



الخليج للملاحة القابضة (ش.م.ع)
Gulf Navigation Holding PJSC

2020

Corporate Governance Report



الإمارات
THE EMIRATES

CONTENTS

01	CORPORATE GOVERNANCE PRACTICES DURING 2020
03	BOARD MEMBERS SECURITY DEALINGS DURING 2020
04	FORMATION OF BOARD OF DIRECTORS
12	EXTERNAL AUDITORS
13	AUDIT COMMITTEE
15	NOMINATION & REMUNERATION (N&R) COMMITTEE
16	INSIDERS' TRADING, FOLLOW-UP AND SUPERVISION COMMITTEE
16	OTHER COMMITTEES
17	INTERNAL CONTROLS SYSTEMS
18	VIOLATIONS COMMITTED DURING THE FINANCIAL YEAR 2020
19	COMPANY'S CASH AND/OR IN-KIND CONTRIBUTION TO THE LOCAL COMMUNITY DEVELOPMENT AND ENVIRONMENTAL CONSERVATION DURING THE YEAR 2020
19	GENERAL INFORMATION

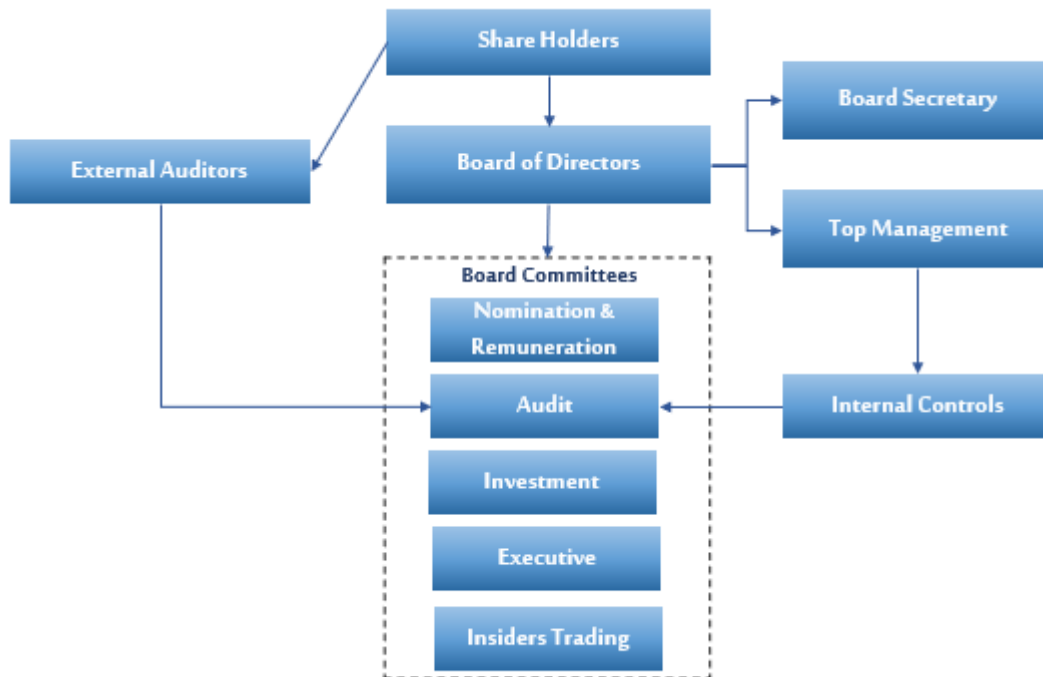


1. CORPORATE GOVERNANCE PRACTICES DURING 2020

- a) 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.
- b) 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.
- c) 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.
- d) GNH rigorously adopts the required procedures/steps which bolsters the corporate governance mechanism within the group, such as (excerpts):
 - 1 Amendment of Articles of Association (AoA), where applicable.
 - 2 Implementation of Corporate Governance Manual.
 - 3 Board Committees as per the corporate governance requirements- Nomination and Remuneration Committee (N&R) and Audit Committee.
 - 4 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.
 - 5 Procedures pertaining to the trading of Company’s securities have also been developed and followed in-line with the SCA guidelines.
 - 6 Code of conduct for the BoD and employees have been developed and implemented.
 - 7 Confidential reporting policy exists whereby staffs can directly communicate potential misconducts/ malpractices.
 - 8 Annually, each board member acknowledges/declares his independency, board positions held in other companies and GNH shares trading transactions.
 - 9 Company website exists with dedicated ‘investor relations sections’, where all the financial statements, disclosures, press releases, etc. are readily available for the stakeholders.
 - 10 Internal Controls Department executes tasks/activities in accordance with the charter, policies and duties which are duly approved by the executive management and the Audit Committee.
 - 11 Internal Controls Dept. has internally developed a checklist whereby compliance with the applicable SCA/DFM rules and regulations are reviewed/analyzed on an annual basis.



