



CORPORATE GOVERNANCE PRACTICES DURING 2021

Gulf Navigation Holding PJSC (referred hereafter as “GNH” or “Company”) has fully adopted and implemented the relevant corporate governance rules as set out by Securities and Commodities Authority (SCA), i.e., 7 R.M of 2016 concerning the standards of institutional discipline and governance of Public Shareholding Companies. And the Chairman of Authority’s Board of Directors’ Decision no. (3/R.M) of 2020 concerning Approval of Joint Stock Companies Governance Guide.

Adopting and implementing the corporate governance framework is a primary objective of both the Board of Directors (BoD) and the executive management; which helps to ensure compliance with the applicable rules, and regulations, transparency, disclosures, increase shareholder

value, protect/safeguard the interest of stakeholders and mitigating business risks appropriately.

GNH is fully committed to apply the corporate governance standards and other related best practices which have been diligently compiled and documented via ‘Corporate Governance Manual’, duly approved by the executive management and BoD. This manual governs the activities/ functions of the Company and lays down clear framework, roles and responsibilities of the BoD and its Committees, relationship between the BoD and executive management including the delegations/powers to run the business, code of conduct, external auditors, internal controls environment, investor relations, etc.

CORPORATE GOVERNANCE REPORT

GNH rigorously adopts the required procedures/steps which bolsters the corporate governance mechanism within the group, such as (excerpts):

- ✔ Amendment of Articles of Association (AoA), where applicable.
- ✔ Implementation of Corporate Governance Manual.
- ✔ Board Committees as per the corporate governance requirements.
- ✔ The Board and its Committees have adhered with the required number of meetings (including the duties and responsibilities) as required by the 7 R.M of 2016.
- ✔ Procedures pertaining to the trading of Company’s securities have also been developed and followed in-line with the SCA guidelines.
- ✔ Code of conduct for the BoD and employees have been developed and implemented.
- ✔ Confidential reporting policy exists whereby staffs can directly communicate potential misconducts/malpractices.
- ✔ Annually, each board member acknowledges/declares his independency, board positions held in other companies and GNH shares trading transactions.
- ✔ Company website exists with dedicated ‘investor relations sections’, where all the financial statements, disclosures, press releases, etc. are readily available for the stakeholders.



Board of Directors

(Art. 3, Resolution 7/2016)

The appointment, roles and responsibilities of the Board of Directors of Gulf Navigation Holding PJSC (the “Board” or “Board of Directors”) are outlined in DSI’s Articles of Association (“AoA”). Throughout the year, the membership balance criteria set down by Resolution 7/2016 in relation to executive, non-executive and independent members of the Board was maintained by Gulf Navigation Holding together with an appropriate level of skills, experience and capabilities across the membership.

Board Committees

(Art. 46, Resolution 7/2016)

The Board is empowered to establish Board committees and to delegate powers to such committees as necessary or appropriate. The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of specific matters. All the Board committees are functioning on behalf of the Board and the Board will be responsible for constituting, assigning, co-opting and fixing terms of service for Board committee members.

Nomination and Remuneration Committee

(Art. 47, Resolution 7/2016)

The Nomination and Remuneration Committee assists the Board in discharging its responsibilities in relation to qualifications, compensation, appointment and succession of the Company’s directors and key management personnel. The Committee oversees the Company’s nomination process for the Board of Directors and continuously monitors the independency of the independent members of the Board.

Insiders’ Trading, Follow-Up and Supervision Committee

(Art. 33, Resolution 3/2020)

The Board of Directors formed the “Insiders’ Trading, Follow-Up and Supervision Committee, for the purpose of maintaining records and submitting periodic statements and reports to the market.



BOARD MEMBERS’ SHARES TRANSACTIONS/ DEALINGS DURING 2021

(including first degree relation)

Policy for securities issued by Gulf Navigation Holding (Insider Trading)

At GNH, there are set of guidelines for Board Members and employees with respect to transactions in GNH shares as well as securities of the parent company, subsidiaries and associate companies (where applicable). This policy is reviewed periodically as part of Company’s Corporate Governance Manual and revised in accordance with the latest/updated versions of the SCA’s “Regulations as to Disclosure and Transparency” (where applicable).

As per the policy, an employee who is familiar with the important, confidential/ undisclosed information which may have an impact on the market share price has been classified under the category of “Restricted Person”. Accordingly, Board Members and Company employees are not allowed to trade

in GNH securities during blackout period (or restricted period) as defined by the SCA rules and regulations.

The Company has formed a committee with senior management employees to review and monitor the insiders’ shares trading (of board members and employees) on a periodic basis. The Committee comprises of three members:

- Mr. Abdulrahman Al Afifi – Chairman
- Mr. Yazan S. Maragha – Board Secretary - Member
- Mr. Nader Muqbel – Head of Investor Relations & Corporate Communications – Member

The following tasks have been performed by the Committee during the year 2021:

- ✓ Maintenance and regular updating of a statutory register of insiders.
- ✓ Formally informs the insiders of the relevant closed periods to ensure that no trading is done by them during those periods.
- ✓ Obtains signed declaration from the insiders and the other staff on their Company share trading activities.

