b>Other benefits for 2023 or due in the future<sup>(2)</sup></b>
Former Chief Operating Officer <sup>(1)</sup>	July 2022 to July 2023	2,536,027.20	300,822.00	-

(1) Stepped down from the role to pursue a new opportunity outside the company.

(2) Bonuses for 2023 that are payable in 2024 are yet to be determined or awarded.



# TRANSACTIONS WITH RELATED PARTIES

We are and have been a party to various agreements and other arrangements with related parties, comprising ADNOC and certain of its other subsidiaries. Details of these transactions are described below and reflects the position as at 31 December 2023. In addition, the value of all related party transactions undertaken by ADNOC Distribution during 2023 (as disclosed in our 2023 financial statements) is as follows :

	<b>2023</b>
<b>ADNOC Group</b>	<b>AED'000</b>
Revenue	1,877,621
Purchases	23,483,366
Vessel hire charges and port charges	36,769
Dividends paid	2,571,250
Rendering of services	174,356
Recovery of expenses incurred related to City Gas	904

	<b>2023</b>
<b>TotalEnergies Marketing Egypt and its affiliates</b>	<b>AED'000</b>
Revenue	579,742
Purchases	154,434
Management Fee & services	67,273







## RELATIONSHIP AGREEMENT WITH ADNOC

In 2017, we entered into a Relationship Agreement with ADNOC by which ADNOC agreed, for so long as our shares are listed on the ADX and ADNOC owns or controls more than 50% of the shares, among other things:

- (a) not to take certain actions that might interfere with our status as an independent company, including: (i) ADNOC will not take any action that would interfere with our ability to comply with our obligations under certain ADX and SCA listing and governance rules, and (ii) ADNOC will conduct all transactions with us on arm's length terms and on a commercial basis and will allow us to carry out our business independently;
- (b) not to engage in a competing gasoline filling station business or retail convenience store business in the UAE; and

- (c) not to terminate, and to renew at our request, certain supply and other agreements we have entered into with ADNOC, in each case, so long as we are not in material default of our obligations under those agreements.

Pursuant to the Relationship Agreement, we have also agreed to enter into transactions with ADNOC and other members of the ADNOC group only with the approval of a majority of our directors, including a majority of our independent non-executive directors (other than transactions that, in accordance with our Delegation of Authority, do not require approval of the Board of Directors). Any enforcement of the provisions of the Relationship Agreement against ADNOC requires approval by our Board of Directors, which is effectively controlled by ADNOC.





## REFINED PRODUCTS SUPPLY AGREEMENT



We entered into a Refined Products Supply Agreement with ADNOC, effective 1 October 2017, pursuant to which we agreed to purchase from ADNOC, and ADNOC agreed to sell to us, refined liquid hydrocarbons, comprising unleaded gasoline (91, 95 and 98 grades), gas oil (diesel), illuminating kerosene, and aviation fuels. The term of the Refined Products Supply Agreement expired on 31 December 2022, and was replaced by a new Refined Product Supply Agreement effective 1<sup>st</sup> January 2023 for a term of five years, expiring on 31<sup>st</sup> December 2027. At the end of this term, the Agreement will be renewed automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months in advance.

Pursuant to the Refined Products Supply Agreement, the prices we pay for gasoline and gas oil will equal the Platt's benchmarks utilized by the Retail Price Committee chaired by the UAE Ministry of Energy to set retail pump prices adjusted for product grade & type differential.

In addition, ADNOC must make a payment to us to the extent that, for any contract quarter, the actual per-liter

gross margin we earn on retail sales of gasoline and diesel (calculated by reference to actual retail fuel sales revenue less the price we pay for such fuel under the Refined Products Supply Agreement) is less than certain specified minimum levels. Any fills-per-liter shortfall against such minimum margin levels is payable to us by ADNOC in respect of all retail fuel quantities we have sold of the affected grade during the relevant period. For other refined products, including illuminating kerosene and aviation fuels, the prices we pay will equal the applicable international benchmark plus/minus supplier adjustments.

Under the Refined Products Supply Agreement, we agreed to purchase refined products in the UAE exclusively from ADNOC, and ADNOC undertakes not to compete with us in selling to any customer in the UAE without our consent except for sales to Emarat, ENOC, customers purchasing more than 10,000 metric tons of refined products, and customers to whom we have elected not to sell refined products. ADNOC has also undertaken not to sell on a spot basis to unaffiliated non-export customers in the UAE at prices lower than the prices it charges us.

## LPG SUPPLY AGREEMENT



We entered into an LPG Supply Agreement with ADNOC, effective 1 October 2017, by which we agreed to purchase from ADNOC, and ADNOC agreed to sell to us, butane, propane and LPG in quantities requested by us and confirmed by ADNOC. The term of the LPG Supply Agreement expired on 31 December 2022 and was automatically renewed for a further five year term expiring on 31 December 2027 (in accordance with its renewal terms), and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date.

Under the LPG Supply Agreement, ADNOC has committed to supply the quantities of products confirmed by ADNOC each month and has agreed to use its best endeavors to source such products from third-party suppliers to the extent not otherwise available to it. Pursuant to the LPG Supply Agreement, prices for butane, propane and LPG are ADNOC's official selling prices as in effect from time to time.

Under the LPG Supply Agreement, we have agreed to purchase butane, propane and LPG exclusively from ADNOC, and ADNOC undertakes not to compete with us in selling to any customer in the UAE without our consent, except for sales to Emarat, ENOC, customers purchasing more than 80,000 metric tons per annum of products, and customers to whom we have elected not to sell products. ADNOC has also undertaken not to sell on a spot basis to unaffiliated non-export customers in the UAE at prices lower than the prices it charges us.

In connection with our purchase of propane from ADNOC at the Ruwais facility, in February 2022 we entered into a Propane Handling Services Agreement with Abu Dhabi Gas Industries Limited (trading as ADNOC Gas Processing), a subsidiary of ADNOC, effective as of 1 September 2021, for certain propane handling services. The agreement is for a three year term.

## BASE OIL SUPPLY AGREEMENT



We purchase base oil used to produce lubricants and for resale to our Corporate Division customers from ADNOC pursuant to an annual confirmation under a Base Oil Supply Agreement, which incorporates ADNOC's general terms and conditions for sales of base oils. Under the terms of the Base Oil Supply Agreement, we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, specified volumes of base oil at prices set forth in the

Base Oil Supply Agreement, which are reviewed annually. The term of the Base Oil Supply Agreement is for an initial five-year period expiring on 31 December 2026 and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date.