GNH – CORPORATE GOVERNANCE STRUCTURE



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 GNH’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 GNH 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.



Audit Committee (Art. 48, Resolution 7/2016)

The Audit Committee is responsible for governance and internal control matters including audit, compliance and risk management in accordance with its obligations set out in Article (49) (Duties of the Audit Committee) of SCA Resolution No7. It reviews financial statements, oversees the Group's Enterprise Risk Management objectives and guides the work of the Internal Audit Department.

Investment Committee

The role of the Investment Committee is to assist the Board in monitoring and reviewing the economics and financial returns of investments and commitments, debt and equity financing transactions and financial risk management programs of the Company.

Executive Committee

The committee monitors the progress of the company's business, evaluates and follows up the implementation of decisions issued by the Board of Directors, assigns / terminates services and follows up on business progress by senior management personnel, monitors the financial position and cash flow projections, develops and reviews strategic plans in the company.

2. BOARD MEMBERS' SHARES TRANSACTIONS/DEALINGS DURING 2020 (including first degree relation)

A. 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:

- a) Mr. Abdulrahman Al Afifi – Chairman.
- b) Mr. Yazan S. Maragha – Board Secretary and Senior Governance Officer - Member.

The following tasks have been performed by the Committee during the year 2020:

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



B. 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 2020, 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 31 st Dec 2020
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. Ahmed Kilani	Board Member	N/A	N/A	N/A
Eng. Waleed Mohammad Mohammad	Board Member	7,565,842	16,210,500	30,000,000
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 of August 11, 2020)				
Mr. Saeed Mubarak Al Hajeri	Chairman of the Board	N/A	N/A	N/A
Mr. Ahmad Essa Al Falahi	Vice Chairman	N/A	N/A	N/A
Mr. Usama Mohamed Al Barwani	Board Member	N/A	N/A	N/A
Mr. Ajit Vijay Joshi	Board Member	N/A	N/A	N/A
Mr. Nureddin Sharif Sehweil	Board Member	N/A	N/A	N/A

3. FORMATION OF BOARD OF DIRECTORS

A. 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). The Board is also vested with Board authorities to attain the Company's goals and objectives in accordance with the Company's Article of Association.

Elections for the new board was held on 15th April 2019, whereby following board members were unanimously elected by the shareholders for a period of three-years. The below table exhibits the details as of 31st December 2019:



Table (A)

Name of Member/s	Board Position	Type / Nature of Membership	Date of Appointment in Board	Date of Resignation from the Board
Mr. Saeed Mubarak Al Hajeri	Chairman	Non-Executive/ Independent	15 th April 2019	11 th August 2020
Mr. Ahmad Essa Al Falahi	Vice Chairman	Non-Executive/ Independent	15 th April 2019	11 th August 2020
Mr. Ahmed Kilani	Board Member	Non-Executive/ Independent	7 th Mar 2016	-
Mr. Usama Mohamed Al Barwani	Board Member	Non-Executive/ Independent	15 th April 2019	11 th August 2020
Mr. Nureddin Sharif Sehweil	Board Member	Non-Executive/ Independent	15 th April 2019	11 th August 2020
Dr. Abdul Rahman Al Afifi	Board Member	Non-Executive/ Independent	25 th March 2018	-
Mr. Ajit Vijay Joshi	Board Member	Non-Executive/ Independent	13 th Jan 2019	11 th August 2020

- On August 11, 2020, the resignation of the members of the Board of Directors, whose names are listed in Table A above, was approved, with the exception of Mr. Abdulrahman Al Afifi and Mr. Ahmed Kilani.
- Following the collective resignation, the two non-resigning members called for the general assembly to convene on August 31, 2020 to elect new board members and fill the vacant board seats.

Table (B)

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. Ahmed Kilani	Board Member	Non-Executive/ Independent	7 th March 2016	-
Eng. Waleed Mohammad Mohammad	Board Member	Non-Executive/ Independent	31 st August 2020	-
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 Alhamadi	Board Member	Non-Executive/ Independent	31 st August 2020	-

B. The composition/qualification and profile of board members as at 31st Dec 2020:

1. 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

2. Eng. Abdulla Subhi Atatreh

▪ **Vice Chairman**

▪ **Member 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 and Managing Director of TABARAK Investment. He is also a board member of Drake & Scull International PJSC and a Board Member in Wahat Al Zaweya.