Board of Directors’ dealings/transactions in the company securities

Board members are required to disclose their shares trading activities (including first degree relations) on an annual basis, through a pre-defined template/form. During the year 2021, GNH securities transactions of each board members (and their first degree relative) were as follows:

NAME OF BOARD MEMBER	POSITION/ RELATIONSHIP	TOTAL NO. OF SHARES PURCHASED	TOTAL NO. OF SHARES SOLD	NO. OF SHARES HELD AS AT 31ST DEC 2021
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	Chairman of the Board	N/A	N/A	N/A
Eng. Abdulla Subhi Atatreh	Vice Chairman	N/A	N/A	N/A
Mr. Ahmad Kilani	Board Member	N/A	N/A	N/A
Dr. Abdul Rahman Al Afifi	Board Member	N/A	N/A	N/A
Dr. Abdulaziz Fahad H. Alongary	Board Member	N/A	N/A	N/A
Mr. Mohamed Alhammadi	Board Member	N/A	N/A	N/A
Resigned Members (As at June 10, 2021)				
Eng. Waleed Mohammad Mohammad	Board Member	–	893,748*	29,106,252*

* Number of Shares purchased, sold or held as at June 10, 2021.

**Trading Report obtained from DFM.



FORMATION OF BOARD OF DIRECTORS



Composition of the Board of Directors

The Board of Directors is responsible for the overall management of the Company. The Company Articles of Association sets out the way and method of election and composition of Board and the number of its members, as well as their term of office in compliance with governance requirements and applicable Commercial Companies Law. Board members are elected and appointed by the shareholders during the General Assembly meeting (GAM); this is either after completing their membership period stipulated by law or as a result of any other cases stipulated by law. The Board is also vested with authorities to attain the Company's goals and objectives in accordance with the Company's Articles of Association.

NAME OF MEMBER/S	BOARD POSITION	TYPE / NATURE OF MEMBERSHIP	DATE OF APPOINTMENT IN BOARD	DATE OF RESIGNATION FROM THE BOARD
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	Chairman	Non-Executive/ Independent	31 st August 2020	-
Eng. Abdulla Subhi Atatreh	Vice Chairman	Non-Executive/ Independent	31 st August 2020	-
Mr. Ahmad Kilani*	Board Member / Managing Director	Executive/ Non-Independent	7 th March 2016	-
Dr. Abdul Rahman Al Afifi	Board Member	Non-Executive/ Independent	25 th March 2018	-
Dr. Abdulaziz Fahad H. Alongary	Board Member	Non-Executive/ Independent	31 st August 2020	-
Mr. Mohamed Ahmad Alhammedi	Board Member	Non-Executive/ Independent	31 st August 2020	-
Eng. Waleed Mohammad Mohammad	Board Member	Non-Executive/ Independent	31 st August 2020	10 th June 2021

* Mr. Ahmed Kilani was appointed as a managing director in the company pursuant to a decision of the Board of Directors issued at their 3rd meeting of the year 2021 dated 10/06/2021, on the basis of which his membership was amended.



The composition/qualification and profile of board members as at 31st Dec 2021:

continued on next page

H.H. SHEIKH THEYAB BIN TAHNOON BIN MOHAMMAD AL NAHYAN

CHAIRMAN OF THE BOARD

His Highness graduated from the United Arab Emirates University in 2004 with a bachelor's degree in Architectural Engineering. He entered the field of commerce and business administration upon graduation from university and manages his father's businesses and properties.

He currently holds several positions, including:

- Vice Chairman of Abu Dhabi Insurance Company
- Chairman of City Land Group
- Chairman of Tamakkan Real Estate

MR. AHMAD KILANI

BOARD MEMBER / MANAGING DIRECTOR
CHAIRMAN OF THE AUDIT COMMITTEE
CEO OF TABARAK INVESTMENT

Ahmad Kilani is a well-versed finance professional with an overall experience of more than 18 years in finance, investment banking and corporate finance, in regional and local firms. The experience of Ahmad Kilani is diversified among sectors of energy, real estate, trading, manufacturing, construction, education and tourism. Throughout his career, Ahmad Kilani managed several transactions including IPOs, mergers and acquisitions, private placements, restructuring and equity valuations.

Ahmad Kilani is currently the CEO of Tabarak Investment. He is also a board member of Drake & Scull International PJSC.

ENG. ABDULLA SUBHI ATATREH

VICE CHAIRMAN
CHAIRMAN OF THE NOMINATION
& REMUNERATION COMMITTEE

Eng. Atatreh holds a Bachelor Degree in Civil Engineering from United Arab Emirates University, the UAE's flagship university, and an MBA from Al Ain University of Science and Technology

Engineer Abdulla Atatreh is the Vice Chairman of TABARAK Investment. He is also the Vice-Chairman of Drake & Scull International PJSC and a Board Member in Anan Investment Holding (Private Joint-Stock Company).

Eng. Atatreh is an active member of Board of Trustees at Al Ain University of Science & Technology (AAU), his experience, strategic management skills and curiosity towards higher education allows him to provide creative ideas that contributes to the development of AAU and help the University to reach higher levels.

ENG. WALEED MOHAMMAD MOHAMMAD*

BOARD MEMBER (RESIGNED)
MEMBER OF THE NOMINATION
& REMUNERATION COMMITTEE

Eng. Waleed holds a bachelor's degree in Civil Engineering from Damascus University 1987.

He is a businessman who owns more than 30 companies in various activities such as contracting, Manufacturing, Real-Estate, Hotels and Tourism.

His companies have also implemented quality projects in Abu Dhabi, Dubai and Saudi Arabia, including universities, schools, various projects, residential and commercial towers, some of which reach 80 floors.