## WHITE SPIRIT SUPPLY AGREEMENT



We purchase white spirit from ADNOC pursuant to an annual confirmation under a White Spirit Supply Agreement, which incorporates ADNOC's general terms and conditions for sales of white spirit. Under the terms of the White Spirit Supply Agreement, we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, specified volumes of white spirit at prices set forth in

the Agreement, which are reviewed annually. The term of the White Spirit Supply Agreement is for an initial five-year period expiring on 31 December 2026 and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date.

## UNSECURED SENIOR CORPORATE REVOLVING FACILITIES AGREEMENT



On 26 October 2022, we (as borrower) entered into an unsecured senior corporate five-year revolving facilities agreement with ADNOC (as original lender) (the "Revolving Facilities Agreement"), pursuant to which the lender will make available to us a USD denominated revolving credit

facility (RCF) in the amount of USD 375,000,000 and an AED denominated revolving credit facility in the amount of AED 1,377,187,500 for our general corporate purposes.

## TRANSFER OF NATURAL GAS BUSINESS



Following the completion of the Business Transfer Agreement of the natural gas business, which was signed with ADNOC in 2017, we agreed to provide certain support services to ADNOC relating to the operation of the natural gas business for which ADNOC would pay us the total cost incurred by us for services rendered. In late 2021 ADNOC established a subsidiary, Abu Dhabi Gas Distribution Sole Proprietorship L.L.C. (trading as ADNOC City Gas), to own and operate the natural gas business effective from 3 January 2022. Therefore effective from 3 January 2022 we ceased providing support services to the natural gas business and all customer and supplier contracts entered into by us for the purposes of providing ADNOC

the support services were assigned or novated in full to ADNOC City Gas.

Additionally, a new natural gas supply agreement between ADNOC City Gas and us was entered into, effective from 3 January 2022, for the supply of natural gas to us for use in our CNG vehicle fueling business or selling CNG back to ADNOC City Gas, on the same terms as the previous natural gas supply agreement between ADNOC and us, which was novated from us to ADNOC City Gas. The CNG sales and transportation services agreement between us and ADNOC was also novated from ADNOC to ADNOC City Gas.





## REAL ESTATE TRANSFER LIABILITY AND LEASEBACK AGREEMENTS



In order to continue to comply with property ownership laws in the UAE following our IPO, our real property portfolio was transferred to ADNOC pursuant to decisions of the Crown Prince of Abu Dhabi and the Rulers of the Northern Emirates. To allocate liabilities associated with the property transfers, and to ensure we have continued access to our properties, we entered into Transfer Liability and Leaseback agreements with ADNOC. Under the terms of the Real

Estate Transfer Liability and Leaseback Agreements, ADNOC agreed to lease all real estate transferred to it back to us. Each lease has a term of four years and renews automatically unless notice of termination is given by us at least one year prior to the then-effective expiration date. Under the terms of the agreements, we will indemnify ADNOC for any environmental liabilities relating to our operations on the properties.

## LAND LEASE ADMINISTRATION SERVICES AGREEMENT



We entered into a Land Lease Administration Services Agreement with ADNOC effective from 1<sup>st</sup> January 2023, which will expire on 31 December 2027. Under the five-year

contract, ADNOC will provide administration services to us related to land plots in the Emirate of Abu Dhabi leased by ADNOC to us.

## BRAND USAGE AGREEMENT



We have a Brand Usage Agreement with ADNOC pursuant to which ADNOC has granted to us a non-exclusive license to use certain ADNOC trademarks and logos globally in connection with: (a) the operation of fuel service stations; (b) the manufacture, sale, storage, marketing, and distribution of petroleum products, including engine oils, bitumen, and other petroleum by-products; (c) other goods and services related to the foregoing, including lubricants, car washing services, merchandise, and sponsorships; and (d) any other activities that we currently are engaged in or

that may be otherwise required for our operations from time to time. The license granted under the Brand Usage Agreement is royalty-free for the first four years. Thereafter, ADNOC may propose a license fee in an amount to be agreed between us and ADNOC. Subject to the restrictions set forth in the Relationship Agreement, ADNOC may terminate the Brand Usage Agreement upon 12 months' notice, including if the parties are unable to agree on the license fee payable after the first four years.



## CIVIL AVIATION SUPPLY CARVE-OUT



We entered into an Aviation Sales Transfer Agreement with ADNOC in September 2017 pursuant to which we transferred all contracts for the sale and supply of jet fuel to the civil aviation sector, and related receivables and jet fuel inventories (other than any Jet A-1 held at our Al Dhafra Terminal), to ADNOC effective 30 September 2017.

In connection with the Aviation Sales Transfer Agreement, we entered into an Aviation Services Agreement with ADNOC to provide ADNOC with services to operate its civil aviation supply business and to provide operations and maintenance services in respect of certain assets related to the civil aviation supply business.

Pursuant to the Aviation Services Agreement, ADNOC may request us to perform certain services relating to the transportation and delivery of fuel to its civil aviation customers, which we may perform ourselves or procure third-party service providers to perform. For providing

services under the Aviation Services Agreement, ADNOC has agreed to compensate us in an amount equal to our incurred operating expenses incurred in connection therewith (including any related taxes or other charges) plus 8% of such amount, and to reimburse us for the costs of any third-party service providers.

During the term of the Aviation Services Agreement, we have agreed that we will not own or engage in a civil aviation supply business that competes with ADNOC's civil aviation supply business.

The Aviation Services Agreement expired on 31 December 2022 and was automatically renewed for a further five year term expiring on 31 December 2027 (in accordance with its renewal terms), with successive five-year renewal periods thereafter unless any party provides at least 12-months' notice of its intent not to renew.



## ADNOC REFINING PERIMETER REORGANIZATION



On 30 September 2017, we entered into an ADNOC Refining Asset Purchase Agreement with ADNOC Refining and AssetCo, both of which are subsidiaries of ADNOC, pursuant to which ADNOC Refining transferred certain assets to us or, to the extent such assets have been built at specifications and capacities that exceed our needs, to AssetCo. These assets comprised certain storage, pipeline and other fuel terminal and distribution assets that ADNOC Refining had constructed primarily for our benefit.

The assets that were transferred to us had historically been operated and maintained by us. In consideration of the transfer of these assets, we paid ADNOC Refining approximately AED 696.2 million, representing the net book value of such assets. On the fifth anniversary of the transfer, we will discuss with the AssetCo the potential acquisition of its assets, subject to agreement on pricing and other terms.