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.

3. Mr. Ahmed Kilani

▪ **Board Member**

▪ **Chairman of the Audit Committee**

▪ **Member of the Executive Committee**

▪ **Member of the Nomination & Remuneration 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.



4. Eng. Waleed Mohammad Mohammad

- **Board Member**
- **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.

5. Dr. Abdulaziz Fahad H. Alongary

- **Board Member**

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 board member of Wahat Al Zaweya PJSC, 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.

6. Dr. Abdul Rahman Al Afifi

- **Board Member**
- **Chairman of the Insiders Trading Committee**
- **CEO of H.H. Sheikh Tahnoon Bin Mohammed Al Nahyan's Office**

Mr. 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, Mr. 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.

Mr. 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 manages and directs 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.

Al-Afifi has been appointed to the privet 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.

7. Mr. Mohamed Ahmad Alhammadi

- **Board Member**
- **Member of the Audit Committee**
- **Member of the Investment 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.

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	Board Member of Drake & Skull International PJSC
2	Mr. Ahmed 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 Wahat Al Zaweya Private Joint-Stock Company
3	Dr. Abdulaziz Fahad H. Alongary	Board Member of Bunyan Holding Company in Riyadh Board Member of Wahat Al Zaweya Private Joint-Stock Company



C. Female component in the Board during the year 2020

None.

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

No female candidate was nominated in the Board elections.

E. Statement regarding:

1. Directors' remuneration for the year 2019

The Board of Directors did not receive any remuneration for their efforts during the year 2019.

2. Proposed BoD remuneration for 2020 which will be presented in the General Assembly Meeting for approval

The Board shall not receive any remuneration for the year ended 2020.

3. Allowances for attending board committee meetings, during the year 2020

- 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 2020.
- The Board is only entitled for annual remuneration, based on general assembly resolution. Board members do not get any allowance/fee for attending the committee meetings.

F. The number of board meetings held during the year 2020, along with dates/attendance & proxies

Table (A)

Board of Directors up to 11 August 2020											
Board Members	Meetings Held in Person					Meetings Held Via Circulation					
	25 Mar	11 Jun	27 Jul	11 Aug	25 Aug	16 Jan	13 Feb	6 Apr	12 Apr	3 May	8 Jun
Mr. Saeed Mubarak Al Hajeri*	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓
Mr. Ahmad Essa Al Falahi*	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓
Mr. Ahmed Kilani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Usama Mohamed Al Barwani*	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓
Mr. Ajit Vijay Joshi*	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Dr. Abdul Rahman Al Afifi	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nureddin Sharif Sehweil*	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓

* Mr. Saeed Mubarak Al Hajeri resigned from his position as a board member on August 11, 2020.

* Mr. Ahmad Essa Al Falahi resigned from his position as a board member on August 11, 2020.

* Mr. Usama Mohamed Al Barwani resigned from his position as a board member on August 11, 2020.

* Mr. Ajit Vijay Joshi resigned from his position as a board member on August 11, 2020.

* Mr. Nureddin Sharif Sehweil resigned from his position as a board member on August 11, 2020.



- All resignations of Board Members mentioned above were accepted on August 11, 2020.
- As a result of the mass resignation, the two remaining members called for a general assembly to be held on August 31, 2020 to elect new board members and fill the vacant seats.

Table (B)

Board of Directors since August 31 2020			
Board Members	Meetings Held in Person		
	2 Sep	27 Oct	12 Nov
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	✓	✓	✓
Eng. Abdulla Subhi Atatreh	✓	✓	✓
Mr. Ahmed Kilani	✓	✓	✓
Eng. Waleed Mohammad Mohammad	✓	✓	✓
Dr. Abdul Rahman Al Afifi	✓	✓	✓
Dr. Abdulaziz Fahad H. Alongary	✓	✓	✓
Mr. Mohamed Ahmad Alhammadi	✓	✓	✓

G. 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 shall taking 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. The Board have delegated powers to the executive committee on April 21, 2019 with the top management of the company, to achieves the work assigned to them, as well as the targets/objectives set by the Board and ensures that all departments are managed effectively in terms of resources, operations and profitability. The main tasks entrusted to the EC and Executive Management is to attain the vision, mission, strategic plans, expansions/growth and improve the overall image and reputation of Gulf Navigation Holding Company (PJSC). The Executive Committee continued to hold its regular meetings and follow up the company's business until the date of the resignation of its members / members of the Board of Directors on August 11, 2020.

1. 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.



