

# CORPORATE GOVERNANCE REPORT

**To maintain the trust and confidence of our Shareholders and Investors, it is vital that we act responsibly and conduct our business activities with transparency and integrity.**





# CONTENTS

Corporate Governance Practices During 2022	1
Board Members' Shares Transactions/Dealings During 2022 (including first degree relation)	3
Formation of Board of Directors	5
External Auditors	13
Audit Committee	14
Nomination and Remuneration (N&R) Committee	16
Insiders' Trading, Follow-Up and Supervision Committee	18
Internal controls systems	19
Violations committed during the financial year 2022	20
Company's cash and/or in-kind contribution to the local community development and environmental conservation during the year 2022	21
General information	22

# CORPORATE GOVERNANCE PRACTICES DURING 2022



Gulf Navigation Holding PJSC (referred hereafter as "GULFNAV" 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.

GULFNAV 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.

GULFNAV 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 GULFNAV 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 2022

(INCLUDING FIRST DEGREE RELATION)

### POLICY FOR SECURITIES ISSUED BY GULF NAVIGATION HOLDING (INSIDER TRADING)

At GULFNAV, there are set of guidelines for Board Members and employees with respect to transactions in GULFNAV 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 GULFNAV 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 – Director of Investor Relations & Corporate Communications – Member

#### The following tasks have been performed by the Committee during the year 2022:

- 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 2022,

GULFNAV 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 2022
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	6,810,000
Mr. Ahmad Kilani	Board Member	N/A	N/A	7,500,000
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
Ms. Manwa Ala Al Brich	Board Member	N/A	N/A	N/A
Mr. Omar Saeed Alromaithi	Board Member	N/A	N/A	N/A
<b>MEMBERS (AS AT APRIL 28, 2022)</b>				
Mr. Mohamed Alhammadi <sup>1</sup>	Board Member	N/A	N/A	N/A

<sup>1</sup> Mr. Mohamed Alhammadi's board membership ended in April 28, 2022.

## 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	End of Term
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	Chairman	Non-Executive/ Independent	28th April 2022	-
Eng. Abdulla Subhi Atatreh	Vice Chairman	Non-Executive/ Independent	28th April 2022	-
Mr. Ahmad Kilani <sup>2</sup>	Board Member / Managing Director	Executive	28th April 2022	-
Dr. Abdul Rahman Al Afifi	Board Member	Non-Executive/ Independent	28th April 2022	-
Dr. Abdulaziz Fahad H. Alongary	Board Member	Non-Executive/ Independent	28th April 2022	-
Ms. Manwa Ala Al Brich	Board Member	Non-Executive/ Independent	28th April 2022	-
Mr. Omar Saeed Alromaithi	Board Member	Non-Executive/ Independent	28th April 2022	-
Mr. Mohamed Alhammadi	Board Member	Non-Executive/ Independent	31st August 2020	28th April 2022

<sup>2</sup> Mr. Ahmad Kilani was appointed as a managing director in the company pursuant to a decision of the Board of Directors issued at 2nd meeting of the year 2022 dated 13/05/2022.



## THE COMPOSITION/QUALIFICATION AND PROFILE OF BOARD MEMBERS AS AT 31<sup>ST</sup> DEC 2022:

### 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

### ENG. ABDULLA SUBHI ATATREH

VICE CHAIRMAN  
CHAIRMAN OF THE NOMINATION & REMUNERATION COMMITTEE

Eng. Abdulla Atatreh is highly experienced businessman who started his career in 2000 upon the real estate boom in Dubai. His first ventures were in real estate, but he started engaging in diverse sectors in 2011 including insurance, contracting, shipping and other sectors. Engr. Atatreh has a bachelor's degree in civil engineering from United Arab Emirates University and a master's degree in management from Al Ain University of Science and Technology.

Eng. Atatreh is a Board Member in Drake & Scull International PJSC, a Board member in Dar Al Marefah Commercial Investment, and a Board Member in Anan Investment Holding (Private Joint-Stock Company). He is also an active member of the Board of Trustees at Al Ain University of Science & Technology (AAU).