In connection with the ADNOC Refining Asset Purchase Agreement, we entered into an AssetCo O&M Agreement with AssetCo on 30 September 2017 pursuant to which we provide operations and maintenance services in respect of

those assets that were transferred to AssetCo under the ADNOC Refining Asset Sale Agreement and that historically had been operated and maintained by us. Certain other assets that were transferred to AssetCo under the ADNOC Refining Asset Sale Agreement historically had been, and will continue to be operated and maintained by ADNOC Refining, for which ADNOC Refining will be compensated by AssetCo. In addition, the AssetCo O&M Agreement grants us the right to use these assets in connection with our fuel distribution operations. For providing services under the AssetCo O&M Agreement, AssetCo has agreed to compensate us in an amount equal to our incurred operating expenses incurred in connection therewith (including any related taxes or other charges) plus 8% of such amount, and to reimburse us for the amount of any required capital expenditures. Amounts due to us by AssetCo are offset by amounts we owe AssetCo for utilization of the assets transferred to AssetCo. The AssetCo O&M Agreement expired on 31 December 2022 and was automatically renewed for a further five year term expiring on 31 December 2027 (in accordance with its renewal terms), with successive five-year renewal periods thereafter unless we provide at least 12-months' notice of our intent not to renew.

## SHAREHOLDER SERVICES AGREEMENT



On 30 September 2017, we entered into a Shareholder Services Agreement with ADNOC pursuant to which ADNOC provides us with certain administrative and other support in the areas of treasury, accounting, finance, tax, legal and compliance support, corporate governance, HR, logistics, information technology, procurement, insurance, risk management, record keeping, reporting and general and administrative services to the extent we determine based

on our business requirements. Pursuant to the terms of the Shareholder Services Agreement, we and ADNOC will negotiate the cost, including the cost of third-party service providers, for the provision of such services. The initial term of the Agreement expired on 31 December 2021 and was extended by the parties to 31 December 2023.

## PRODUCT SALES CONTRACT



We have entered into a number of product sales contracts with ADNOC group companies as listed in the below table, where we sell the named product to the named ADNOC entity.

ADNOC Group Company Name	Product Type	Length of Contract	Start Date of Contract	End Date of Contract
ADNOC Marine Operation and Services ADNOC L&S	GasOil	3 Years	1/1/2023	12/31/2025
ADNOC OFFSHORE	ULG95 (Petrol)	5 Years	6/15/2022	6/14/2025
ADNOC Refining	Diesel	1 year and automatically renewed	9/4/2014	Annual
ADNOC Sour Gas	Diesel	5 years	4/4/2022	4/3/2027
ADNOC Gas Processing	Diesel - ULG-95	1 year and automatically renewed	4/8/2013	Annual
Al Dhafra Petroleum Co.	Diesel	4 years	11/1/2021	12/31/2024
Borouge	Diesel	1 year and automatically renewed	1/14/2015	Annual
Fertil	Diesel	5 years	1/1/2020	12/31/2024
ADNOC Drilling	Diesel - ULG-91	4 years and automatically renewed	3/28/2021	3/28/2025
ADNOC Onshore	Diesel	1 year and automatically renewed	1/1/2020	Annual
ABU DHABI NATIONAL OIL COMPANY	LPG	1 year and automatically renewed	1/1/2022	Annual
ABU DHABI POLYMERS CO LTD (BOROUGE)	Butane	1 year and automatically renewed	1/1/2022	Annual
ADNOC Sour Gas	Propane	1 year and automatically renewed	1/1/2022	Annual
ADNOC Offshore	Propane	1 year and automatically renewed	1/1/2022	Annual
ADNOC Gas Processing	Propane	1 year and automatically renewed	1/1/2022	Annual



# EXTERNAL AUDITOR

**The responsibility of ADNOC Distribution's external audit of annual accounts was entrusted to Grant Thornton UAE for 2023. Grant Thornton UAE has been ADNOC Distribution's external auditor since the start of 2021.**

Grant Thornton is a global network with member firms in over 145 countries. It is one of the largest professional services firm in the UAE, offering a broad portfolio of tax, audit, and advisory services. Grant Thornton's dedicated UAE Team includes subject matter experts in Oil & Gas, Financial Services and Government Sector to mention a few and has been operating in the UAE for 55 years.

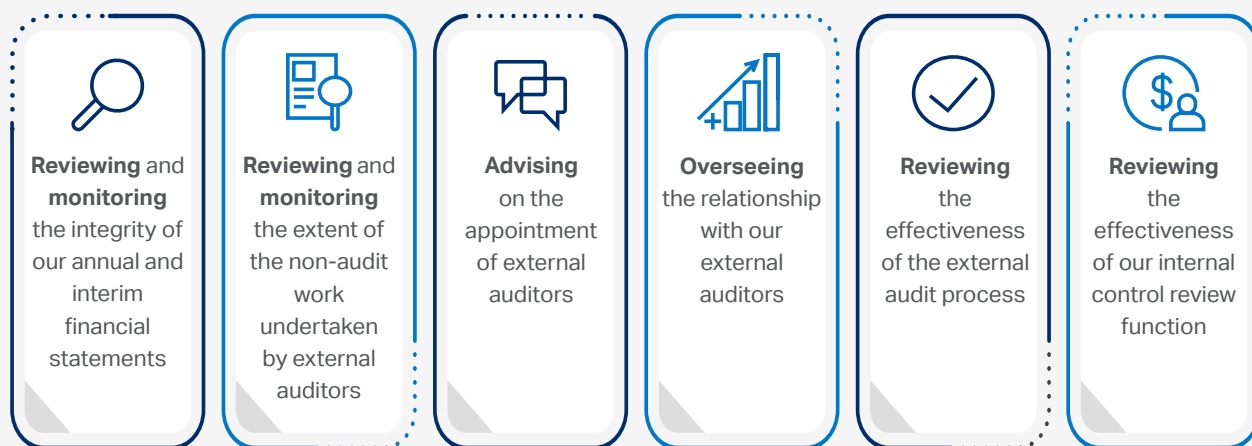
Details of the fees paid to Grant Thornton, UAE for the 2023 auditing services are provided in the table below:

Number of years served as an external auditor for ADNOC Distribution	3 years (2021 is the first year as ADNOC Distribution's external auditors)
Partner name	Mr. Samer Hijazi
Number of years the Partner served as the Company's external audit partner	3 years
Total fees for auditing the financial statements of 2023 (in AED) including provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting	AED 766,930
<ul style="list-style-type: none"> <li>■ Fee for auditing the Annual financial statements</li> <li>■ Fee for quarterly review of the financial statements</li> <li>■ Other relevant audit services in relations to the annual audit of the Company's departmental financial statements and the provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>AED 225,000</li> <li>AED 279,000</li> <li>AED 262,930</li> </ul>
Fees and costs of other private services other than auditing the financial statements for 2023 (AED)	None
Details and nature of other services provided (if any)	Not applicable
Statement of the other services performed by an external auditor other than ADNOC Distribution's auditor in 2023 (if any)	Not applicable

For our annual financial statements for the year ended 31 December 2023, Grant Thornton, UAE, issued an unqualified audit opinion

# AUDIT COMMITTEE

Our Audit Committee assists the Board of Directors in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including:



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 and the ADX, including the provisions of the Corporate Governance Rules.