Statement of the details of transactions made with the related parties (Stakeholders) during 2020 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	10,000,000

The outstanding balances of amounts due from/to related parties are given below:

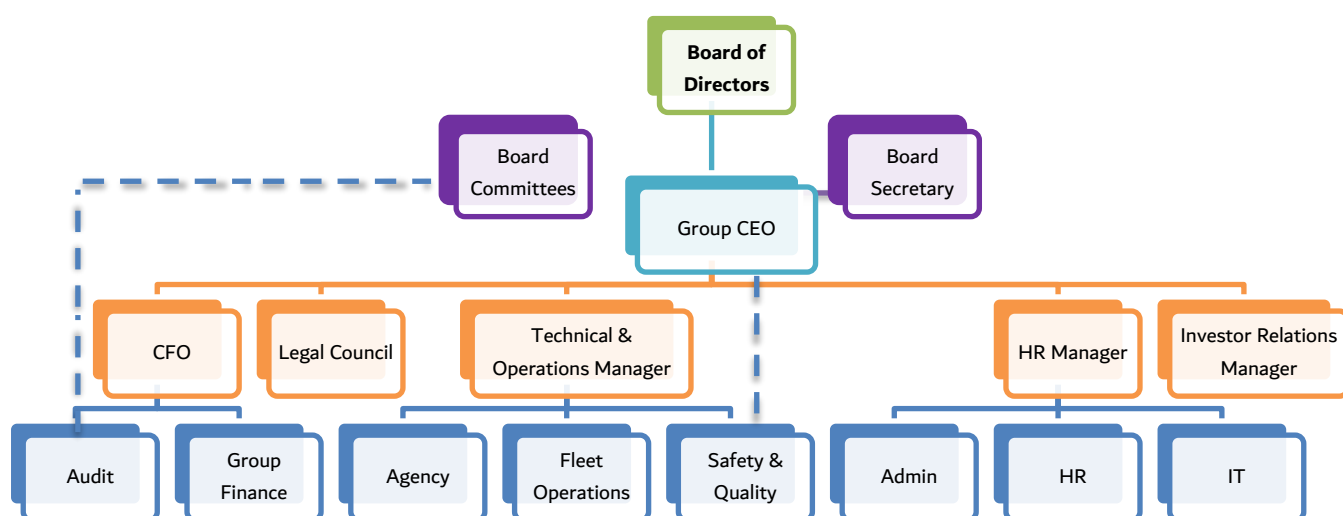
Due to related parties

	2020 AED'000
Gulf Stolt Tankers DMCCO (Joint venture)	144

Key Management Remuneration

	2020 AED'000	2019 AED'000
Short Term Benefits	1,710	3,654
End of service benefits	39	85

H. Company's organizational structure



I. 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 2020:

Title	Date of Appointment	Salaries & Allowances (AED)	Bonus (AED)	Cash/in-kind Benefits (AED)	Date of Resignation
CFO	06-08-2018	750,627	Nil	Nil	04-09-2020
CFO	06-09-2020	178,706	Nil	Nil	26-11-2020
Finance Director	06-12-2020	41,030	Nil	Nil	-
Director – Technical & Operations	03-12-2019	731,250	Nil	Nil	-
General Manager- GSM	24-04-2018	103,315	Nil	Nil	09-04-2020
Manager Operations & Technical Services - GNPM	07-06-2018	310,196	Nil	Nil	03-06-2020
General Manager- KSA Branch	01-07-2009	349,720	Nil	Nil	-
Board Secretary. Compliance Officer and Investor Relations Manager	16-05-2017	246,362	Nil	Nil	09-10-2020
Board Secretary and Investor Relations Manager	03-09-2020	74,490	Nil	Nil	-

4. EXTERNAL AUDITORS

A. Overview of the External Auditor

Deloitte was appointed by the shareholders through General Assembly Meeting held on 15th April 2019, as the external auditor for the group. And Mr. Mohamed Jalad, the Deloitte partner, was appointed as their representative and responsible for the company's accounts since April 15, 2020 (2 years).

Deloitte is a global leader in assurance, tax, transaction and advisory services. The MENA practice of Deloitte has been operating in the region since 1926. For over 90 years, EY have grown to over 250,000 people united across 26 office and 14 countries, sharing the same values and an unwavering commitment to quality. As an organization Deloitte continue to develop outstanding leaders who deliver exceptional services to the clients and who contribute to the communities.

B. Appointment, fees and services

The shareholders resolved on 12th of May 2020 to appoint Deloitte as the external auditors for GNH and subsidiaries, with a total remuneration amounting to AED 535,000.

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 GAM.