* Eng. Waleed Mohammad Mohammad resigned from his position as a board member on June 10th 2021.



DR. ABDULAZIZ FAHAD H. ALONGARY

BOARD MEMBER
MEMBER OF THE NOMINATION & REMUNERATION COMMITTEE

Dr. Alongary holds a bachelor's degree from the United States of America in 1996 and in 2001 he obtained a doctorate degree in business administration.

He currently serves as a Vice-Chairman of Anan Investment Holding (Private Joint-Stock Company), a board member and partner in a group of Saudi companies such as Bunyan Holding Company in Riyadh, BITS- Digital Solutions Company, Industrial Construction Technology Company in Riyadh, and Advanced Solutions for Special Needs based in the United States of America.

Dr. Alongary has practical experience in many commercial and real estate sectors and has contributed to establishing many commercial companies and has extensive experience in many sectors.

MR. MOHAMED AHMAD ALHAMMADI

BOARD MEMBER
MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE NOMINATION & REMUNERATION COMMITTEE

Mr. Alhammadi holds a bachelor's degree in the field of media (mass communication) from the United Arab Emirates University. He joined the media field in economic journalism at Al-Ittihad newspaper in Abu Dhabi in 1991.

In 2000, he worked for the Ministry of Presidential Affairs as a researcher in the field of studies and research and held the position of Head of Research and Statistics Department until the end of 2016.

Mohamed Alhammadi has also served in a number of institutional governmental committees working in social, economic and other fields.

DR. ABDUL RAHMAN AL AFIFI

BOARD MEMBER
CHAIRMAN OF THE INSIDERS' TRADING, FOLLOW-UP AND SUPERVISION COMMITTEE
MEMBER OF THE AUDI COMMITTEE
CEO OF H.H. SHEIKH TAHNOON BIN MOHAMMED AL NAHYAN'S OFFICE

Dr. Al Afifi is an entrepreneur and driven Chief Executive, with more than ten (10) years of progressive management experience. He has extensive experience with highly management systems, which require deep understanding of critical business drivers in multiple markets and industries; highly successful in building relationships with upper-level decision makers, seizing control of critical problem areas, and delivering on customer commitments.

As GM / CEO of H.H Sheikh Tahnoon Bin Mohammed Al Nahyan's Office, Dr. Al-Afifi achieved year-after-year revenue and business growth objectives within a rapid-change environment with high professionalism in strategic and implementation planning and guiding and directing the organization through substantial change management utilizing strong and effective strategic leadership. To become a recognized example proven strong ability to solve complex company problems using excellent judgment and decision-making skills.

Dr. Al Afifi is presently working as a CEO of TMKN Group - Abu Dhabi. Under Private Office of H.H. Sheikh Tahnoon Bin Mohammad Al Nahyan, he is working to manage and direct all business units of TMKN group of companies; Champions the introduction of quality, cost reduction and continuous best practices to drive market growth; and he has a full responsibility for approving business plan and growth strategy, defining offerings and delivery models, establishing partnerships, and building operating infrastructure; develops vision, mission and goals, identify profitability and revenue opportunities, define critical goals and success factors, establish clear objectives and practical action plans, foster innovation and risk taking, build teams, and establish relationships with vendors and partners. Manages a team of different business units, product managers, business development specialists, and operations / logistics personnel.

Dr. Al Afifi has been appointed to the private office of H.H Sheikh Tahnoon Bin Mohammed Al Nahyan. He has been an Architectural Engineer and project manager for years. He has been able to manage strategic plans and develop work plans efficiently and professionally. He completed his MBA from UAE University (Al Ain) and his PhD in Project Management from the British University in Dubai.



The membership of the Board of Directors in any other public shareholding companies

SR #	NAME OF GNH BOARD MEMBER	BOARD MEMBERSHIP IN OTHER PUBLIC SHAREHOLDING CO.
1	Eng. Abdulla Atatreh	Vice-Chairman of Drake & Skull International PJSC
2	Mr. Ahmad Kilani	Board Member of Drake & Skull International PJSC

The membership of the Board of Directors in other important regulatory, government or commercial positions.

SR #	NAME OF GNH BOARD MEMBER	BOARD MEMBERSHIP IN OTHER PUBLIC SHAREHOLDING CO.
1	H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	Vice Chairman of Abu Dhabi Insurance Company Chairman of City Land Group Chairman of Tamakkan Real Estate
2	Eng. Abdulla Atatreh	Board Member of Anan Investment Holding (Private Joint-Stock Company)
3	Dr. Abdulaziz Fahad H. Alongary	Vice-Chairman of Anan Investment Holding (Private Joint-Stock Company) Board Member of Bunyan Holding Company in Riyadh
4	Mr. Ahmad Kilani	Board Member of Anan Investment Holding (Private Joint-Stock Company)

Female component in the Board during the year 2021

None

Reasons for not nominating any female to the Board's membership

No female candidate was nominated in the Board elections. The company and its management are taking all necessary measures to ensure the representation of women on its board, including participation in relevant seminars and courses, in addition to amending the company's articles of association in line with the latest regulations.

Statement regarding:

1 Directors' remuneration for the year 2020

The Board of Directors did not receive any remuneration for their efforts during the year 2020.

2 Proposed BoD remuneration for 2021 which will be presented in the General Assembly Meeting for approval

- The General Assembly scheduled to be held in April 2022 will consider the proposal of the Board of Directors to pay a remuneration totalling 600,000 dirhams in return for the board's efforts for the year 2021
- A monthly/annual bonus is allocated to the person who occupies the position of managing director in the company, in return for his/her efforts in managing the company.