The Corporate Governance Rules, reflected in the Audit Committee Charter require that the Audit Committee comprise of at least three members who are non-executive directors, and that at least two of the members must be independent. One of the independent members must be appointed as chairman of the Committee. In addition, all members must have knowledge in financial and accounting matters and at least one member shall have practical experience in accounting or finance and shall have a university degree or professional certificate in accounting or finance or another relevant field. The current members of the Audit Committee are H.E. Ahmed Jasim AlZaabi (Chairman), H.E. Ahmed Al Kuttab and Mr. Abdulaziz Alhajri.

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 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 all of its stated objectives.

The Audit Committee met four times during 2023. Details of those meetings (including the attendance records for those meetings) are contained in the table below. In 2023, all recommendations of the Audit Committee were accepted by the Board of Directors.

Committee member	Position in Committee	6 Feb 2023	5 May 2023	1 Aug 2023	1 Nov 2023
H.E. Ahmed Jasim AlZaabi	Chairman and Member	P	P	P	P
H.E. Ahmed Al Kuttab	Member	A	A	A	P
Mr. Abdulaziz Alhajri	Member	P	P	P	P

P – Present, A – Absent

# NOMINATION AND REMUNERATION COMMITTEE

**Our Nomination and Remuneration Committee assists the Board of Directors in discharging its responsibilities relating to the composition and make-up of the Board of Directors and any committees of the Board of Directors.**

It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board of Directors and committees of the Board of Directors and, in particular, for monitoring the independent status of the independent non-executive directors.

It is also responsible for periodically reviewing the Board of Directors' structure and identifying potential candidates to be appointed as directors or committee members as the need may arise.

In addition, the Nomination and Remuneration Committee assists the Board of Directors in determining its responsibilities in relation to remuneration, including making recommendations to the Board of Directors on ADNOC Distribution's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

The Corporate Governance Rules, reflected in the Nomination and Remuneration Committee Charter, require the Nomination and Remuneration Committee to be comprised of at least three non-executive directors, at least two of whom must be independent. The chairman of the Nomination and Remuneration Committee must be chosen from amongst the independent Committee members. The current members of the Nomination and Remuneration Committee are Ms. Mariam Ghobash (Chairwoman), H.E. Ahmed Al Kuttab, Mr. Khaled Salmeen, and Mrs. Ayesha Al Hammadi.

As part of her role as the Chairwoman of the Nomination and Remuneration Committee, Ms. Mariam Ghobash is responsible for ensuring the Committee's overall effectiveness and that the Committee properly complies with all of its stated objectives.

In 2023, the Nomination and Remuneration Committee met once, and additionally considered a number of matters by circulation. Details of the meeting (including the attendance records for this meeting) are contained in the table below:

<b>Committee Member</b>	<b>Position in Committee</b>	<b>20 Jan 2023</b>
Ms. Mariam Ghobash	Chairwoman	P
H.E. Ahmed Al Kuttab	Member	P
Mr. Khaled Salmeen	Member	P
Mrs. Ayesha Mohamed Al Hammadi	Member	P

P – Present, A – Absent



# EXECUTIVE COMMITTEE

The Executive Committee assists the Board in the discharge of its duties, acting on behalf of the Board during the intervals between scheduled Board meetings so that matters that require Board approval during such intervals can be dealt with in a timely and efficient manner.

Additionally, the Executive Committee provides recommendations to the Board on matters that require Board approval.

Our Executive Committee consists of six members, three of whom are non-executive directors. The current members of the Executive Committee are Mr. Khaled Salmeen (Chairman), Ms. Mariam Ghobash, Mr. Abdulaziz Alhajri, Mr. Khaled AlZaabi, Mrs. Fatema Mohamed Al Nuaimi and Ms. Hanan Balalaa.

As part of his role as the Chairman of the Executive Committee, Mr. Khaled Salmeen is responsible for ensuring the Committee's overall effectiveness and that the Committee properly complies with all of its stated objectives.

In 2023, the Executive Committee met nine times. Details of those meetings (including the attendance records for those meetings) are contained in the table below:

Committee Member	Position in Committee	01 Feb 2023	14 Feb 2023	09 Mar 2023	18 Apr 2023	14 Jun 2023	26 Jul 2023	13 Sep 2023	23 Oct 2023	14 Dec 2023
Mr. Khaled Salmeen	Chairman	P	P	P	P	P	P	P	P	P
Ms. Mariam Ghobash	Member	P	P	P	P	P	P	P	P	P
Mr. Abdulaziz Alhajri	Member	P	P	P	P	P	P	P	P	P
Ms. Hanan Balalaa	Member	P	A	A	P	P	P	P	A	P
Mr. Khaled AlZaabi	Member	P	P	P	P	P	A	P	P	A
Mr. Ahmed Omar Abdulla	Member <sup>(1)</sup>	P	P	P	P					
Mrs. Fatema Mohamed Al Nuaimi	Member <sup>(2)</sup>					P	A	P	P	A

P – Present, A – Absent

(1) Appointed 27 Sep 2022, resigned 12 May 2023.

(2) Appointed 12 May 2023

# INSIDER DEALING COMMITTEE

**Our Insider Dealing Committee oversees compliance with the Insider Dealing Policy and our Share Dealing Code (which has been established by our Insider Dealing Policy).**

Pursuant to our Share Dealing Code, all directors, officers and other employees who are in possession of inside information are prohibited from dealing in ADNOC Distribution's shares during certain periods, and must seek approval from the Insider Dealing Committee to purchase, sell or otherwise deal in our shares during other periods.

In order to grant approval, the Insider Dealing Committee must be satisfied that the individual seeking to deal in ADNOC Distribution's shares is not, at that time, in possession of inside information.

The Insider Dealing Committee is comprised of three members who are appointed by the Board of Directors. Currently, the members of the Committee are Mr. Ben Hennessy, our General Counsel who chairs the Committee, Mr. Wayne Beifus our Chief Financial Officer and Mr. Athmane Benzerroug, our Chief Strategy, Transformation & Sustainability Officer.

The Insider Dealing Committee met twice in 2023 to, among other things: (a) review and discuss the Share Dealing Code and how it is to be applied; and (b) consider requests from members of staff to deal in our shares.