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

Audit Firms/Consultants	Deloitte	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)	2020	2017	2019	2016	2020
Total audit fees for the financial statement	N/A	N/A	N/A	AED 4,000	N/A
Fees and costs of the special services, other than audit of financial statements	AED 66,261	AED 32,208	AED 77, 123	N/A	AED 20,000
The details/nature of other services	Updating GAZT record and preparation, certification and submission of the Branch tax return	KSA branch VAT and Withholding tax preparation and submission	N/A	Valuation of Livestock vessels	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 2020.

5. AUDIT COMMITTEE

A. Statement of Audit Committee members and their tasks/duties

The Audit Committee is composed of the following members as of 31st Dec 2020:

Name of Board Members	Position	Status
Mr. Ahmed Kilani	Chairman	Independent/Non-Executive Directors
Dr. Abdul Rahman Al Afifi	Member	Independent/Non-Executive Directors
Mr. Mohamed Ahmad Alhammadi	Member	Independent/Non-Executive Directors

The primary tasks of the Audit Committee include:

- **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).
- **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, Internal Auditors 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.

▪ **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.

▪ **Relationship with internal auditor**

1. Develop a policy on confidential reporting by employees. The policy should relate to financial irregularities, internal control matters or other matters of concern to the company. Further, to ensure that proper procedures are in place to allow for independent and fair investigations of reported matters.
2. Ensure that the Internal Audit function is adequately resourced and has an appropriate standing within the Company.
3. Monitor compliance with the Code of Business Conduct.
4. Consider the findings of investigations initiated by the Board of Directors.
5. Ensure coordination between the Internal and External Auditors.
6. Ensure adherence to the duties & responsibilities included in the Charters.
7. Ensure that findings and recommendations identified by the Internal Auditors are timely implemented/resolved by the management.

B. Number of Audit Committee meetings held during the year 2020 along with the dates/ attendees

Table (A)

Audit Committee Meetings held up to August 11, 2020		
Name of Board Member	27 Jan	25 Mar
Mr. Usama Al Barwani – Chairman	✓	✓
Mr. Ahmed Kilani	✓	✓
Mr. Ajit Joshi	✓	✓



Table (B)

Audit Committee Meetings held since August 30, 2020		
Name of Board Member	12 Nov	30 Dec
Mr. Ahmed Kilani	✓	✓
Dr. Abdul Rahman Al Afifi	✓	✓
Mr. Mohamed Ahmad Alhammadi	✓	✓

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

6. NOMINATION AND REMUNERATION (N&R) COMMITTEE

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

The N&R Committee is composed of the following members as of 31st Dec 2020:

Name of AC Members	Position	Status
Engr. Abdulla Atatreh	Member	Independent/Non-Executive Directors
Mr. Mohamed Ahmad Alhammadi	Member	Independent/Non-Executive Directors
Eng. Waleed Mohammad Mohammad	Member	Independent/Non-Executive Directors

* No Meetings were held by the committee since their appointment on September 2nd, 2020.

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.

B. Number of N&R Committee meetings held during the year 2020 along with dates/ attendees

Name of NRC Member till 2 nd of September 2020	25 Aug
Dr. Abdul Rahman Al Afifi – Member	✓
Mr. Ahmed Kilani – Member	✓

7. 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 four members:

- a) Dr. Abdulrahman Al Afifi – Chairman
- b) Mr. Yazan S. Maragha – Board Secretary & Senior Governance Officer - Member

The following tasks have been performed by the Committee during the year 2020:

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

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

8. OTHER COMMITTEES FORMED/APPROVED BY THE BOARD

The following committees were formed by a decision issued by the company's board of directors on September 2, 2020:

Investment Committee

Name of Investment Committee Members
Dr. Abdulrahman Al Afifi – Chairman
Mr. Ahmad Kilani - Member
Mr. Mohamed Ahmad Alhammadi - Member

The primary tasks of the committee include new ventures/projects, investment opportunities, expansions/growth, forecasts, strategy reviews, etc.



Number of Investment Committee meetings held during the year 2020 along with dates/ attendees

- The Investment Committee did not hold any meetings in 2020.

Executive Committee

Name of Investment Committee Members – Up Until August 11, 2020
Mr. Saeed Al Hajeri – Chairman
Mr. Ahmad Al Falahi – Member
Mr. Ajit Joshi - Member

The primary tasks of the committee:

Follow-up of the company's activities, evaluation and follow-up of the implementation of decisions issued by the Board of Directors, appointment / termination the senior management and follow-up of business progress by senior management, monitoring the financial situation and cash flow projections, setting and reviewing strategic plans in the company, etc.