3 Allowances for attending board committee meetings, during the year 2021

In accordance with the SCA Governance Standards 7 R.M of 2016, Article No. 21 (Remuneration of the Chairman and Members of the Board of Directors); on 2016 GNH board of directors accordingly resolved not to receive any attendance fee/allowance for the board and committee meetings. Hence, there is no budget allocated for same during the financial period 2021. A monthly/annual bonus is allocated to the managing director in return for his efforts in managing the company, as determined by the Board of Directors and its sub-committees.



The number of board meetings held during the year 2021, along with dates/attendance & proxies

BOARD MEMBERS	MEETINGS HELD IN PERSON				
	14/12/2021	31/03/2021	10/06/2021	11/08/2021	14/11/2021
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	✓		✓	✓	✓
Eng. Abdulla Subhi Atatreh	✓	✓	✓	✓	✓
Mr. Ahmad Kilani	✓	✓	✓	✓	✓
Eng. Waleed Mohammad Mohammad*	✓	✓	Resigned	Resigned	Resigned
Dr. Abdul Rahman Al Afifi	✓	✓	✓	✓	✓
Dr. Abdulaziz Fahad H. Alongary	✓		✓	✓	✓
Mr. Mohamed Ahmad Alhammadi	✓		✓	✓	✓

* Eng. Waleed Mohammad Mohammad resigned from his position as a board member on June 10th 2021.

The Number of Board Resolutions Passed by Circulation during 2021

MEETING DATE > 03/01/2021 > 10/05/2021 > 08/09/2021

Tasks and functions carried out by the Executive Management as delegated by the Board of Directors

The Company's Articles of Association shall determine the duties and responsibilities of the Board of Directors, and the Board of Directors takes the necessary procedures to ensure compliance with applicable laws, regulations, and resolutions, as well as the requirements of the supervisory authorities; and adopting the strategic approaches and main objectives of the Company and supervising implementation thereof. Where the Board of Directors ap-

pointed member of the board, Mr. Ahmad Kilani, as a Managing Director in the company and granted him the authority to perform his duties. The main tasks assigned to the Managing Director are summarized in the implementation of the vision, mission, strategic plans, annual plans, improving overall growth and elevating the reputation of Gulf Navigation Holding.

Statement for Related Party Transactions

Related parties include the major shareholders, directors, key management personnel of the Group, and their related entities that has control, joint control or significant influence over the group. Pricing policies and terms of these transactions are approved by the Group's management. Determination of which relationships and transactions qualify for related party disclosure is done as part of the preparation of consolidated financial statements.



A- Statement of the details of transactions made with the related parties (Stakeholders) during 2021 Party Transactions and Balances:

The Group entered into the following significant transactions with related parties in the ordinary course of business at mutually agreed terms and conditions:

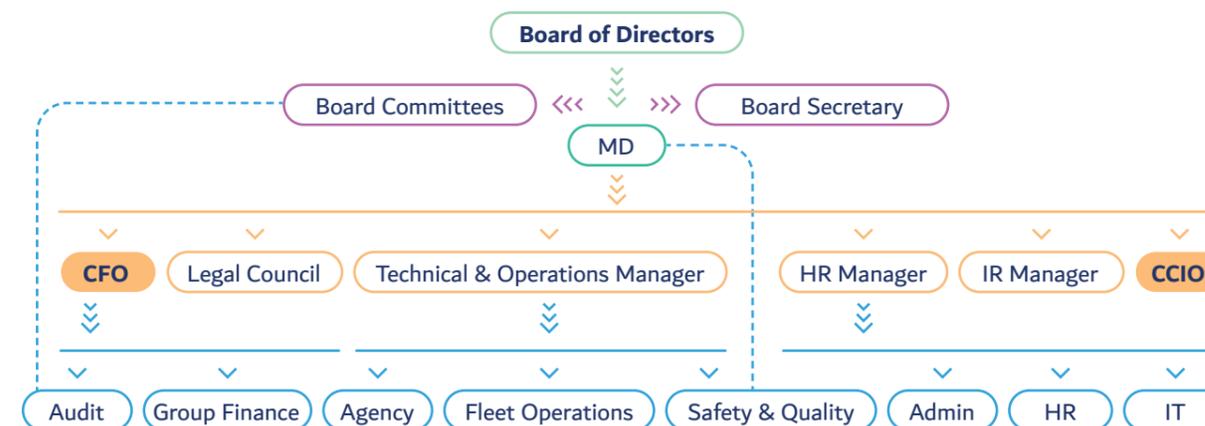
	STATEMENT OF RELATED PARTIES	CLARIFYING THE NATURE OF RELATIONSHIP	TYPE OF TRANSACTIONS	VALUE OF TRANSACTION IN AED
1	Tabarak Investment	Shareholder	Loan	6,838,000
2	Royal Majestic Investment	Shareholder	Loan	4,000,000
2	Royal Majestic Investment	Shareholder	Adjustment Fee	100,000

B- Key Management Remuneration

● Salaries and other benefits, AED'000 ● End of service benefits, AED'000



Company's organizational structure



Statement of senior personnel (executives) in the first and second tier, along with their job titles, appointment date, salaries and allowances

as at 31st December 2021:

Title	DATE OF APPOINTMENT	SALARIES & ALLOWANCES (AED)	BONUS (AED)	CASH/IN-KIND BENEFITS (AED)	DATE OF RESIGNATION
Managing Director (MD)	10-06-2021	Nil	350,000	Nil	-
Chief Financial Officer (CFO)	31-03-2021	759,400	Nil	Nil	-
Chief Commercial & Investment Officer (CCIO)	28-11-2021	87,890	Nil	Nil	-
Director – Technical & Operations	03-11-2019	223,700	Nil	Nil	23-04-2021
Manager – Technical & Operations	05-09-2021	119,289	Nil	Nil	-
General Manager- KSA Branch	01-07-2009	349,721	Nil	Nil	-
Board Secretary	03-09-2020	278,800	Nil	Nil	-
Investor Relations (IR) Manager	14-02-2021	282,250	Nil	Nil	-



EXTERNAL AUDITORS



Overview of the External Auditor

Ernst & Young was appointed by the shareholders through General Assembly Meeting held on 29th of April 2021, as the new external auditor for the group. And Mr. Ashraf Abu Sharkh, the Ernst & Young partner, was appointed as their representative and responsible for the company's accounts.

Ernst & Young (EY) is a multinational professional services firm and one of the largest in the world. EY operates

as a network of member firms which are separate legal entities in individual countries. It has 250,000 employees in over 700 offices across 150 countries and global revenue of US\$ 34.8 billion. EY provides assurance (including financial audit), tax, consulting, and advisory services to companies. EY has been present in MENA since 1923 and in the UAE since 1966. EY's Dubai office has over 1,400 staff and serves a wide variety of government, private and multinational clients.

Appointment, fees and services

The shareholders resolved on 29th of April 2021 to appoint EY as the external auditors for GNH and subsidiaries, with a total remuneration amounting to AED 370,000.

On an annual basis, the company requests quotation/proposal from different audit firms and formal evaluation (technical/financial) is conducted before nominating the external auditors for the next year, including review

and recommendation from the Audit Committee and Board of Directors. The appointment of the external auditors (firms/fees) are eventually approved by the shareholders through the General Assembly Meeting.

Details about the external audit firms, fees and scope of services are briefly explained in the table below:

AUDIT FIRMS/CONSULTANTS	ALLIED ACCOUNTANTS PROFESSIONAL SERVICES (RSM)	AL SHABANAT	KPMG	EXCELLENCE	MARS
Group companies	GNH- KSA Branch	GNH- KSA Branch	Gulf Navigation Holding PJSC	Gulf Nav Ship Management FZE Gulf Navigation Group FZCO	Gulf Navigation Holding PJSC & Branches in UAE.
Associated since (year)	2021	2017	2019	2016	2020
Total audit fees for the financial statement	N/A	N/A	N/A	AED 3,200	N/A
Fees and costs of the special services, other than audit of financial statements	AED 26,834	AED 17,568	AED 231,367.50	N/A	AED 10,000
The details/nature of other services	Updating GAZT record and preparation, certification and submission of the Branch tax return	KSA branch VAT submission	Valuation Services		ESR Notification and Substance Reporting Support
Statement of other services obtained from another external auditors/ consultants	N/A	N/A	N/A	N/A	N/A

Qualified opinions were not issued/given by the auditors for the financial period 2021.



AUDIT COMMITTEE



Statement of Audit Committee members and their tasks/duties

The Audit Committee is composed of the following members as of 31st Dec 2021:

NAME OF BOARD MEMBERS	POSITION	STATUS
Mr. Ahmad Kilani	Chairman	Non-Independent/Executive Director
Dr. Abdul Rahman Al Afifi	Member	Independent/Non-Executive Director
Mr. Mohamed Ahmad Alhammadi	Member	Independent/Non-Executive Director

The primary tasks of the Audit Committee include:

1 Internal Control, risk management and regulatory compliance

1. Review the Company's financial controls, internal controls and risk management system/ framework.
2. Discuss the Internal control system with the management and to ensure that it is operating effectively.
3. Compliance with the listing and disclosure rules as issued by SCA (including other applicable rules and regulations).

2 Review of financial information

1. Ensure integrity of the financial statements while emphasizing any changes to the accounting policies and practices, aspects subject to judgment or estimation, substantial adjustments resulting from the audit, going concern and, compliance with International Financial Reporting Standards.
2. Consider any significant and unusual matters to be reported in the financial statements and to address concerns raised by the Head of Finance & Accounts, Compliance Officer or External Auditors.
3. Review the Company's financial and accounting policies and procedures.
4. Ensure compliance with the listing rules and other legal requirements in relation to financial reporting.
5. Review annual and quarterly financial statements before recommending to the Board for approval.

3 Relationship with the external auditors

1. Monitor the independence of the External Auditor and to discuss with the External Auditor the nature, scope and efficiency of the audit in accordance with generally accepted auditing standards.
2. To ensure that significant findings and recommendations made by the External Auditors and management's proposed responses are received, discussed and appropriately acted on.
3. To develop and implement policy on the engagement of an External Auditor to provide non-Audit services, if any, to ensure that provision of such services would not impair the independency and objectivity of the External Auditor.
4. Adopt a policy on dealing with the External Auditor and reporting/recommend to the Board any issues that require action on the part of the Board.
5. Meet with the External Auditors on a periodic basis.
6. Review and consider (and respond) to any correspondence or queries received from the External Auditor.
7. Review and recommend the appointment, re-appointment, or replacement of an External Auditor.
8. Review and approve the remuneration and term of engagement of the External Auditor.