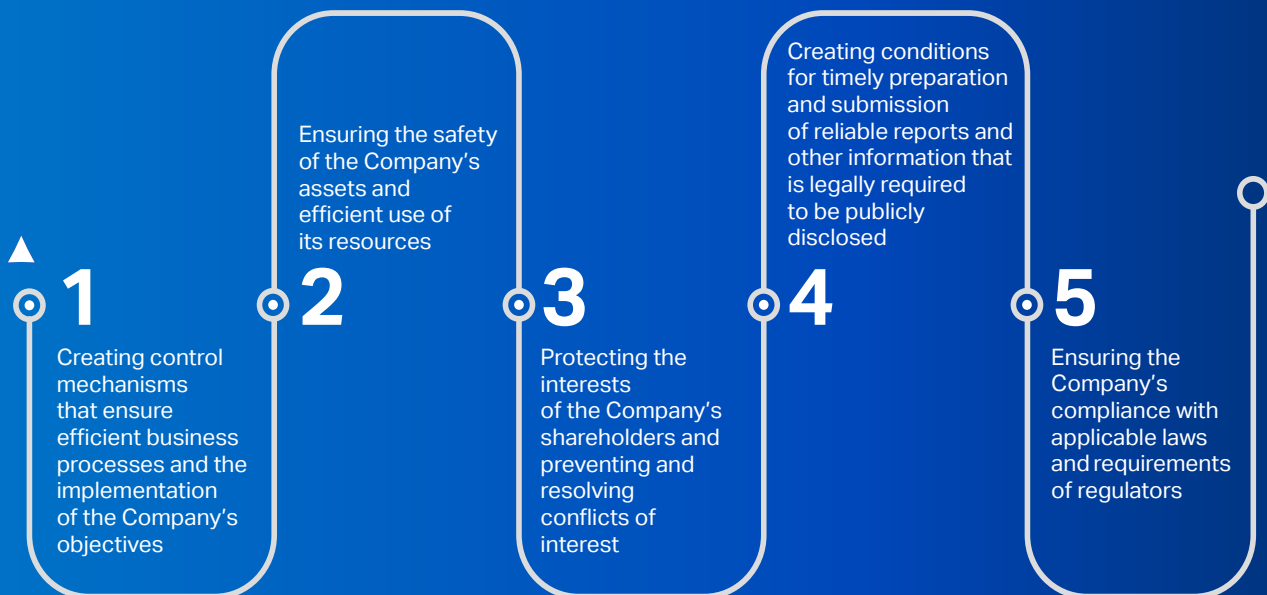
# INTERNAL CONTROL SYSTEM

## RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the internal control system within ADNOC Distribution and has established a number of processes and procedures which are designed to ensure the effectiveness of our internal control system.

## OUR INTERNAL CONTROL SYSTEM

The key objectives of the internal control system are:



In addition to the functions and remit of the Board of Directors, the Company's internal control system is imbedded in the Company at three levels:

The heads of the various departments and divisions within the Company are responsible for assessing and managing risks and building an efficient control system for their functions.







## AUDIT AND ASSURANCE FUNCTION

The Board of Directors has approved and implemented governance functions and structures, including an Audit and Assurance Division that is independent of our management and reports directly to the Company's Audit Committee. The key objective of the Audit and Assurance function is to provide assurance and advice on the adequacy of the Company's internal control environment, corporate governance framework and risk management processes.

Our Audit and Assurance Division is headed by Mr. Mohamed Saleh who was appointed as Vice President Audit and Assurance in December 2017. Mr. Saleh is responsible for reporting the Audit and Assurance Division's findings and observations to the executive management and to our Audit Committee on a regular basis. In order to enhance the independence of our Audit and Assurance Division, they report functionally to our Audit Committee and administratively to the Company's Chief Executive Officer. Audit and Assurance's charter, methodologies and the risk based internal audit plans are approved by the Audit Committee.

The Audit & Assurance Division utilizes state of the art automated software which enhances performance and efficiency of activities related to internal audit. This Audit Management System (AMS) covers all phases of audit from Planning, Execution, Reporting and Follow-up as well as receiving feedback from audit clients via a Satisfaction survey.

The Abu Dhabi Accountability Authority performs regular reviews of our Audit and Assurance processes and methodology which ensures alignment with industry best practices and regulatory requirements. Our Audit and Assurance activities are performed by a team of

appropriately, qualified and experienced members. Additionally, a continuous improvement process is implemented through the use of a learning and development framework that is designed to ensure that the Audit and Assurance team members maintain and upskill their competencies and capabilities.

## RISK MANAGEMENT

The Company has implemented an integrated enterprise risk management system, which showcases its commitment to protecting the business and the interest of all stakeholders. This Enterprise Risk Management system:

- facilitates risk informed strategic planning to achieve business objectives and identify potential business opportunities;
- supports the Company in identifying and managing key strategic, functional, investment and project risks (including the use of an objective driven process);
- assesses the identified risks and the potential impact of such risks on the Company and its key objectives;
- enhances corporate performance as processes become more risk aware and control focused; and
- strengthens the Company's resilience to market disruption and evolving business practices.

The Company's risks are monitored by a dedicated enterprise risk unit and this unit provides quarterly reports to the Audit Committee and Board of Directors.



## COMPLIANCE AND CONTROL

The Company has established and maintains an internal control framework that provides our executive management and Board of Directors with reliable assurances on the health of our internal controls. These controls are designed to ensure that we are able to (a) continually meet the operational and financial objectives of the Company; (b) properly manage risks; (c) ensure the validity and transparency of the information we provide to our stakeholders; and (d) comply with applicable laws and regulations.

Our compliance and control function is, among other things, responsible for ensuring that the Company conducts its business in full compliance with all relevant laws and regulations, as well as professional standards, accepted business practices and internal standards.

Our compliance and control function performs a number of tasks that are designed to ensure that our internal control system is effectively implemented and managed. These include:

- Discussing the internal control system with the Board of Directors;
- Considering the results of primary investigations in internal control issues;
- Studying internal control reports and following up the implementation of corrective measures arising from the findings of such reports; and
- Setting rules that enable ADNOC Distribution's staff to confidentially report any potential violations in financial reports, internal control etc.

Mr. Ben Hennessy, in his role as General Counsel of the Company, oversees the Company's Legal, Compliance and Governance functions and Mr. Wayne Beifus, in his role as Chief Financial Officer oversees the Enterprise Risk Management function, and together they are responsible for ensuring that, through the input of these functions, we consistently operate in accordance with the highest international standards.

They ensure that these functions provide continued oversight of our control system. This helps to ensure that our control system is embedded in all of our key processes so that we are able to ensure that our strategic and business objectives are achieved within the required risk tolerance levels.

## IDENTIFIED ISSUES AND RECENT DEVELOPMENTS

For 2023, no significant issues were identified with respect to our compliance and control systems.