Number of Executive Committee meetings held during the year 2020 along with dates/ attendees.

- Up until August 11, 2020 the committee met on a regular basis to follow-up and discuss the latest updates on the company's activities.

9. INTERNAL CONTROLS SYSTEMS

a. 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.
- ICD executes its duties in accordance with the Charter and policies of Internal Controls Dept. which is duly approved by the Audit Committee.

Briefly, ICD is responsible for the following tasks/ activities (but not limited to):

- Develop and execute annual risk-based internal audit plan which is duly approved by the MD & Group CEO and the Audit Committee.
- Conduct enterprise risk assessment on a periodic basis in order to identify, assess and evaluate the risks surrounding the organization. Accordingly, direct audit resources at high/key risk areas and processes in order to review, recommend and perform follow up on a regular basis to ensure risk appetite of Company is kept at an acceptable level.
- Submit comprehensive audit reports to the MD & Group CEO and Audit Committee, providing overview of effectiveness of internal controls/reasonable assurance over



operating effectiveness of controls, improvement opportunities identified, value additions, observations/weaknesses, etc.

- Provide the necessary support to the executive management to identify and evaluate the risks facing the organization and business processes, highlight improvement opportunities and other advisory/ management consultation and support activities as deemed necessary.
- Conduct special assignments/investigations as per the requests from the executive management and/or the Board.
- Ensure compliance with the applicable rules, regulations and legislations issued by the Securities and Commodities Authority (SCA), Dubai Financial Market (DFM), Commercial Companies' law, etc.
- Establish mechanism for employees to communicate irregularities discovered by them (whistle blowing/ confidential reporting).
- 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.

b. Dealing with major/ critical problems in the Company

- During the year 2020, no significant/critical audit observations were noted.
- Major/critical issues (if any) are being immediately discussed and reported to the executive committee, and the Audit Committee (where appropriate). Internal Control department actively follow-up on such major issues to ensure its timely and proper implementation.
- ICD has a formal mechanism to follow-up the implementation of the audit findings identified during audit engagements and accordingly apprise the executive management and the Audit Committee with the status (open/ closed, justifications by the process owners, etc.) on a quarterly basis.

c. Name of the Internal Control Department Manager with the qualification

ICD was headed by Mr. Mohammed Valli up until November 2019. The Company is currently looking to appoint a new ICD Manager.

d. Name of the Compliance Officer with the qualification

Mrs. Mai Sadaqa held the position of Compliance Officer until October 9, 2020 when she left the company. She holds a bachelor's degree in Accounting.

e. 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.

10. VIOLATIONS COMMITTED DURING THE FINANCIAL YEAR 2020

There were one fines/penalties imposed during the year 2020. The company is constantly keen to comply fully with the instructions of the Securities and Commodities Authority and the delivery of reports on time.



11. COMPANY'S CASH AND/OR IN-KIND CONTRIBUTION TO THE LOCAL COMMUNITY DEVELOPMENT AND ENVIRONMENTAL CONSERVATION DURING THE YEAR 2020

- No contribution made in 2020.