Number of Audit Committee meetings held during the year 2021 along with the dates/attendees

Audit Committee Meetings held during 2021

NAME OF BOARD MEMBER	31/03/2021	10/05/2021	11/08/2021	14/11/2021
Mr. Ahmad Kilani – Committee Chairman	✓	✓	✓	✓
Dr. Abdul Rahman Al Afifi – Member	✓	✓	✓	✓
Mr. Mohamed Ahmad Alhammadi – Member	✗	✓	✓	✓

Mr. Ahmad Kilani, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.



NOMINATION AND REMUNERATION (N&R) COMMITTEE

Statement of N&R Committee members and their tasks/duties

The N&R Committee is composed of the following members as of 31st Dec 2021:

NAME OF AC MEMBERS	POSITION	STATUS
Engr. Abdulla Atatreh	Chairman	Independent/Non-Executive Director
Mr. Mohamed Ahmad Alhammadi	Member	Independent/Non-Executive Director
Eng. Waleed Mohammad Mohammad*	Member	Independent/Non-Executive Director
Dr. Abdulaziz Fahad H. Alongary**	Member	Independent/Non-Executive Director

* Eng. Waleed Mohammad Mohammad resigned from his position as a board member on June 10th 2021.

** Dr. Abdulaziz Fahad H. Alongary was appointed as N&R Committee member to replaced the resigned member.

The primary tasks of the N&R Committee are as follows:

- Verification of ongoing independence of independent board members.
- Formulation and annual review of the policy on granting remunerations, benefits, incentives and salaries to Board members and employees.
- Determination of Company's need for resource and basis of selection.
- Formulation, supervision of application and annual review of the Company's human resources and training policy.
- Organization and follow-up procedure of nomination to the membership of the Board of Directors.

Number of N&R Committee meetings held during the year 2021 along with dates/attendees

N&R COMMITTEE MEETINGS HELD DURING 2021	31/08/2021	10/06/2021	14/11/2021
Engr. Abdulla Atatreh	✓	✓	✓
Mr. Mohamed Ahmad Alhammadi	✗	✓	✓
Eng. Waleed Mohammad Mohammad*	✓	Resigned	Resigned
Dr. Abdulaziz Fahad H. Alongary**	N/A	✓	✓

* Eng. Waleed Mohammad Mohammad resigned from his position as a board member on June 10th 2021.

** Dr. Abdulaziz Fahad H. Alongary was appointed as N&R Committee member to replaced the resigned member.

Engr. Abdulla Atatreh, N&R Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.





INSIDERS' TRADING, FOLLOW-UP AND SUPERVISION COMMITTEE



At GNH, there are set of guidelines for Board Members and employees with respect to transactions in GNH shares as well as securities of the parent company, subsidiaries and associate companies (where applicable). This policy is reviewed periodically as part of Company's Corporate Governance Manual and revised in accordance with the latest/updated versions of the SCA's "Regulations as to Disclosure and Transparency" (where applicable). As per the policy, an employee who is familiar with the important, confidential/ undisclosed information which may have an impact on the market share price has been classified under the category of "Restricted Person". Accordingly, Board Members and Company employees are not allowed to trade in GNH securities during blackout period (or restricted period) as defined by the SCA rules and regulations.

The Company has formed a committee with senior management employees to review and monitor the insiders' shares trading (of board members and employees) on an annual basis (or when needed).

The Committee comprises of 3 members:

- Dr. Abdulrahman Al Afifi – Chairman
- Mr. Yazan S. Maragha – Board Secretary – Member
- Mr. Nader Muqbel – Head of Investor Relations & Corporate Communications – Member

The following tasks have been performed by the Committee during the year 2021:

- Maintenance and regular update of a statutory register of insiders.
- Formally intimate the insiders of the relevant closed periods to ensure that no trading is done by them during restricted periods.
- Obtained declaration from the insiders and the other staff on their shares trading, on an annual basis.

Dr. Abdulrahman Al Afifi, Insiders' Trading, Follow-Up and Supervision Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.



INTERNAL CONTROLS SYSTEMS

1 Board's responsibility with respect to the internal controls' system, its effectiveness and review mechanism

- The board has the overall responsibility for ensuring adequate internal control systems/ framework within the company.
- Board reviews the Internal Control deliverables through Audit Committee- highlighting matters discussed and resolutions passed after each meeting of Audit Committee in terms of internal audit assignments, audit follow-ups, special assignments, compliance audit, risk management and governance.
- The Internal Control Department (ICD) reports directly to the CEO and Board, operating under the stewardship of the Audit Committee. This enables Internal Control to function in an independent and objective manner.
- Establish mechanism for employees to communicate irregularities discovered by them (whistle blowing/ confidential reporting).
- Conduct special assignments/investigations as per the requests from the Board.
- Perform independent overview/analysis over the financial statements and present the same to the executive management and the Audit Committee along with the audit inputs/comments, variance justifications and commentaries.

2 Dealing with major/ critical problems in the Company

- During the year 2021, no significant/critical audit observations were noted.
- Major/critical issues (if any) are being immediately discussed and reported to the Audit Committee and Senior Management (where appropriate). Periodic follow-up of these issues is carried out to ensure that they are implemented in accordance with the directions of the Board/Committees.