## VIOLATIONS COMMITTED DURING 2023

No violations were committed by ADNOC Distribution in 2023.



# CORPORATE SOCIAL RESPONSIBILITY

**ADNOC Distribution continues to support corporate social responsibility (CSR) in the communities in which it operates through long-standing credible partnerships with charities, local SMEs, healthcare associations and government departments.**

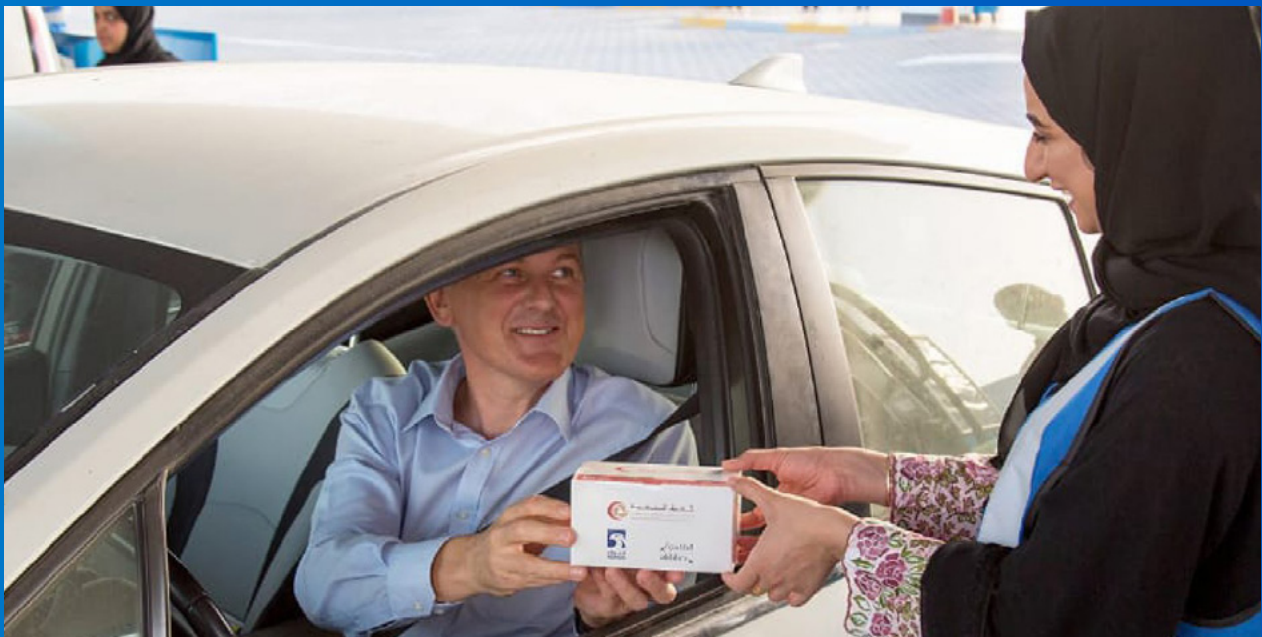
Building on our performance and business goals, we have embedded corporate social responsibility into our DNA. Additionally, we have implemented several operational policies dedicated to strengthening our contributions as a socially responsible company while meeting stakeholder and employee expectations as well as developed a CSR charter to govern corporate social responsibility. In continuing to support and invest in people; our contributions to the UAE's national Emiratization agenda

exceeded the Company's target (>62%). Through our diversity and inclusion programme we have 15% females in leadership positions, and have driven our skills development with over 109,400 training manhours.

ADNOC Distribution's In Country Value (ICV) procurement program continues to support local businesses such as Al Ghadeer, and is also contributing towards the UAE's strategic growth ambitions.



## CSR INITIATIVE EXAMPLES



### BREAKING FAST WITH LOCAL COMMUNITIES DURING RAMADAN

Once again ADNOC Distribution partnered with Khalifa bin Zayed Al Nahyan Foundation to distribute meals to families across the UAE during Ramadan via supply of free LPG. We also collaborated with Emirates' Red Crescent and through employee volunteers distributed Iftar boxes across our network helping customers break their fast in local communities.



**≈AED 2,544,000** Our total expenditure on social development and related sponsorship projects for 2023.



## RAISING AWARENESS OF BREAST CANCER CARE

ADNOC Distribution supported Pink Caravan for another year, working in partnership with Friends of Cancer Patients Group to raise awareness and provide critical breast cancer screening during October, Breast Cancer Awareness Month. We helped support this great cause by securing locations outside our headquarters in Abu Dhabi and in front of famous landmarks across the UAE and provided volunteers to enable mobile screening centers to offer free consultations and health screenings to the public.



## ENGAGING CUSTOMERS IN ENVIRONMENTAL PROTECTION

ADNOC Distribution launched its sustainability roadmap in line with the "UAE Year of Sustainability" with a bold target to reduce our carbon intensity by 25% by 2030. In line with this commitment, we launched reverse vending machines at 40 ADNOC service stations across Abu Dhabi and integrated an option on the ADNOC Distribution app to "Adopt a Mangrove", extending sustainability efforts to our customers.



## EMPOWERING LOCAL BUSINESSES

For the third consecutive year ADNOC Distribution supported the Emirates' Red Crescent project, Al Ghadeer UAE Crafts, which offers women from different nationalities vocational training to create culturally inspired products and help them earn a sustainable living. We expanded the inclusion of craft stands across our ADNOC Oasis stores.



## INVESTING IN COMMUNITIES THROUGH CHARITABLE CONTRIBUTIONS

Through an ongoing partnership with the Emirates' Red Crescent, ADNOC Distribution helped raise critical awareness and donations for the Reach Campaign which helps treat river blindness disease – a devastating medical condition affecting millions of people around the world which can be easily treated. Customers can now contribute towards raising vital funds via the ADNOC Distribution app.