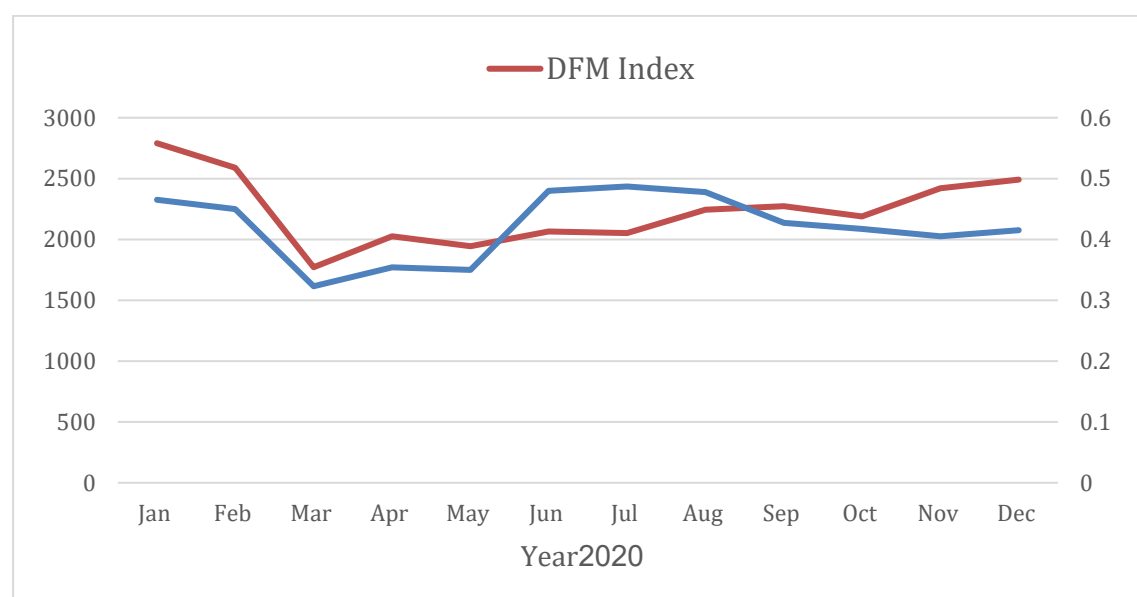
12. GENERAL INFORMATION

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

Months (2020)	High (AED)	Low (AED)	Closing Price (AED)
January	0.562	0.437	0.465
February	0.517	0.410	0.45
March	0.460	0.297	0.323
April	0.366	0.280	0.354
May	0.397	0.337	0.35
June	0.519	0.340	0.48
July	0.550	0.460	0.487
August	0.549	0.454	0.478
September	0.512	0.425	0.427
October	0.450	0.400	0.417
November	0.438	0.390	0.405
December	0.464	0.394	0.415

*above data has been obtained from DFM.

B. Performance of company shares against Dubai Financial Market General Index (DFMGI) for the year 2020



*above data has been obtained from DFM.

Note: comparison cannot be effectively performed within industry sector index as GNH is the only maritime and shipping company listed on the DFM.

C. Distribution of the shareholding structure as of 31st Dec 2020

Ownership/ Citizen	Individual	Bank	Company	Institution	Government	Total
Arab	13.21%	-	0.10%	-	-	13.32%
GCC	5.60%	-	3.26%	-	-	8.85%
UAE	23.26%	0.05%	48.01%	0.13%	% 0.02	71.47%
Others/Foreign	2.15%	0.50%	3.70 %	-	-	6.35%
Total	% 44.22	% 0.55	% 55.07	0.13%	% 0.02	100%

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

D. Top 5% and above shareholding as on 31st Dec 2020

Individual/Group Investors (Shareholders)	Qty Owned (No.)	Qty Owned (%)
White Avenue Investment LLC	60,177,387	5.90 %
Wahat Al Zaweya Investment & Real Estate Development	70,000,000	6.87 %
Tabarak International Investment	86,319,689	8.47 %
Ajman Bank PJSC	137,660,270	13.51 %

*above data has been obtained from DFM

E. Shareholding distribution based on volume as on 31st Dec 2020

Share Ownership Volume (Qty)	No. of Shareholders	No. of Shares Owned (Qty)	% of Owned Shares in the Company Capital
Less than 49,999	10,714	41,545,004	4.10%
50,000 – 499,999	487	54,796,146	7.45%
500,000 – 4,999,999	119	102,210,399	14.97%
Above 5,000,000	30	820,657,701	73.48%
Total	11,221	1,019,209,250	100%

*above data has been obtained from DFM

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

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.

G. General Assembly – special resolutions during 2020 and its implementation status

▪ Special Decisions and Resolutions of the General Assembly meeting held on May 12, 2021.

Unanimously approve to amend the Article 43-1 of the Article of Association:

To Be: "The invitation for attending the General Assembly Meeting shall be addressed to Shareholders through the announcement in two local daily newspapers one of which is in Arabic language and by registered mail or an email or Short Messaging Service (SMS) accompanied by a copy of the Board's Report and Accounting Auditors' report, before 15 days at least from the date specified for the meeting after getting the approval of the Authority. The invitation must be accompanied with the agenda of that meeting and a copy of the invitation documents shall be forwarded to the concerned authority".

▪ Special Decisions and Resolutions of the General Assembly meeting held on March 29, 2020:

- 1 Approved the issuance of Islamic sukuk for a total value of AED 125,000,000 (one hundred and twenty five million UAE Dirhams) ("Sukuk") by way of a private placement to "qualified investors" (as the term is defined in the Chairman of the Board of Directors of SCA Decision No. (3 /R.M) of 2017 Concerning the Organization of Promotion and Introduction), in accordance with the following terms:

- Issuer: An orphan special purpose company to be incorporated in the Cayman Islands
- Security Type: Non-convertible Islamic Sukuk
- Type of Sukuk: Compliant with Islamic Shari'a (for example, Mudarabah and/or Murabaha or such other structure the board of directors of the Company (the "Board") deems appropriate)
- Total Value of Sukuk: AED 125,000,000 (one hundred and twenty-five million UAE Dirhams)
- Total Number of Sukuk: 125,000,000 (one hundred and twenty-five million)
- Issuance Price Per Sak: AED 1 (one UAE Dirham) per Sak



- Profit Payments: 12% per annum, payable every six months
- Sukuk Issuance Date: The Board will be delegated the authority to determine the date, provided that such date does not exceed one year from the date on which the authority was delegated to it, and subject to compliance with applicable UAE laws
- Final Dissolution / Due Date: five (5) years from the Sukuk Issuance Date
- Guarantee: No guarantees or mortgages/pledges will be given in return of issuing the Sukuk
- Debt Ranking: Directly behind preferred and secured creditors, which debts are guaranteed by way of law or written agreement, and pari passu with unsecured creditors and other creditors
- Purpose of Issuing the Sukuk:
The proceeds of the Sukuk will be used to finance the items in schedule "A".

The Company will annually make disclosures to the general assembly on the use of the proceeds and any use which was for a purpose than the ones set out in the schedule.

- Sukuk Holders: Qualified investors
- Relationship of Sukuk Holder with the Company:

The offer to issue the Sukuk will be limited to qualified investors only - however some of the targeted qualified investors may already be current shareholders of the Company.

If any of the Sukuk will be issued to related parties of the Company, such related parties will not have the right to participate in any decision relating to the issue of the Sukuk in compliance with Article (152) of the Federal Commercial Companies Law No. (2) of 2015 and Article (15) of the Resolution No (7 R.M) of 2016 Concerning the Standards of Institutional Discipline and Governance of Public Joint Stock Companies and the other related regulations. The related parties are also required to comply with this requirement in connection with any decision at the general assembly meeting.

- 2 Approved the delegating to the Board to implement the process of issuing the Sukuk; and to authorize and appoint any Board member to solely represent the Company and to sign, execute and submit the documents, contracts, agreements and letters related to the issuance of the Sukuk, to agree to the terms and conditions, finalize all procedures and deal with all regulatory authorities including without limitation Dubai Economy, the Notary Public, the Emirates Securities and Commodities Authority (the "SCA") and the Dubai Financial Market (the "Market"). The Board is required to make a disclosure to the shareholders, the Market and the SCA immediately after the issue of the Sukuk. The Company is also required to provide the SCA with all information relating to the issue of the Sukuk once completed together with an acknowledgment from the Board confirming that the procedures implemented are correct and comply with applicable laws supported by a report from an auditor confirming the same.

H. Name and appointment of board secretary with the qualification

Mr. Yazan S. Maragha was appointed on October 27, 2020 as a Board secretary, as well as Investor Relations Officer and Senior Governance Officer, to take over the task Ms. Mai Sadaqa – Senior Governance Officer (Board Secretary/Investor Relations Manager & Corporate Communication) who was relieved of her duties on October 9, 2020.



Mr. Yazan 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.

I. Functions of the Board's Secretary during the year 2020

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.

J. Significant events during the year 2020 (excerpts).

1. **11 August 2020;** The resignation of the five members of the Board of Directors.
 2. **31 August 2020;** New board members were nominated and elected to fill the vacant seats on the company's board for the remainder of the current board term for the 2019-2022 term.
 3. **02 September 2020;** The unfortunate incident of the vessel "Gulf Livestock 1"
 4. **02 September 2020;** H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan was elected to be the Chairman of the Board of Directors of the company. Eng. Abdullah Atatreh was elected as Vice Chairman, and the committees emanating from the Board of Directors were formed.
 5. **28 September 2020;** BH Mubasher Financial Services PJSC appointed as the liquidity provider for the Company's shares traded on the Dubai Financial Market.
- 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.

K. Percentage of Emiratization at the company by the end of 2020

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

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

During the year 2018, Mr. Khamis Buamim - Board Member, Managing Director and Group CEO (resigned on January 1, 2019)

L. Statement of the innovative projects undertaken by the company (or under development) during 2020

As part of the company's strategic objectives, mission/vision and expansion plans, several other innovative projects are also 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 organization and shareholder value.



In 2020, 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 2020, 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.
- Installing modern and advanced engine propellers that reduce fuel consumption.
- Cyber security onboard the vessel.
- Air guard seal type stern tube - to comply with USCG requirement and in order to prevent oil pollution.

**H.H. Sheikh Theyab Bin Tahnoon
Bin Mohammad Al Nahyan**
Chairman of the Board

Mr. Ahmed Kilani
Chairman of Audit Committee

Eng. Abdulla Subhi Atatreh
Member of the NR Committee