3 Name of the Internal Control Department Manager with the qualification

The Company did not appoint an Internal Control Department Manager in 2021.

4 Name of the Compliance Officer with the qualification

Mr. Nader Muqbel assumed the duties of compliance with the company on February 14, 2021. He has more than 18 years of experience in management positions in various sectors. He holds a bachelor's degree in Commerce from Saint Mary's University in Canada.

5 Number of reports issued by the Internal Control Department to the company's board of directors:

No reports were issued by the Internal Control Department.



VIOLATIONS COMMITTED DURING THE FINANCIAL YEAR 2021

Gulf Navigation Holding Company PJSC, represented by its current board of directors and its executive management, has always been keen not to violate any regulatory guidelines, and even to correct

any violations that were previously committed, which resulted in it not receiving any violations for the year 2021.

Gulf Navigation Holding Company received 19 violations / warnings issued by the Securities and Commodities Authority as a result of actions that had been committed or not implemented in the period before or at the beginning of 2020, which resulted in the summary of the periodic inspection for the year 2020, as a result of violations of the following:

- The Authority's Board of Directors Decision No. (7) of 2016 regarding standards of institutional discipline

and governance of public joint stock companies, and Decision of the Chairman of the Authority's Board of Directors No. (3/r.m) of 2020 regarding the adoption of the Governance Guide for Public Shareholding Companies, and the articles contained therein with numbers (58) And (59), (14/20), (14/27), (15/5), (52), (67), (76/1), (79/1)

- Article No. (162) of Federal Law No. 2 of 2015 regarding commercial companies.

Justifications and the necessary responses to the regulator regarding the above-mentioned violations are currently being presented, after they were identified by the current board of directors and the company's executive management, in cooperation with internal committees and external investigation bodies, as well as the company's compliance team with the aim

of correcting them and creating areas for future improvement. The company and all its departments and committees are committed to integrating preventive controls and necessary corrections to address the mentioned violations and comply with standards of institutional discipline and corporate governance in the future.



COMPANY'S CASH AND/OR IN-KIND CONTRIBUTION TO THE LOCAL COMMUNITY DEVELOPMENT AND ENVIRONMENTAL CONSERVATION DURING THE YEAR 2021

No contribution made in 2021.





GENERAL INFORMATION

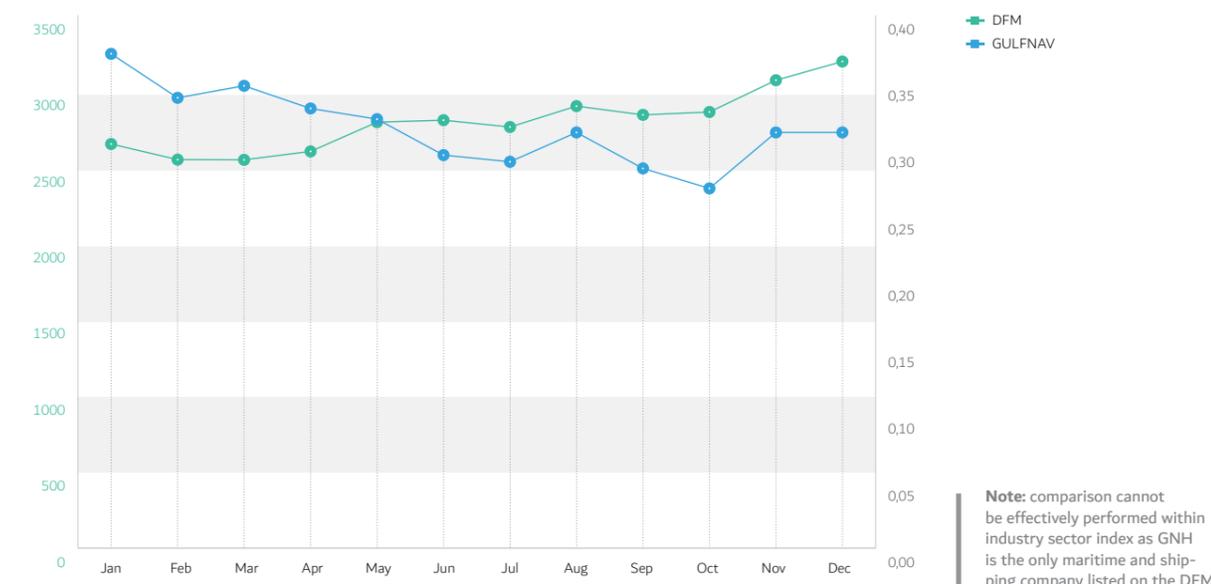


Company share prices (high/low/closing) at the end of each month during 2020*

MONTHS (2021)	HIGH (AED)	LOW (AED)	CLOSING PRICE (AED)
January	0.469	0.365	0.371
February	0.385	0.317	0.338
March	0.360	0.330	0.347
April	0.350	0.300	0.33
May	0.360	0.310	0.322
June	0.325	0.277	0.295
July	0.305	0.278	0.29
August	0.315	0.278	0.312
September	0.310	0.276	0.285
October	0.285	0.255	0.27
November	0.360	0.272	0.312
December	0.355	0.300	0.312

*above data has been obtained from DFM.

Performance of company shares against Dubai Financial Market General Index (DFMGI) for the year 2021*



*above data has been obtained from DFM.



Distribution of the shareholding structure as of 31st Dec 2021*

OWNERSHIP/ CITIZEN	INDIVIDUAL	BANK	COMPANY	INSTITUTION	GOVERNMENT	TOTAL
Arab	10.65%	-	0.25%	-	-	10.90%
GCC	5.82%	-	5.32%	-	-	11.14%
UAE	30.39%	5.70%	37.33%	0.13%	-	73.55%
Others/Foreign	3.67%	0.10%	0.65%	-	-	4.42%
TOTAL	50.53%	5.80%	43.55%	0.13%	-	100%

*above data has been obtained from DFM. [Total - rounded off]

Top 5% and above shareholding as on 31st Dec 2021*

INDIVIDUAL/GROUP INVESTORS (SHAREHOLDERS)	QTY OWNED (NO.)	QTY OWNED (%)
Ajman Bank PJSC	81,830,270	8.03%
Tabarak International Investment	76,048,405	7.46%
Wahat Al Zaweya Investment & Real Estate Development	70,000,000	6.87%

*above data has been obtained from DFM

Shareholding distribution based on volume as on 31st Dec 2021*

SHARE OWNERSHIP VOLUME (QTY)	NO. OF SHAREHOLDERS	NO. OF SHARES OWNED (QTY)	% OF OWNED SHARES IN THE COMPANY CAPITAL
Less than 49,999	10,634	40,934,857	4.016%
50,000 – 499,999	545	87,558,667	8.591%
500,000 – 4,999,999	167	229,382,345	22.506%
Above 5,000,000	31	661,333,381	64.887%
TOTAL	11,377	1,019,209,250	100%

*above data has been obtained from DFM

Investor Relations

For the purposes of Article 35 of Resolution 7/2016, the officer in charge of investors' relations and shareholder communications for the Company is Mr. Nader Muqbel.

The Shareholders are able to contact and obtain necessary information about the company (and shares) from the Investor Relations Manager via:

Telephone: +971 4 4270104
 Fax: +971 4 4270103
 Mob: +971 5 67780799
 Email: investor.relations@gulfnav.com
 Website: www.gulfnav.com

The company's website also features 'investors relation' section, whereby stakeholders can have easy access to the financial statements, governance reports, annual reports, company disclosures, general assembly meetings, board meetings, unclaimed dividends list, etc.



Link: <https://www.gulfnav.com/investor-relations-2/>



General Assembly – special resolutions during 2021 and its implementation status

Special Decisions and Resolutions of the General Assembly meeting held on April 29, 2021.

Approved the continuity of operations for the company in accordance with Article no. 302 of the Companies Law no. 2 for the year 2015.

Name and appointment of board secretary with the qualification

Mr. Yazan S. Maragha was appointed on October 27, 2020 as the Company's Board secretary. He has more than ten years of experience in the field of public law and commercial law in particular. He also held the position of legal advisor and secretary of the board of directors of several other public shareholding and limited liability companies. Besides his studies in law, he also holds a DFM certified board secretary certificate in 2018.

SIGNIFICANT EVENTS

during the year 2021 (excerpts)

March 31, 2021:

Mr. Ali Abouda was appointed as the company's Chief Financial Officer and determined his allowance.

April 29, 2021:

The General Assembly approved the continuity of operations for the company in accordance with Article no. 302 of the Companies Law no. 2 for the year 2015

June 10, 2021:

Mr. Ahmad Kilani was appointed as a Managing Director in the company and given all the necessary authorities to perform his duties.

All material information/press release/disclosures are also being timely published to the SCA/DFM and company website, please refer in case of further details.



Functions of the Board's Secretary during the year 2021

1. Documenting meetings of the Board of Directors and preparing their minutes.
2. Keeping all reports submitted to the Board of Directors and reports prepared by the Board.
3. Providing members of the Board of Directors with the agenda of the Board's meeting.
4. Notifying members of the Board of Directors of dates the Board meetings well in advance of the meeting date.
5. Submitting draft of the minutes to members of the Board to express their opinion thereon before signing it.
6. Informing the Company's executive administration about resolutions of the Board of Directors and its committees and reporting on their implementation and application.
7. Supporting the Board evaluation process.
8. Coordinating between members of the Board of Directors and executives.

Percentage of Emiratization at the company by the end of 2021

During the year 2021, the company did not employ any UAE National.

During the year 2020, the company did not employ any UAE National.

During the year 2019, the company did not employ any UAE National.

Statement of the innovative projects undertaken by the company (or under development) during 2021

As part of the company's strategic objectives and expansion plans, several innovative projects are under progress which ultimately aims to increase operational excellence, enhance business performance, costs effectiveness, achieve sustainability, quality; thus, leading to the overall growth of the Company and shareholder value.

In 2021, the Company continued on working and executing the following projects:

- Adopting plans and programs to fully comply with international environmental laws to reduce greenhouse emissions and climate change and their goals for 2023, 2025 and 2030, and the immediate and future transformation to reduce the environmental footprint of the group's maritime fleet and maritime operations and reduce sulfur emissions.
- Adding more advanced equipment to water ballast treatment system and prevent biological pollution resulting from it, so that our ships are in line with the global standards imposed by the International Maritime Organization.
- Working on installing modern and advanced devices for engines that would reduce energy use and reduce fuel consumption in excess of the actual requirement for ships so that the fleet conforms to the specifications stipulated by the International Maritime Organization with regard to the carbon intensity index (EXXI & CII).
- Cyber security onboard the vessels.
- Air guard seal type stern tube - to comply with USCG requirement and in order to prevent oil pollution.