# GENERAL INFORMATION

## 2023 SHARE PERFORMANCE

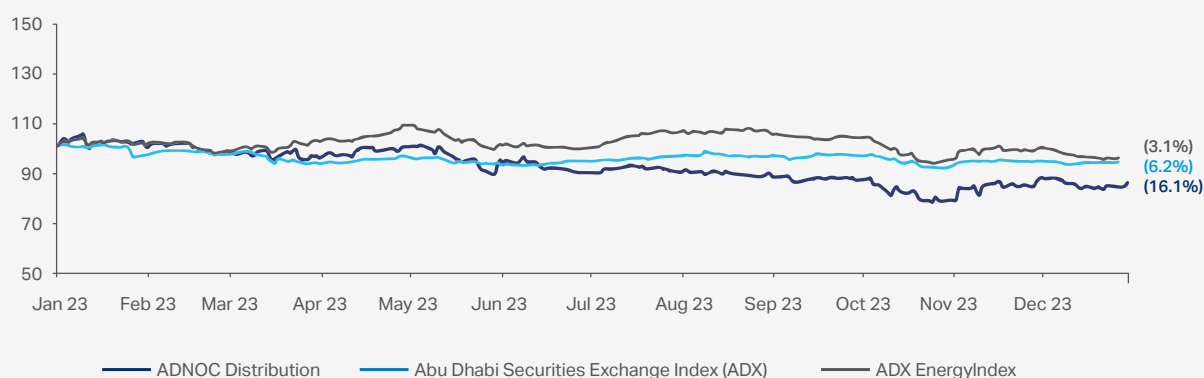
Trading of ADNOC Distribution shares on the Abu Dhabi Securities Exchange started on 13 December 2017 under the symbol ADNOCDIST. The share price at 31 December 2023 was AED 3.70. ADNOC Distribution's market capitalization at 31 December 2023 was AED 46.3 billion.

ADNOC Distribution's paid-up share capital is AED 1 billion, divided into 12.5 billion shares, each with a nominal value of AED 0.08. The following table sets forth the closing price and the high and low share prices of our shares at the end of each month during 2023.

2023	High (AED)	Low (AED)	Close (AED)
January	4.64	4.36	4.41
February	4.46	4.25	4.32
March	4.34	4.12	4.18
April	4.39	4.20	4.39
May	4.43	3.86	4.14
June	4.20	3.90	3.90
July	4.04	3.89	3.90
August	3.94	3.81	3.81
September	3.83	3.71	3.75
October	3.79	3.32	3.36
November	3.80	3.36	3.80
December	3.78	3.57	3.70

## 2023 SHARE PERFORMANCE COMPARED TO SECTOR INDEX

The below graph shows ADNOC Distribution's share performance comparative to our sector index during 2023.



## BREAKDOWN OF SHAREHOLDINGS AS AT 31 DECEMBER 2023

The table below shows the percentage of the shares owned by different categories of shareholders as at the end of 2023.

Shareholder Category	Percentage of Shares Held			
	Individual	Companies	Government	Total
Local	3.69%	87.69%	0.97%	92.35%
GCC	0.14%	0.30%	0.00%	0.44%
Arab	0.16%	0.00%	0.00%	0.16%
Foreign	0.18%	6.86%	0.00%	7.05%
<b>Total</b>	<b>4.17%</b>	<b>94.85%</b>	<b>0.97%</b>	<b>100%</b>

## STATEMENT OF SHAREHOLDERS WHO HELD 5% OR MORE OF ADNOC DISTRIBUTION'S CAPITAL AS AT 31 DECEMBER 2023

The table below shows the name of shareholders who held 5% or more of ADNOC Distribution's capital at the end of 2023 and the percentage of such shareholdings.

Name	Number of Shares Held	% of the Shares Held of ADNOC Distribution's capital
Abu Dhabi National Oil Company	9,624,972,535	77%

## STATEMENT OF SHAREHOLDING DISTRIBUTION BY THE SIZE OF EQUITY AS AT 31 DECEMBER 2023

The below table shows the shareholding percentage to capital as at the end of 2023.

Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held
Less than 50,000	11,637	44,861,670	0.4%
From 50,000 to less than 500,000	915	148,739,140	1.2%
From 500,000 to less than 5,000,000	325	506,162,823	4.0%
More than 5,000,000	80	11,800,236,367	94.4%

## PROCEDURES TAKEN WITH RESPECT TO THE CONTROLS OF INVESTOR RELATIONS

Throughout the year, ADNOC Distribution's Investor Relations Department publishes earnings releases and arranges briefings, conference calls and webcasts, one-on-one meetings and participate in equity conferences to raise investors' and brokers' awareness globally about the Company's attractive value proposition among listed companies and provide updates on ADNOC Distribution's growth strategy and performance. Each quarter, ADNOC Distribution holds earnings conference calls and webcasts

to communicate its quarterly and annual results to analysts, shareholders and investors to discuss its financials and outlook. Copies of all presentations, releases and investor information are available on its investor relations website. ADNOC Distribution's Investor Relations Department is headed by Mr. Athmane Benzerroug, who brings over 20 years of experience in equity capital markets, including 10 years in emerging markets at Deutsche Bank in Dubai.

### INVESTOR RELATIONS CAN BE CONTACTED AT

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Additional investor relations information can be found on our website  
Arabic at [www.adnocdistribution.ae/ar/investor-relations/](http://www.adnocdistribution.ae/ar/investor-relations/)  
English at [www.adnocdistribution.ae/en/investor-relations/](http://www.adnocdistribution.ae/en/investor-relations/)



## GENERAL ASSEMBLY AND SPECIAL RESOLUTIONS PRESENTED TO THE GENERAL ASSEMBLY IN 2023

The Company held its annual General Assembly on 15 March 2023, in person at Abu Dhabi Energy Center (Abu Dhabi) and virtually, with electronic participation of shareholders.

A Special Resolution is defined in our Articles of Association as a resolution requiring the approval of the Company's General Assembly by shareholders owning not less than three-quarters of the shares represented in that General Assembly.

In 2023, there was no special resolution passed by the shareholders.

## THE SECRETARY TO THE BOARD OF DIRECTORS

On 16 March 2021 Mann El Aydi was appointed Secretary to the Board of Directors (effective from 17<sup>th</sup> March 2021). Mr. El Aydi is the Senior Advisor, Legal – Executive Office at Abu Dhabi National Oil Company (ADNOC), a role he has held since May 2017. He also serves as Company Secretary for ADNOC Drilling PJSC.

Mann advises on a broad range of legal and governance risks and provides hands-on counsel to the Managing Director and Group Chief Executive Officer of ADNOC in relation to the development and implementation of the group's business strategy.

Mr. El Aydi brings over 25 years of corporate, strategic and commercial experience to his role at ADNOC and immediately prior to joining, he spent three years as the Executive Director of Legal & Secretariat at the Tourism Development & Investment Company (TDIC), and five years as the General Counsel & Company Secretary at Abu Dhabi National Hotels PJSC.

A UAE national and fully bilingual in English and Arabic, Mr. El Aydi holds a bachelor's degree in Law from the London School of Economics & Political Science, a master's degree in International & Comparative Business Law, is admitted as a solicitor of the Supreme Court of England & Wales and is a Chartered Secretary registered with The Chartered Governance Institute UK & Ireland.

## STATEMENT OF SIGNIFICANT EVENTS

### Appointment of a Vice Chairman to the Board of Directors

- On 8<sup>th</sup> February 2023, the Board of Directors of ADNOC Distribution elected H.E. Ahmed Jasim AlZaabi as Deputy Chairman of the Company's Board of Directors.

### Change in Executive Committee composition

- On 12<sup>th</sup> May 2023, the Board of Directors of ADNOC Distribution appointed Mrs. Fatema Al Nuaimi as a member of the Executive Committee to replace Mr. Ahmed Omar Abdulla who stepped down from the Committee.

### Related party transactions

- On 8<sup>th</sup> February 2023, the Company entered into a Refined Products Sales Contract with ADNOC for the sale by ADNOC and purchase by ADNOC Distribution of refined liquid hydrocarbons products, for a term of five years from 1 January 2023 to 31 December 2027, replacing the previous refined product sales contract that expired on 31 December 2022. This new commercial contract for supply of products provides visibility to ADNOC Distribution operations for the next 5 years, securing volumes for the contract duration, with an agreed price formula.
- On 4<sup>th</sup> August 2023, the Company entered into a Land Lease Administration Services Agreement with ADNOC effective from 1<sup>st</sup> January 2023, which will expire on 31 December 2027. Under the five-year contract, ADNOC will provide administration services to ADNOC Distribution related to land plots in the Emirate of Abu Dhabi leased by ADNOC to ADNOC Distribution. These services will, amongst others, enable more efficient licensing processes.

## OTHER SIGNIFICANT EVENTS

### Partnership with TAQA to establish a mobility joint venture to provide EV charging points across UAE

- On 19<sup>th</sup> January 2023, ADNOC Distribution agreed with Abu Dhabi National Energy Company (TAQA) to work together to establish a mobility joint venture, to build and operate electric vehicle (EV) infrastructure in Abu Dhabi and the wider UAE.



### Acquisition of 50% stake in Total Energies Marketing Egypt

- On 14<sup>th</sup> February 2023, ADNOC Distribution completed the acquisition of a 50% stake in TotalEnergies Marketing Egypt LLC. This was an important milestone in ADNOC Distribution's international expansion journey, marking the Company's official entry into Egypt. The Acquisition includes a diversified downstream portfolio of 240+ fuel retail stations, convenience stores, lube changing stations, car washes, lubricants, wholesale, and aviation fuel.

### Change in Company's dividend policy for 2023

- On 15<sup>th</sup> March 2023, the General Assembly of ADNOC Distribution approved changes to the dividend policy for 2023, setting a dividend of minimum AED 2.57 billion, equivalent to 20.57 fils per share (compared to a minimum of 75% of distributable profits as per previous policy).

### Approval to establish a corporate branch of the Company

- On 4<sup>th</sup> August 2023, the Board of Directors of ADNOC Distribution issued a resolution to establish a corporate branch of the Company in Jebel Ali Free Zone (JAFZA).

### Statement of deals the company made in 2023, which equal or exceed 5% of the company's share capital

- For 2023, no deals were made which equaled or exceeded 5% of the Company's share capital.

### EMIRATIZATION PERCENTAGE AS AT 31 DECEMBER 2023

Developing our human capital is a strategic priority and part of our commitment to achieving the Emiratization objectives outlined in the UAE Vision 2031. Our national employees are a great asset to ADNOC Distribution. We offer them targeted development opportunities to help them reach their full potential as competent and well-informed industry professionals. We have several bespoke programs targeted for UAE nationals development such as Technical Career Ladder and Leadership Development. In addition, UAE nationals are appointed as trainees within various departments of ADNOC Distribution so they can successfully complete their career development programs. Through distributed Emiratization we also ensure the UAE nationals are spread across different layers of the organization & their career development is given utmost importance.

As at 31 December 2023, our Emiratization rate was 62.51%, which is comparatively higher than our peers in the market.

## INNOVATIVE PROJECTS AND INITIATIVES UNDERTAKEN OR UNDER DEVELOPMENT IN 2023

### Continued Network Expansion

- In 2023, ADNOC Distribution continued its investment in retail fuels infrastructure with the addition of 37 new stations in the UAE and Saudi Arabia. Additionally, the Company completed the acquisition of a 50% stake in TotalEnergies Marketing Egypt, adding 243 new stations in Egypt to its network.
- The Company continued to execute its convenience store revitalization program, with an additional 15 stores refurbished during 2023. Since the launch of the program, the Company has modernized c.210 ADNOC Oasis stores over 2020-2023.

### Embracing sustainability

In 2023, ADNOC Distribution showcased its dedication to sustainability by delivering on a number of initiatives:

- **Decarbonization Roadmap:** in January 2023, we announced our decarbonization roadmap to reduce greenhouse (GHG) emissions intensity by 25% by 2030, demonstrating our commitment to decarbonizing its operations.
- **Sustainability-linked loan:** We successfully converted an existing AED 5.5 billion (\$ 1.5 billion) term loan into a Sustainability Linked Loan, linking its financing objectives with its sustainability Key Performance Indicators.
- **PV Solar Panels:** We signed a deal with Emerge to install photovoltaic solar panels across our stations in Dubai as part of a phased approach to solarizing our stations in the wider UAE.
- **Biofuel:** 100% of the Company's UAE heavy fleet is now using biofuel.
- **WELL health-Safety Rating:** The Company obtained WELL health-Safety rating for over 500 service stations across the UAE, demonstrating the Company's commitment to health, safety and wellbeing of our employees, customers, and the local community.

- **Hydrogen refueling station:** We launched the region's first "high-speed" green hydrogen refueling station in collaboration with ADNOC and Masdar to test a group with vehicles that use hydrogen as fuel.
- **Electric Vehicle Charging:** The Company continued the rollout of EV chargers across our service stations with over 50 superfast charging points installed across strategic locations in the UAE to address current EV customer demand and offer an enhanced customer value proposition.
- **Reverse Vending Machine:** As an innovative addition to the Company's sustainability journey, we installed Reverse vending machines (providing a recycling service) in 25 locations across Abu Dhabi.
- **Adopt a Mangrove initiative:** We implemented a customer facing reforestation program enabling customers to adopt a mangrove using their ADNOC Rewards points through the ADNOC Rewards app and then monitor the individual plant using a digital platform live.

### Enhancing the Loyalty Proposition and Digital Experience

ADNOC Distribution's loyalty program, with over 1.9 million members (+22% vs. 2022) and over 100 partners providing discounts and deals through the ADNOC Distribution Rewards app, continues to set the benchmark for excellence. In 2023, the Company transformed its Rewards program to offer a significantly enhanced value proposition to its members.

ADNOC Distribution improved the generosity of the program and introduced SILVER, GOLD, and PLATINUM loyalty Tiers to segment and recognize its members with enhanced offers as they ascend the Tiers, including bonus Rewards points and discounted and complimentary treats such as coffee, car washes, and lubricant products.



