

# CORPORATE GOVERNANCE

**ADNOC Distribution is guided by its corporate governance principles to drive best practices and fulfill its commitments to the shareholders.**

The Company strongly supports having a robust governance framework to satisfy the requirements and interests of its stakeholders and communities, as well as to create value for its shareholders.

ADNOC Distribution operates a corporate governance framework that fulfils all applicable laws and regulations while complying with international best practices. This Framework was designed, and is being operated, in line with the Company's cultural values to ensure the sustainability of the business and to help it achieve its future goals - as dictated by the Company's vision and mission statements. Ensuring that governance processes and procedures are undertaken properly helps to contribute to long-term sustainable success. Accordingly, the Company is taking this opportunity to remind stakeholders of the comprehensive corporate governance framework that has been adopted and under which the Company operates.

## COMPANY COMMITMENT

ADNOC Distribution is committed to having a corporate governance framework that is compliant with all corporate governance requirements that are applicable to public joint stock companies in the UAE. Moreover, the

Company ensures that the Framework is consistent with leading global practices through periodic benchmarking and assessment.



## CORPORATE GOVERNANCE FRAMEWORK

The Company's Board is responsible for the implementation and oversight of its corporate governance framework. The Board complies with the corporate governance requirements applicable to public joint stock companies listed on the Abu Dhabi Securities Exchange, as set out in the Governance Rules and Corporate Discipline Standards issued on February 2, 2020 pursuant to UAE Securities and Commodities Authority Resolution No. 3/Chairman of 2020 and its amendments (the Corporate Governance Rules).

The Company reports to its shareholders and to the Securities and Commodities Authority (SCA) on its compliance with the Corporate Governance Rules.

Pursuant to the Company's Articles of Association, each shareholder has the right to attend the meetings of the general assembly, and such shareholder shall have a number of votes equivalent to the number of his/her shares (i.e. one vote per share).

The Corporate Governance Rules require that one-third of the Board must comprise non-executive independent directors in accordance with the criteria set out in the Corporate Governance Rules.

ADNOC Distribution's Board of Directors comprises seven directors, elected at the Annual General Meeting on March 16, 2021. All directors are independent non-executive directors, within the meaning of the 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 the Articles of Association, each director serves a three-year term, after which a director may be elected to a successive term or terms. The general assembly elects the Board members by secret cumulative voting.<sup>4</sup>

The General Assembly may dismiss all or any of the Board Directors and open the nomination for Board membership and elect new Board Directors in accordance with the Corporate Governance Rules. Dismissed or removed Board Directors may not be re-nominated or be proposed as a Board Director candidate within three (3) years from the date of dismissal or removal.

### Board Diversity<sup>5</sup>

On March 16, 2021, Ms. Mariam Saeed Ghobash was elected to the Board of Directors. Ms. Ghobash also serves as Chairwoman of the Nomination and Remuneration Committee and is a Member of the Executive Committee. Currently, the Company has only one female member of the Board of Directors, which is in compliance with SCA's Corporate Governance Rules.

Where Board vacancies arise, ADNOC Distribution will actively seek out excellent female representation while at the same time considering all qualified candidates, regardless of gender, and recognizing that the 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. The proposal for remuneration for the Board of Directors for 2023 is under consideration. This will be presented to the Company's shareholders for approval at its upcoming annual General Assembly meeting scheduled for March 2024.

### 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.

4. ADX ESG Guide: G2. Board Independence

5. ADX ESG Guide: G1 Board Diversity

To assist the Board in the discharge of its duties, the Board has established the following committees: the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Insider Dealing Committee.

## 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:**

- Reviewing and monitoring** the integrity of our 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 our external auditors
- Reviewing** the effectiveness of the external audit process
- Reviewing** the effectiveness of our 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 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 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 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 all of its stated objectives.

The Audit Committee met four times during 2023.

## 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 among 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 in addition considered a number of matters by circulation.

## 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 independent non-executive directors. The current members of the Executive Committee are Mr. Khaled Salmeen (Chairman), Ms. Mariam Ghobash, Mr. Abdulaziz Alhajri, Mr. Khaled Al Zaabi, 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 its stated objectives.

In 2023, the Executive Committee met nine times.

## INSIDER DEALING COMMITTEE

### Our Insider Dealing Committee oversees compliance with the Insider Dealing Policy and our Share Dealing Code (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.

**For more information about the Company's corporate governance framework, please refer to the 2023 Corporate Governance Report.**



# 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 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. DR. SULTAN AHMED AL JABER CHAIRMAN





### 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 Ahmed 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, HE Ahmed 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.