### MR. AHMAD KILANI

BOARD MEMBER / MANAGING DIRECTOR  
CHAIRMAN OF THE AUDIT COMMITTEE

Ahmad Kilani is a well-versed finance professional with an overall experience of more than 20 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 also a board member of Drake & Scull International PJSC.

### 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.

### DR. ABDUL RAHMAN AL AFIFI

BOARD MEMBER  
CHAIRMAN OF THE INSIDERS' TRADING, FOLLOW-UP AND SUPERVISION COMMITTEE  
MEMBER OF THE AUDIT COMMITTEE  
CEO OF H.H. SHEIKH TAHNOON BIN MOHAMMAD 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.

### MR. OMAR SAEED ALROMAITHI

BOARD MEMBER  
MEMBER OF THE AUDIT COMMITTEE

Mr. Omar Alromaithia graduated from the University of Tampa in the US, with a Bachelor's in Management Information Systems. Has more than 20 years of experience in Management Information Systems and managing technical projects, and worked for several years as a Senior Protocol Officer at Diwan Sheikh Sultan Bin Zayed Al Nahyan.

Mr. Alromaithi currently serves as the Head of Marketing in Abu Dhabi Sport Council.

### MS. MANWA ALAA AL BRICH

BOARD MEMBER  
MEMBER OF THE NOMINATION AND REMUNERATION COMMITTEE

Ms. Manwa Al Brich graduated from the American University in Dubai before studying post-graduate Art and Archaeological Studies at the University of Sorbonne, Paris. She completed her education at the House of Sotheby's in London, gaining deep experience in international trade.

### MR. MOHAMED AHMAD ALHAMMADI<sup>1</sup>

BOARD MEMBER (TERM ENDED)  
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 several institutional governmental committees working in social, economic and other fields.

<sup>1</sup> Mr. Mohamed Alhammadi's Board Membership ended on April 28th, 2022.



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

SR #	Name of GULFNAV Board Member	Board membership in other public shareholding Co.
1	Eng. Abdulla Atatreh	Board Member in Drake & Skull International PJSC
2	Mr. Ahmad Kilani	Board Member in Drake & Skull International PJSC

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

SR #	Name of GULFNAV 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 in Anan Investment Holding (Private Join-Stock Company) Board member in Dar Al Marefah Commercial Investment
3	Dr. Abdulaziz Fahad H. Alongary	Vice-Chairman of Anan Investment Holding (Private Join-Stock Company) Board Member of Bunyan Holding Company in Riyadh
4	Mr. Ahmad Kilani	Board Member of Anan Investment Holding (Private Join-Stock Company)



**PERCENTAGE OF FEMALE REPRESENTATION IN THE BOARD FOR 2022**

Female participation at GULFNAV's Board is 14%.

**REASONS FOR NOT NOMINATING ANY FEMALE TO THE BOARD'S MEMBERSHIP**

Not applicable as female participation at GULFNAV's Board is 14%.

**STATEMENT REGARDING:**

**DIRECTORS' REMUNERATION FOR THE YEAR 2021**

The Board of Directors received 600,000 dirhams for their efforts during the year 2021.

**PROPOSED BOD REMUNERATION FOR 2022 WHICH WILL BE PRESENTED IN THE GENERAL ASSEMBLY MEETING FOR APPROVAL**

- To be discussed in the General Assembly scheduled to be held in April 2023.
- 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.

**ALLOWANCES FOR ATTENDING BOARD COMMITTEE MEETINGS, DURING THE YEAR 2022**

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 GULFNAV 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 2022.

**THE NUMBER OF BOARD MEETINGS HELD DURING THE YEAR 2022, ALONG WITH DATES/ATTENDANCE & PROXIES**

Board Members	Meetings Held in Person			
	31/03/2022	13/05/2022	12/08/2022	03/11/2022
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	✓	✓	✓	✓
Eng. Abdulla Subhi Atatreh	✓	✓	✓	✓
Mr. Ahmad Kilani	✓	✓	✓	✓
Dr. Abdulaziz Fahad H. Alongary	✓	✓	✓	✓
Dr. Abdul Rahman Al Afifi	-	✓	✓	✓
Ms. Manwa Ala Al Brich	N/A	✓	✓	✓
Mr. Omar Saeed Alromaithi	N/A	✓	✓	✓
Mr. Mohamed Ahmad Alhammadi <sup>1</sup>	✓	-	-	-

<sup>1</sup> Mohamed Alhammadi's board membership ended on April 28, 2022.

## THE NUMBER OF BOARD RESOLUTIONS PASSED BY CIRCULATION DURING 2022

No resolutions were passed by circulation in 2022.

## TASKS AND FUNCTIONS CARRIED OUT BY THE EXECUTIVE MANAGEMENT AS DELEGATED BY THE BOARD OF DIRECTORS DURING 2022

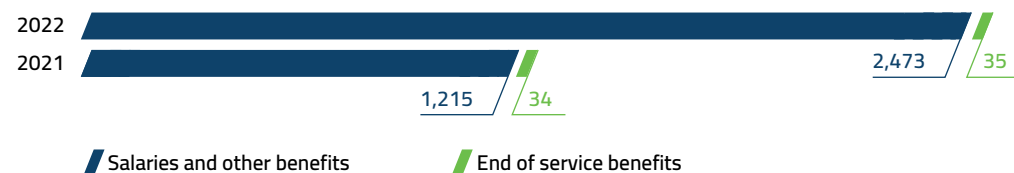
The Company's Articles of Association shall determine the duties and responsibilities of the Board of Directors, and the Board of Directors takes the necessary procedures to ensure compliance with applicable laws, regulations, and resolutions, as well as the requirements of the supervisory authorities;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

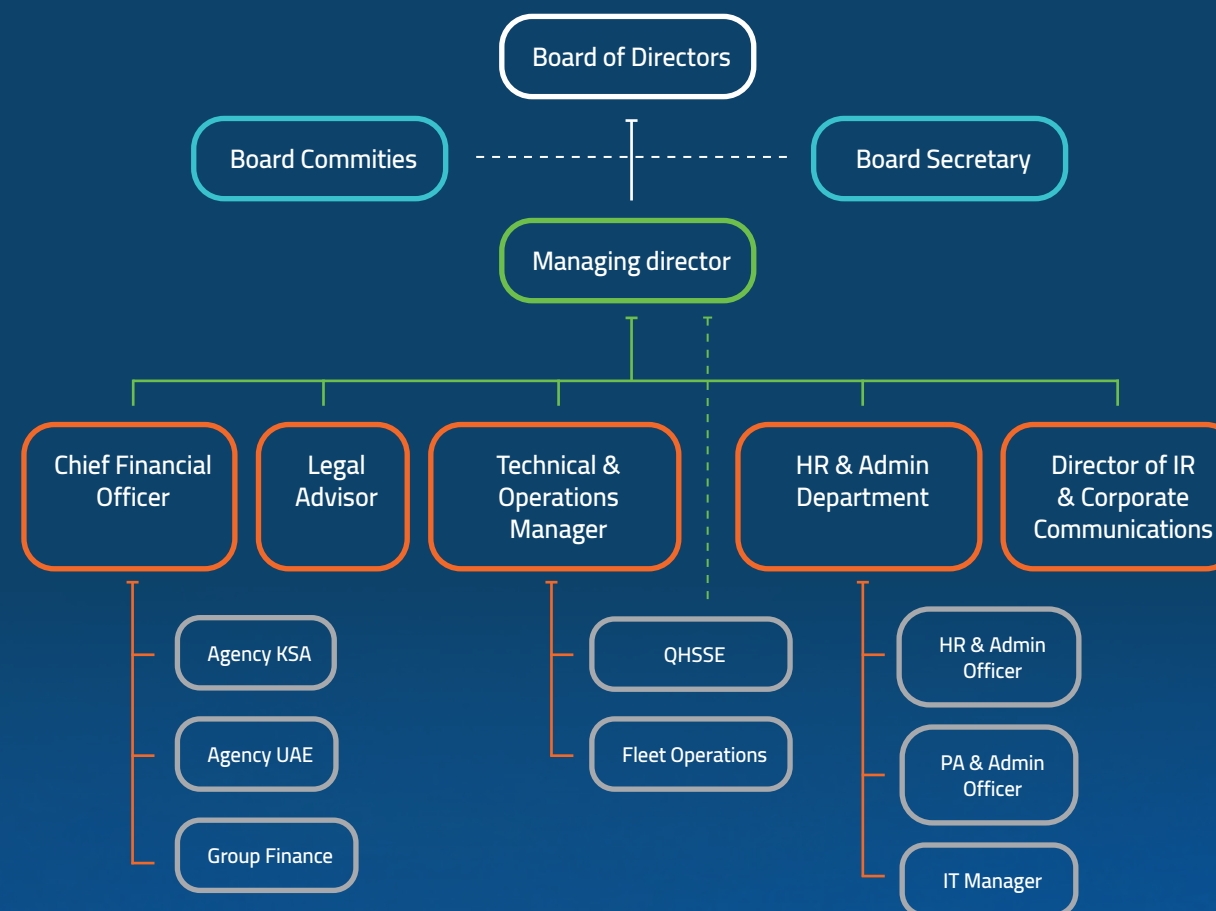
Related parties include the major shareholders, directors, key management personnel of the Group, and their related entities that has control, joint control or significant influence over the group. Pricing policies and terms of these transactions are approved by the Group's management. Determination 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 2022 PARTY TRANSACTIONS AND BALANCES:**  
The Group entered did not enter into transactions with related parties during 2022.