# SENIOR MANAGEMENT TEAM

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 with 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 SAIED 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 Nanterre University (formerly Paris-X), France.



**Klaas Mantel**  
Chief Operating Officer

Mr. Klaas Mantel joined ADNOC Distribution as Chief Operating Officer in September 2023. Prior to joining ADNOC Distribution Klaas was a leader in McKinsey & Company’s Global Mobility Retail practice, based in Japan. He has served major Retail, Downstream Oil & Gas and FMCG companies Globally on business transformation and Energy transition-related topics with a focus on electric vehicle charging strategy and infrastructure deployment. He has over 25 years of experience across the energy industry, the majority of which was with Shell in various senior Operational, Marketing and Business Development positions across Europe, Africa and Asia, including Global head of Convenience Retail. Mr. Mantel holds a Master’s degree in Economics from the University of Amsterdam, and obtained the INSEAD Certificate in Corporate Governance.



**Saeed Nasser Al Ahababi**  
**Chief Shared Services & Technical Officer**

Eng. Saeed Nasser Al Ahababi was appointed Chief Shared Services & Technical Officer in April 2023. Recently, he served as Chief Business & Commercial Support Officer from June 2019 to March 2023. Prior to joining ADNOC Distribution, Mr. Al Ahababi served in various leadership positions at ADNOC since 2007, including Vice President, Civil Projects, since 2011.

Mr. Al Ahababi holds a BSc in Civil & Environmental Engineering from the United Arab Emirates University and an MBA from the American University, United Arab Emirates.



**Ahmed Abdel-Karim**  
**Chief Marketing Officer**

Mr. Ahmed Abdel-Karim joined ADNOC Distribution as Chief Marketing Officer in October 2022. He brings over 20 years of marketing and commercial expertise between PepsiCo and HSBC. He has diverse experience in setting new marketing standards and global best practices across developed, developing, and emerging markets, where he has worked across the UK, Europe, the Middle East, and Africa.

Mr. Ahmed is passionate about customer-centricity and disruptive strategies that transform businesses. His areas of expertise span B2C and B2B Marketing, Brand Management, Customer Experience, Insights and Analytics, Loyalty and Digital. His work has been recognized with several prestigious industry awards across the UK and the Middle East Africa regions. His passion for building agile cultures and to realize full human potential motivated him to gain certification as Neurolinguistic Programming and Life Coach Practitioner.

Mr. Ahmed holds a Bachelor of Economics with High Honors from the American University in Cairo with continued executive education certifications from top business schools.



**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.



**Mohamed Omar**  
Vice President, Human Capital

Mr. Mohammed Omar is an Experienced Human Capital Professional with 21 years of robust experience in multinational companies in the Oil & Gas, Banking, Maritime, Utilities, Logistics and Supply Chain sectors.

Since July 2019, Mr. Omar is leading the Human Capital function at ADNOC Distribution, responsible for designing, developing, implementing and managing Human Resources strategies and programs that facilitate the attainment of business goals. Before joining ADNOC Distribution, Mr. Omar served as Director of Recruitment and Human Capital Services at DP World.

Mr. Omar holds a Bachelor's of Business Administration from the University of Sharjah, UAE.

## EXTERNAL AUDITOR

### ADNOC Distribution abides by the applicable Laws in the UAE in the appointment of the auditor.

The auditor's appointment shall be made annually by requesting audit service offers from at least four auditors. The auditor may be reappointed for a further (3) three consecutive years, provided that the quality of the audit services and the efficiency of the audit team is being assessed by the Company, letters of independency are submitted and confidentiality is pledged. In addition, the observations in the Abu Dhabi Accounting Authority reports are taken into account as well as any other matter that may affect the decision to reappoint the auditor. It is prohibited to appoint an auditor for a period not exceeding (4) four consecutive years. It is also prohibited to appoint an auditor or responsible partner until (4) four years have elapsed after the last audit services provided by any of them to the Company.

Pursuant to the Company's Articles of Association, the Company shall have one or more Auditor(s) appointed by the General Assembly for a renewable term of one (1) year upon nomination by the Board of Directors. The fees of the Auditor shall be determined by the General Assembly. The Auditor shall monitor the financial accounts for the year for which he was appointed.