### B- KEY MANAGEMENT REMUNERATION (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 2022:

Title	Date of Appointment	Salaries & Allowances (AED)	Bonus (AED)	Cash/in-kind Benefits (AED)	Date of Resignation
Managing Director (MD) <sup>1</sup>	10-06-2021	860,000	Nil	Nil	-
Chief Financial Officer (CFO)	31-03-2021	869,000	195,000	Nil	-
Manager – Technical & Operations	05-09-2021	251,100	Nil	Nil	03-09-2022
Manager – Technical & Operations	17-10-2022	76,000	Nil	Nil	-
General Manager- KSA Branch	01-07-2009	349,721	26,119	Nil	-
Board Secretary	03-09-2020	306,250	48,000	Nil	-
Director of Relations	14-02-2021	326,250	48,000	Nil	-

<sup>1</sup> The Managing Director was appointed on 10/06/2021 and reappointed on 13/05/2022. He has been a board member since 2016.

## EXTERNAL AUDITORS

### OVERVIEW OF THE EXTERNAL AUDITOR

Ernst & Young was appointed by the shareholders through General Assembly Meeting held on 28th of April 2022, as the external auditor for the Company. 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 28th of April 2022 to appoint EY as the external auditors for GULFNAV, with a total remuneration amounting to AED 307,000.

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	Ernst & Young	Al Shabanat	Excellence	MARS
Group companies	GULFNAV PJSC GULFNAV – KSA Branch GNPM	GULFNAV – KSA Branch	Gulf Nav Ship Management FZE Gulf Navigation Group FZCO	GULFNAV PJSC and Branches in UAE
Associated since (year)	2021	2017	2016	2020
Total audit fees for the financial statement	497,000	N/A	AED 3,200	N/A
Fees and costs of the special services, other than audit of financial statements	N/A	AED 17,568	N/A	AED 10,000
The details/nature of other services	N/A	KSA branch VAT submission	N/A	ESR Notification and Substance Reporting Support
Statement of other services obtained from another external auditors/ consultants	N/A	N/A	N/A	N/A

Qualified opinions were not issued/given by the auditors for the financial period 2022.

One Qualified opinions was issued by the auditors for the financial period 2022, as follows: "the Group's profit for the year ended 31 December 2022 includes a net income of AED 12,036 thousand from trading of its own equity instruments ('treasury shares'). As per IAS 32, no gain or loss shall be

recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. As a result, the Group's profit for the year ended 31 December 2022 has been overstated by AED 12,036 thousand.





# AUDIT COMMITTEE

## STATEMENT OF AUDIT COMMITTEE MEMBERS AND THEIR TASKS/DUTIES

The Audit Committee is composed of the following members as of 31st Dec 2022:

Name of Board Members	Position	Status
Mr. Ahmad Kilani	Chairman	Executive Director
Dr. Abdul Rahman Al Afifi	Member	Independent/Non-Executive Director
Mr. Mohamed Ahmad Alhammadi <sup>1</sup>	Member	Independent/Non-Executive Director
Mr. Omar Saeed Alromaithi	Member	Independent/Non-Executive Director

### 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, 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.

### 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 2022 ALONG WITH THE DATES/ ATTENDEES

### Audit Committee Meetings held during 2022

Name of Board Member	31/03/2022	12/08/2022	03/11/2022	30/11/2022
Mr. Ahmad Kilani – Committee Chairman	✓	✓	✓	✓
Dr. Abdul Rahman Al Afifi – Member	✓	✓	✓	✓
Mr. Mohamed Ahmad Alhammadi – Member <sup>1</sup>	✓	–	–	–
Mr. Omar Saeed Alromaithi – 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.»

<sup>1</sup> Mr. Mohamed Alhammadi's Board Membership ended on April 28th, 2022.

<sup>1</sup> Mr. Mohamed Alhammadi's Board Membership ended on April 28th, 2022.

# 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 2022:

Name of AC Members	Position	Status
Engr. Abdulla Atatreh	Chairman	Independent/Non-Executive Director
Mr. Mohamed Ahmad Alhammadi <sup>1</sup>	Member	Independent/Non-Executive Director
Dr. Abdulaziz Fahad H. Alongary	Member	Independent/Non-Executive Director
Ms. Manwa Alaa Al Brich	Member	Independent/Non-Executive Director

### 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.

<sup>1</sup> Mr. Mohamed Alhammadi's Board Membership ended on April 28th, 2022.

## NUMBER OF N&R COMMITTEE MEETINGS HELD DURING THE YEAR 2022 ALONG WITH DATES/ ATTENDEES

N&R Committee Meetings held during 2022	20/04/2022	03/10/2022
Engr. Abdulla Atatreh – Committee Chairman	✓	✓
Mr. Mohamed Ahmad Alhammadi – Member <sup>1</sup>	✓	-
Dr. Abdulaziz Fahad H. Alongary – Member	-	✓
Ms. Manwa Alaa Al Brich – 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. »

<sup>1</sup> Mr. Mohamed Alhammadi's Board Membership ended on April 28th, 2022.



## INSIDERS' TRADING, FOLLOW-UP AND SUPERVISION COMMITTEE

At GULFNAV, there are set of guidelines for Board Members and employees with respect to transactions in GULFNAV 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 GULFNAV 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 – Director of Investor Relations & Corporate Communications – Member

### The following tasks have been performed by the Committee during the year 2022:

- 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

### 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.

### DEALING WITH MAJOR/ CRITICAL PROBLEMS IN THE COMPANY

- During the year 2022, 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.

### NAME OF THE INTERNAL CONTROL DEPARTMENT MANAGER WITH THE QUALIFICATION

The Company did not appoint an Internal Control Department Manager in 2022.

### NAME OF THE COMPLIANCE OFFICER WITH THE QUALIFICATION

Mrs. Rajasree Ravivarma assumed her duties of compliance with the company on Nov 3, 2022 replacing the previous compliance officer. Mrs. Ravivarma has more than 12 years of experience working various reputable law firms. She possesses exceptional knowledge and proficiency in Employment, Real Estate, Commercial and Corporate laws.

### 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 2022

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 2022.

## COMPANY'S CASH AND/ OR IN-KIND CONTRIBUTION TO THE LOCAL COMMUNITY DEVELOPMENT AND ENVIRONMENTAL CONSERVATION DURING THE YEAR 2022

- No contribution made in 2022.