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 firms 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

# GOVERNANCE DRIVEN BY CORE VALUES<sup>6</sup>

## 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.



6. ADX ESG Guide: G5 Ethics & Prevention of Corruption

## 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.

## NON-DISCRIMINATION<sup>7</sup>

ADNOC Distribution maintains a zero-tolerance approach to any form of discrimination or harassment at the workplace, and actively promotes and maintains a core value of non-discrimination across its business activities and services, covering all stakeholders, including employees, customers, and suppliers. The Company's policies, processes, and activities regarding non-discrimination are guided by its core value of 'WE ARE RESPECTFUL' and direct towards promoting equality and embracing diversity.

## HUMAN RIGHTS POLICY<sup>8</sup>

At ADNOC Distribution, we are committed to respecting human rights values in line with the United Nations Global Compact on human rights, labor, environment and anti-corruption. Acting with integrity is essential to how we conduct our business, and complements our core company values of being Collaborative, Respectful, Responsible, Efficient and Progressive. These Values inspire the way we

do business, inform our behavior and conduct and guide our decision-making. We expect our suppliers, contractors, business partners and other stakeholders to share our commitment to human rights and to adhere to our ADNOC Distribution Supplier and Partner Code of Ethics. We have an anonymous reporting system to raise integrity related concerns called Takallam (which means "to speak" in Arabic). Takallam is managed by an independent third party to ensure complete confidentiality and effective reporting within ADNOC Distribution. We review and update our human rights policy statement periodically and provide training and awareness programs for our employees and relevant stakeholders.

## FAIR LABOR PRACTICES<sup>9</sup>

The UAE Federal Labor Law strictly prohibits any form of forced, compulsory or child labor in the country. At ADNOC Distribution, we abide by all laws of the government and ensure that no such violations occur across any of our workplaces.



7. ADX ESG Guide: S6 Non-discrimination

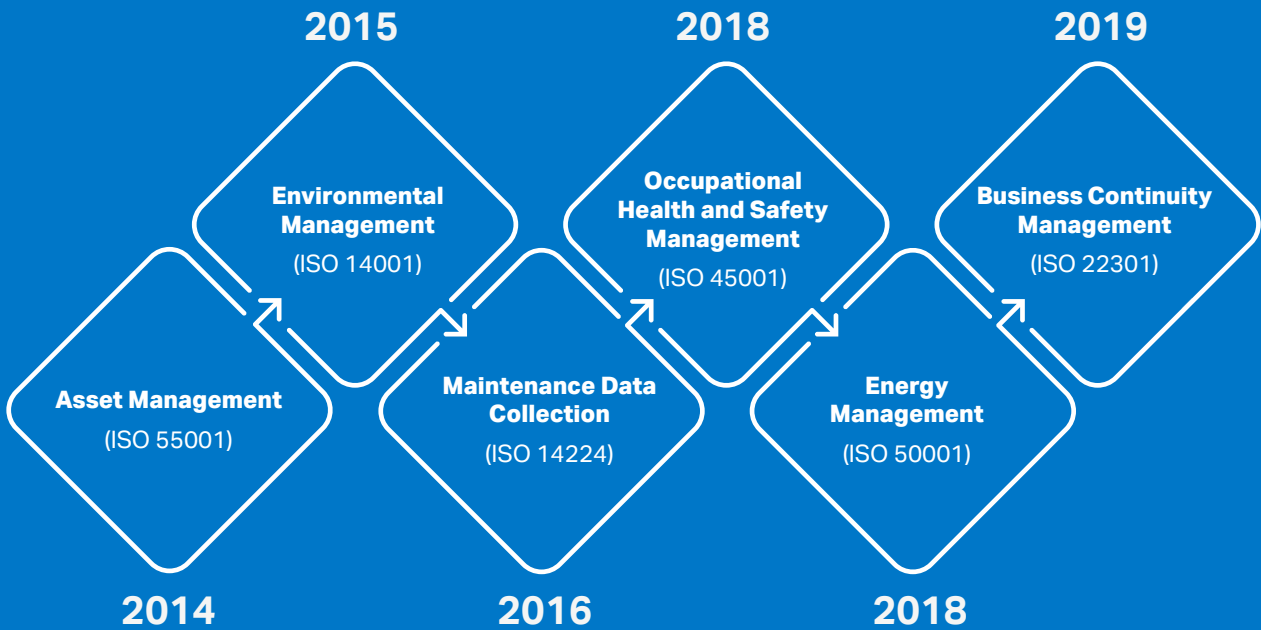
8. ADX ESG Guide: S10 Human Rights

9. ADX ESG Guide: S9 Child & Forced Labour



# ISO CERTIFICATIONS

ADNOC Distribution is committed to operational excellence. In 2023 the Company further enhanced executional excellence via robust roll-out of Integrated Management System (IMS) and pursued obtaining 6 International Organization of Standards (ISO) certifications, covering environmental management, maintenance data collection, business continuity management, occupational health and safety management, energy management, and asset management.