# GENERAL INFORMATION

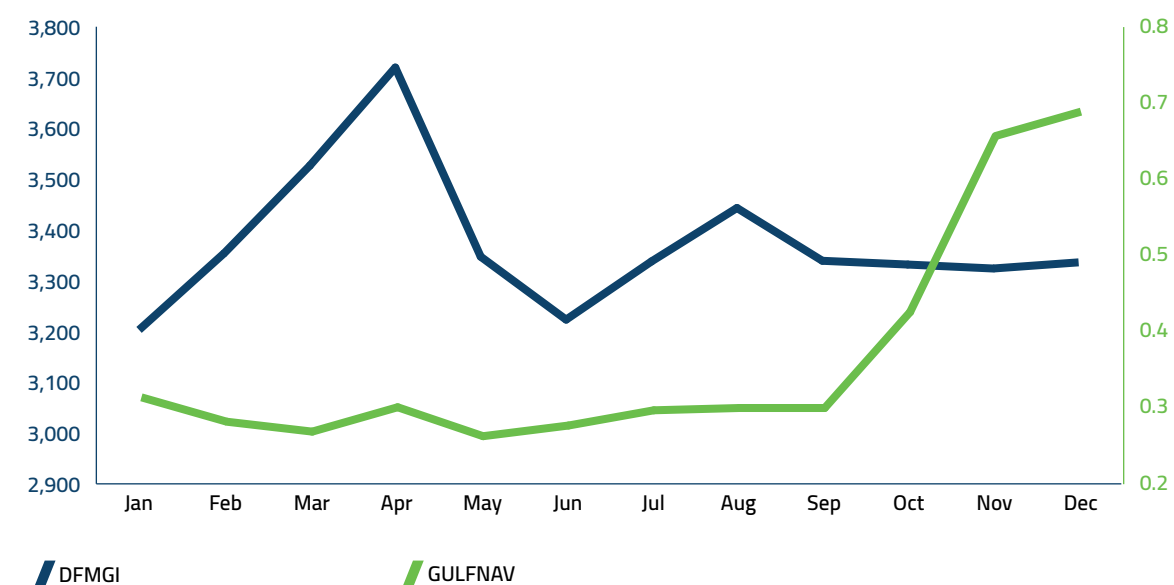


Company share prices (high/low/closing) at the end of each month during 2022<sup>1</sup>

Months (2022)	High (AED)	Low (AED)	Closing Price (AED)
January	0.328	0.303	0.314
February	0.320	0.270	0.282
March	0.289	0.235	0.269
April	0.316	0.250	0.301
May	0.330	0.263	0.263
June	0.299	0.242	0.277
July	0.310	0.265	0.297
August	0.317	0.270	0.300
September	0.327	0.288	0.300
October	0.452	0.290	0.426
November	0.678	0.423	0.657
December	0.695	0.617	0.689

<sup>1</sup> Above data has been obtained from DFM.

## PERFORMANCE OF COMPANY SHARES AGAINST DUBAI FINANCIAL MARKET GENERAL INDEX (DFMGI) FOR THE YEAR 2022<sup>1</sup>



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

## DISTRIBUTION OF THE SHAREHOLDING STRUCTURE AS OF 31ST DEC 2022<sup>1</sup>

Ownership/Citizen	Individual	Bank	Company	Institution	Government	Market Maker	Total
Arab	9.69%	-	0.85%	-	-	-	10.54%
GCC	3.33%	-	2.81%	-	-	-	6.14%
UAE	25.44%	1.07%	49.90%	0.10%	-	2.90%	79.41%
Others/Foreign	2.97%	-	0.93%	-	-	-	3.90%
<b>Total</b>	<b>41.44%</b>	<b>1.07%</b>	<b>54.50%</b>	<b>0.10%</b>	<b>0%</b>	<b>2.90%</b>	<b>100%</b>

<sup>1</sup> Above data has been obtained from DFM. [Total – rounded off]

## TOP 5% AND ABOVE SHAREHOLDING AS ON 31ST DEC 2022<sup>1</sup>

Individual/Group Investors (Shareholders)	Qty Owned (No.)	Qty Owned (%)
Tabarak Capital Ltd	81.663.000	6.40%
Ajman Bank PJSC	77.609.470	6.09%
Alssawari Real Estate Investment Sole Proprietorship LLC	73.072.000	5.73%

## SHAREHOLDING DISTRIBUTION BASED ON VOLUME AS ON 31ST DEC 2022

Share Ownership Volume (Qty)	No. of Shareholders	No. of Shares Owned (Qty)	% of Owned Shares in the Company Capital
Less than 49.999	10.562	40.679.059	3.190
50.000 – 499.999	485	79.655.143	6.246
500.000 – 4.999.999	149	231.985.449	18.189
Above 5.000.000	39	923.071.599	72.376
<b>Total</b>	<b>11.235</b>	<b>1.275.391.250</b>	<b>100%</b>

## 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](mailto:investor.relations@gulfnav.com)

**Website:** [www.gulfnav.com](http://www.gulfnav.com)

**Link:** <https://www.gulfnav.com/investors>

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.

<sup>1</sup> Above data has been obtained from DFM



## GENERAL ASSEMBLY – SPECIAL RESOLUTIONS DURING 2022 AND ITS IMPLEMENTATION STATUS

Special Decisions and Resolutions of the General Assembly meeting held on Jan 31, 2022.

1. Approved the issuance of Mandatory Convertible Bonds for a value up to AED 150.000.000 by way of a private placement to those existing sukuk holders and other creditors wishing to swap their existing sukuk certificates / debts and subscribe to the New Bonds.
2. Approved the increase of the share capital of the Company up to AED 450.000.000 distributed among 450.000.000 shares for the purposes of converting the New bonds into shares in the Company.

Special Decisions and Resolutions of the General Assembly meeting held on Apr 28, 2022.

3. Approved the amendment of certain articles of articles of association of the Company in accordance with the Decree Law No 32 of 2021 in respect of the Commercial Companies.
4. Approved the recommendation of the Board of Directors to buyback the Company's shares, not exceeding 10% of its total shares, for the purpose disposing them in accordance with the decision issued by SCA in this regard.

## 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.

## FUNCTIONS OF THE BOARD'S SECRETARY DURING THE YEAR 2022

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



## SIGNIFICANT EVENTS DURING THE YEAR 2022 (EXCERPTS).

1. **Jan 31, 2022:** The General Assembly approved the issuance of Mandatory Convertible Bonds (MCBs) for a value up to 150 million dirhams by way of a private placement to those existing sukuk holders and other creditors.
2. **Jan 31, 2022:** The General Assembly approved the increase of the share capital of the Company up to 450 million dirhams.
3. **Apr 28, 2022:** The General Assembly approved the recommendation of the Board of Directors to buyback the Company's shares.
4. **Apr 28, 2022:** The General Assembly elected the following board members:
  - H.H Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan (Non-executive / Independent)
  - Eng. Abdulla Subhi Atatreh (Non-executive / Independent)
  - Dr. Abdulrahman Mahmoud Alafeefi (Non-executive / Independent)
  - Mr. Ahmad M. F. A. Al Kilani (Executive)
  - Dr. Abdulaziz Fahad Alongary (Non-executive / Independent)
  - Ms. Manwa Alaa Al Brich (Non-executive / Independent)
  - Mr. Omar Saeed Alromaithi (Non-executive / Independent)
5. **May 13, 2022:** The Board of Directors resolved to the following:
  - Elect H.H Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan as the Chairman
  - Appoint Eng. Abdulla Subhi Atatreh as the Vice Chairman
  - Appoint Mr. Ahmad M. F. A. Al Kilani as the Managing Director
6. **Jul 21, 2022:** BHM Capital appointed as Liquidity Provider for GULFNAV.
7. **Aug 14, 2022:** GULFNAV seals refinancing deal for 5 Petrochemical Tankers.
8. **Sep 4, 2022:** GULFNAV completes repayment of a \$2.7 million loan.
9. **Sep 29, 2022:** GULFNAV successfully completes the conversion of MCBs to shares and subsequently increases the capital of the Company to 1.275.391.250 dirhams.
10. **Dec 5, 2022:** GULFNAV launches its new corporate identity.
11. 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.

## STATEMENT OF MAJOR TRANSACTIONS EXCEEDING 5% WITH RELATED PARTIES IN 2022

In 2022, the Company was not involved in any transaction that was equal to or exceeding 5% of the Company's share capital.

## PERCENTAGE OF EMIRATIZATION AT THE COMPANY BY THE END OF 2022

During the year 2022, the company did not employ any UAE National.

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

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

## STATEMENT OF THE INNOVATIVE PROJECTS UNDERTAKEN BY THE COMPANY (OR UNDER DEVELOPMENT) DURING 2022

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 2022, 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.