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## IT SECURITY AND DATA PRIVACY<sup>10</sup>

ADNOC Distribution's strategy is to provide enterprise infrastructure and services with necessary controls to protect our physical and virtual workplace in terms of confidentiality, integrity, availability, and privacy of data. This is achieved with a dual approach of strengthening our security posture and preparedness to manage potential incidents. The Company abides by several policies and initiatives to manage data privacy and cybersecurity issues and believes that its customers have a right to know how their information is gathered, analyzed, and used responsibly. The Privacy Policy of the Company set out the basis on which any personal data is collected, or provided, and will be processed to ensure it is protected and processed in a fair, transparent, and lawful way. The Company utilizes Information Security Management System (ISMS) accredited with ISO 27001:2013 Information Security credentials and is fully committed to the objectives of UAE's Personal Data Protection Law.

During 2023, ADNOC Distribution has taken steps to comply with the UAE Personal Data Protection Law (PPDL) and related regulations, to ensure compliance to the privacy principles: data minimization, purposes limitation, confidentiality, accountability, transparency, lawfulness and fairness, and storage limitation. The Company has also implemented a preventive control to assess new projects that would involve the processing of data subjects' personal data (DPIA). This is to ensure that the processing will not overthrow the individuals' rights over their personal

information and comply with the PPDL requirements.

In Addition, ADNOC Distribution obtained Payment Card Industry Data Security Standard (PCI-DSS) accreditation. PCI DSS sets rigorous standards intended to optimize the security of credit, debit and cash card transactions and protect cardholders against misuse of their personal information. With this achievement, ADNOC Distribution ensures that the full customer card payment cycle is secure; and enforcement of enhanced customer password complexity and Multi-Factor Authentication (MFA) for ADNOC wallet customers.

Governance of IT security and risks remains a cornerstone to ensure oversight of the Company's cybersecurity strategy implementation, proactive protection of information assets and establishment of safe and resilient infrastructure which empowers the business to thrive.



10. ADX ESG Guide: G6 IT security and data privacy ADX ESG Guide: G4 Supplier Code of Conduct

# ENTERPRISE RISK MANAGEMENT

Proactive engagement of risk management is a key component of the Company's core business activities. By identifying, understanding, and managing risks in accordance with a defined risk management policy and set of procedures, the risk management process identifies and mitigates exposure to uncertainty wherever possible, while increasing exposure to opportunities.

The ERM Policy defines the risk management objectives, governance structure, and roles and responsibilities of the Board of Directors, audit committee, management team, ERM function, and internal audit function in accordance with the ISO 31000 standard.

## In pursuing the Company's risk management objectives, the Board of Directors undertakes to:

- Ensure that ADNOC Distribution is a transparent organization where awareness and understanding of the risk-management policy and procedures are established at the appropriate levels of the organization
- Be responsible for overseeing and monitoring the risk-management system
- Identify, manage, monitor, and report on risk, holding the management team accountable for managing identified risks effectively

## To ensure the risk-management process is effective, the Board:

- Identifies risks using an objective-driven process to assess the impact that risks would have on achieving the Company's objectives by embedding risk management into all decision-making processes.
- Ensures that significant business risks to which ADNOC Distribution is exposed are systematically identified, assessed, and managed to acceptable levels based on risk tolerance and appetite levels as approved by the Board
- Has a clearly defined responsibility structure

By implementing an iterative risk management process in accordance with ISO 31000:2018, the Company can increase the likelihood of success while decreasing the failure rate and uncertainties by considering potential benefits and risk factors for the organization.

## ENTERPRISE RISK MANAGEMENT GOVERNANCE

The primary goal of the Company's enterprise risk management and governance processes is to enable sustainable growth and business performance through improved decision making, planning, and a focus on mitigating high priority risk areas in order to increase shareholder value. In this context, the Company employs an Enterprise Risk Management Governance Structure with clearly defined roles and responsibilities.

The Scope, Internal and External Context and Risk Criteria defines the basic parameters within which risks will be managed at the Company and sets the scope for the rest of the ERM Process.

Communication and consultation are critical components of effective risk management practices. Communicating risk information to stakeholders helps to maintain confidence and trust while also developing a shared understanding of the Company's risks.



# INTERNAL CONTROL SYSTEM

**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:**

- Continually meet the operational and financial objectives of the Company;
- Properly manage risks;
- Ensure the validity and transparency of the information we provide to our stakeholders; and
- 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:

