

An aerial photograph of a white speedboat moving across a vast expanse of blue water. The boat is positioned in the lower half of the frame, leaving a white wake behind it. The water's surface is textured with small waves. In the upper right, a small portion of another boat is visible. A solid orange horizontal bar spans the width of the image, partially overlapping the boat and the water.

CORPORATE

GOVERNANCE REPORT 2023

ABU DHABI SHIP BUILDING PJSC
BEYOND SHIPBUILDING

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We at **Abu Dhabi Ship Building Company** (hereafter referred to as "**ADSB**" or the "**Company**") are committed to adhering to the highest standards of corporate governance and robust risk management to safeguard our business objectives and the interests of our diverse stakeholders.

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

1. Corporate Governance Overview

a. Statement of procedures undertaken to comply with the corporate governance system during 2023 and the methods used

Our shareholders are the ultimate decision-makers with respect to the direction of the Company, and the Company's articles of association define the framework through which the Company operates.

The Board of Directors plays a central role in the Company's corporate governance framework. It is ultimately responsible for setting the overall Company strategy and has oversight of executive management to ensure effective corporate governance practices are followed within the Company.

The Board of Directors is also assisted in this process by various Board Committees (in particular the Executive Committee, the Audit & Risk Committee, and the Human Resources and Nomination Committee) to which the Board of Directors delegates its powers from time to time, based on each committee's charter that defines its duties and powers. All committees' charters have been reviewed and approved by the Board of Directors.

The Company has an approved Corporate Governance manual to ensure compliance with the requirements of the Corporate Governance Guide issued by the SCA; the manual defines the process and procedures in relation to the Company's disclosure obligations and related party transactions.

In 2023, the Company made regular disclosures to the SCA and ADX in relation to Board meetings and decisions, publication of the annual report, the corporate governance report, the sustainability report and other announcements on key quarterly and annual financial statements, in addition to overall Company news which has been made generally available or updated on the Company's ADX page and website.

The Company has also provided the ADX with an updated list of insiders in accordance with the procedures established by the market.

2. Share Dealings by the Board of Directors

All members of the Board of Directors are obliged to disclose annual trading in the Company's shares on their own account and for the account of their spouses and children. This is in accordance with article (36) of the Decision of the Board of Directors of the Securities and Commodities Authority No. (3)/2000 concerning the Regulations of Disclosure and Transparency.

The table below contains the statement of ownership of the Directors (including their spouses and children) of the Company's shares as of 31 December 2023.

Name	Position	Shares Held as at 31 December 2023	Total Sale Transactions	Total Purchase Transactions
Mansour Mohamed Al Mulla	Chairman	Nil	Nil	Nil
Anas Jawdat Albarguthi	Vice-Chairman	Nil	Nil	Nil
Khaled Ahmed AlZaabi	Director	Nil	Nil	Nil
Khalifa Issa Abushahab	Director	Nil	Nil	Nil
Omar Abdulrahman AlZaabi	Director	Nil	Nil	Nil
Rodrigo Torres	Director	Nil	Nil	Nil
Arwa Ahmed AlKindi	Director	Nil	Nil	Nil
Abdulla Saeed Al Ghafli	Director	Nil	Nil	Nil
Saeed Salim Hassan Salim Alsuwaidi	Director	Nil	Nil	Nil

3. Formation of the Board of Directors

The articles of association of the Company provide for nine Board members where six members are appointed by the Executive Council of the Emirate of Abu Dhabi (or by any person authorized by the Executive Council to make such appointment) and the three remaining members are appointed by public shareholder nominations. Each Director serves a three-year term, after which the Director may be elected to a successive term.

In 2023, our Board of Directors comprised nine Directors with appropriate skills, experience, and diversity to develop and support the Company's vision and strategic objectives and they were elected at the Company's annual general assembly meeting held on 28 April 2023.

The table below summarises the details of the Board of Directors as of 31 of December 2023:

Name	Position	Category
*1 Mansour Mohamed Al Mulla	Chairman	Non-Executive/Independent
*2 Khalid Omar Ahmed Najeeb Al Breiki	Vice Chairman	Non-Executive/Independent
Anas Jawdat Albarguthi	Vice Chairman	Non-Executive/Independent
Khaled Ahmed AlZaabi	Board Member	Non-Executive/Independent
Khalifa Issa Abushahab	Board Member	Non-Executive/Independent
Omar Abdulrahman AlZaabi	Board Member	Non-Executive/Independent
Rodrigo Torres	Board Member	Non-Executive/Independent
Arwa Ahmed AlKindi	Board Member	Non-Executive/Independent
Abdulla Saeed Al Ghafli	Board Member	Non-Executive/Independent
Saeed Salim Hassan Salim Alsuwaidi	Board Member	Non-Executive/Independent

***Note:**

1. Mr. Mansour Mohamed Al Mulla resigned from his position as Chairman of the Board on 16 February 2024, and the Board appointed Mr. Khaled Ahmed AlZaabi as Chairman.
2. Mr. Khalid Omar Ahmed Najeeb Al Breiki resigned from his position as Vice Chairman of the Board of Directors on [date], and Mr. Anas Jawdat Albarguthi was appointed as Vice Chairman

PROFILES

BOARD OF DIRECTORS



Mansour Mohammed AlMulla
Chairman

Member since: February 2023
Category: Non-Executive/
Independent member

Experience and Qualifications:

Mr. Mansour Al Mulla holds a Bachelor of Science in Business Administration from Portland State University in the USA. Mr. Mansour's professional career has included successful tenures in several leadership positions at leading corporations, the most notable being Managing Director & Chief Executive Officer of the EDGE Group. Prior to this, Mr. Mansour was the Group Chief Investment Officer at ADQ and served as the Chief Financial Officer of the Petroleum & Petrochemicals Platform at Mubadala.

Other external appointments of Mr. Mansour:

- Chairman of Global Aerospace Logistics (GAL)
- Vi Deputy Group Chief Executive Officer -ADQ
- Board Member - Abu Dhabi National Energy Company PJSC (TAQA)
- Board Member - Abu Dhabi Ports Company PJSC
- Board Member - Abu Dhabi Global Market
- Board Member - Etihad Aviation Group PJSC



Anas Jawdat Albarguthi
Vice Chairman

Chairman of Human Resources and
Nomination Committee

Member since: December 2019
Category: Non-Executive/
Independent member

Experience and Qualifications:

Mr. Anas Jawdat Albarguthi is the Chief Operating Officer at ADQ. He oversees ADQ's, human capital, IT, digitization and cybersecurity; and corporate services, procurement and experience and engagement.

He has more than 20 years of experience in leadership positions in government, semi-government and private sectors in the UAE and UK including being the Assistant Secretary General and Executive Director at Abu Dhabi Quality and Conformity Council. Mr. Anas holds a master's degree in International & Comparative Business Law (LLM) from London Guildhall University, and a bachelor's degree in Law from Amman Private University.

External appointments held by Mr. Anas are the Chairman of Abu Dhabi Media Company, Chairman of Q Market Makers (QMM), Vice Chairman of Abu Dhabi Exhibition Center, and a member of the board of trustees of Khalifa University.



Khaled Ahmed AlZaabi
Chairman of Executive Committee

Member since: August 2023
Category: Non-Executive/
Independent member

Experience and Qualifications:

Mr. Khaled Al Zaabi is the President of the Platforms & Systems cluster at EDGE, one of the world's leading defence and advanced technology groups, with over 16 years' experience as an investment professional with successful tenures at Mubadala and in NIMR Automotive as Chief Commercial Officer.

Mr. Khaled's academic background includes a Bachelor of Aerospace Engineering from RMIT University, Australia, and an Executive MBA from INSEAD, France.

Mr. Khaled is also a board Member in NIMR Algeria company.

On 16th February 2024, Mr. Khaled was announced as the new Chairman of Abu Dhabi Ship Building PJSC.



Khalifa Issa Abushahab
Chairman of Audit & Risk Committee

Member since: December 2019
Category: Non-Executive/
Independent member

Experience and Qualifications:

Mr. Khalifa Abushahab is the Director of Corporate Services at ADQ and holds a Bachelor of Business Administration – Finance from George Washington University.

Prior to joining ADQ, Mr. Khalifa was an Associate in Tawazun Economic Council, and he held positions as a Board Member in NIMR Algeria, Caracal Algeria, Advanced PyroTechnics (APT)), and as the Chairman of the Audit Committee at Methaq Takaful Insurance Co. PJSC.



Rodrigo Torres

Member of Audit & Risk Committee

Member since: January 2022

Category: Non-Executive/
Independent member

Experience and Qualifications:

Mr. Rodrigo Torres is an experienced Chief Financial Officer with a 20+ years of global experience and he help positons in various finance functions across 8 countries and different manufacturing industries.

He is the President and Group CFO at EDGE, one of the world’s leading defence and advanced technology groups.

Mr. Rodrigo holds an MBA and a bachelor’s degree in Mechanical and Industrial Engineering.

Other external appointments held by Mr. Rodrigo are board member at Milrem Robotics and ANAVIA Aerosystem, and advisory board member for the audit committees of both GAL and NIMR.



Omar Abdulrahman AlZaabi

Member of Executive Committee

Member since: January 2022

Category: Non-Executive/
Independent member

Experience and Qualifications:

Mr. Omar Al Zaabi is the Senior Vice President of the Trading & Mission Support Cluster of EDGE, one of the world’s leading defence and advanced technology groups.

Prior to his current position, Mr.Omar served as Senior Vice President, Head of Program Acquisition, at EDGE and as the Deputy Executive Director at a UAE government entity.

In addition to obtaining CCNA, CCNP and PMP certifications, Mr. Omar holds a bachelor’s degree in Education, and a Higher Diploma in Computer Networking from the Higher College of Technology, UAE.



Saeed Salim Alsuwaidi

Member of Executive Committee

Member since: January 2020

Category: Non-Executive/
Independent member

Experience and Qualifications:

Mr. Saeed Alsuwaidi holds a bachelor’s degree in Mechanical Engineering from the University of Miami, Florida, USA and a master’s in strategic and security studies.

With an extensive decorated military experience, he formerly held the positions as the Commander of Naval workshops, Deputy Director of Logistics UAE Naval forces, and the Director of Logistics in CICPA.



Arwa Ahmed Al Kindi

Member of Human Resources and
Nomination Committee

Member since: April 2022

Category: Non-Executive/
Independent member

Experience and Qualifications

Ms. Arwa Al Kindi holds a master's degree in Communication Science from the University of Sharjah, and with over 26 years of experience she formerly held positions as a member of several boards of directors and committees both for public and private institutions such as the Abu Dhabi Aviation Company and a member of the Investment Committee of Abu Dhabi Aviation Company.



Abdulla Saeed Al Ghafli

Member of Audit & Risk Committee

Member since: April 2022

Category: Non-Executive/
Independent member

Experience and Qualifications

Mr. Abdulla Al Ghafli is an Investment Manager at the General Pension & Social Security Authority. In addition to obtaining CFA certification, Mr. Abdulla holds a bachelor's degree in Business Administration in Accounting/Minor in Marketing, and a master's degree in Science in International Business and Finance from London Metropolitan University.

Mr. Abdulla is also a board Member in Al Ramz Corporation Investment and Development PJSC.

1. Women's Representation on the Board of Directors for the year 2023

Abu Dhabi Ship Building Company strongly values the importance of diverse perspectives in corporate decision-making, recognizing that individuals with different backgrounds, experiences, and perspectives bring unique and valuable insights, and with 11% female representation on the Board of Directors, Abu Dhabi Ship Building is proud to have a woman represented on the Board.

2. Remuneration of Board Members

▪ Total remuneration paid to the Board for 2022

The General Assembly approved remuneration to the members of the Board of Directors for the year 2022 with a total value of AED of 1,400,000 Dirhams.

▪ The value of the proposed remuneration for the members of the Board of Directors for the year 2023

It is proposed that the Board of Directors' remuneration for the year 2024 be set at a total amount of AED 2,750,000. This proposal will be presented to the Company's shareholders at the upcoming Annual General Assembly for approval.

▪ Details of allowances, salaries and additional fees received by the Board Members other than committee Attendance Allowances and Reasons therefor

None.

▪ Details of Allowances for Attending Meeting of Board Committees by the Board Members for the year 2023

Allowances for Attending Committee Meeting

Name	Committee	Position	Number of meetings	Total Allowance Value (AED)
Khaled Ahmed AlZaabi	Executive Committee	Chairman	1	50,000
	Human Resources and Nomination Committee	Member	1	
Omar Abdulrahman AlZaabi	Executive Committee	Member	3	50,000
Saeed Salim Hassan Salim Alsuwaidi	Executive Committee	Member	2	50,000
Khalifa Issa Abushahab	Audit & Risk Committee	Chairman	5	50,000
		Member	5	50,000
Rodrigo Torres	Audit & Risk Committee	Member	5	50,000
Abdulla Saeed Al Ghafi	Audit & Risk Committee	Member	5	50,000
Anas Jawdat Albarguthi	Human Resources and Nomination Committee	Chairman	3	50,000
Arwa Ahmed Al Kindi	Human Resources and Nomination Committee	Member	3	50,000

3. Number of Board meetings held during the year 2023 along with their convention dates, personal attendance times of all members, and members attending by proxy

Board Meeting	17 March	14 August	30 November	19 December
Mansour Mohamed Al Mulla	Present	Present	Present	Present
Anas Jawdat Albarguthi	Present	Present	Present	Present
Mr. Khalifa Issa Abushahab	Present	Present	Present	Present
Mr. Rodrigo Torres	Present	Present	Present	Present
Abdulla Saeed AlGafli	Present	Present	Present	Present
Ms. Arwa Ahmed Al Kindi	Present	Present	Present	Present
Omar Abdulrahman AlZaabi	Present	Present	x	Present
Saeed Salim Hassan Salim Alsuwaidi	Present	Present	Present	Present
Khaled Ahmed AlZaabi			Present	Present

4. Name of the Board Secretary and the date of his appointment

The position of the Board Secretary is held by Mr. Yasser Omar from Hadeef & Partners. Mr. Yasser is an executive partner and head of the corporate and commercial practice in Hadeef & Partners.

The Board Secretary attends all Board meetings and is directly answerable to the Board, and provides advice and support to the Board on legal and regulatory matters.

5. Number of Board resolutions passed by circulation during the fiscal year 2023

The Board issued a total of five resolutions by circulation during the fiscal year 2023 on the following dates:

	Resolution No.	Date	Subject
1	Resolution No.1 of 2023	14 February 2023	Appointment of Chairman
2	Resolution No.2 of 2023	27 February 2023	Reorganising the Human Resources and Nominations Committee
3	Resolution No.3 of 2023	30 August 2023	Appointment of new Board member
4	Resolution No.4 of 2023	18 October 2023	Restructuring of Board Committee
5	Resolution No.5 of 2023	10 November 2023	Approval of the interim Financial Statements

6. Statement of Board duties and powers exercised by Board members or the Executive Management during 2023 based on an authorization from the Board

The Executive Management, comprising the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, implements the Company's strategy and manages the day-to-day affairs of the Company in accordance with the business plans and activities approved by the Board, protecting the shareholder interests and adopting best and successful practices to accomplish the Company's objectives and goals.

The Executive Management provides the Board with periodic reports on the Company's financial and business conditions, and internal control systems.

There is a detailed Delegation of Authority matrix, setting out approval limits and clear lines of responsibility for the whole business.

7. Details of Transactions undertaken with Related Parties (Stakeholders) during the year 2023

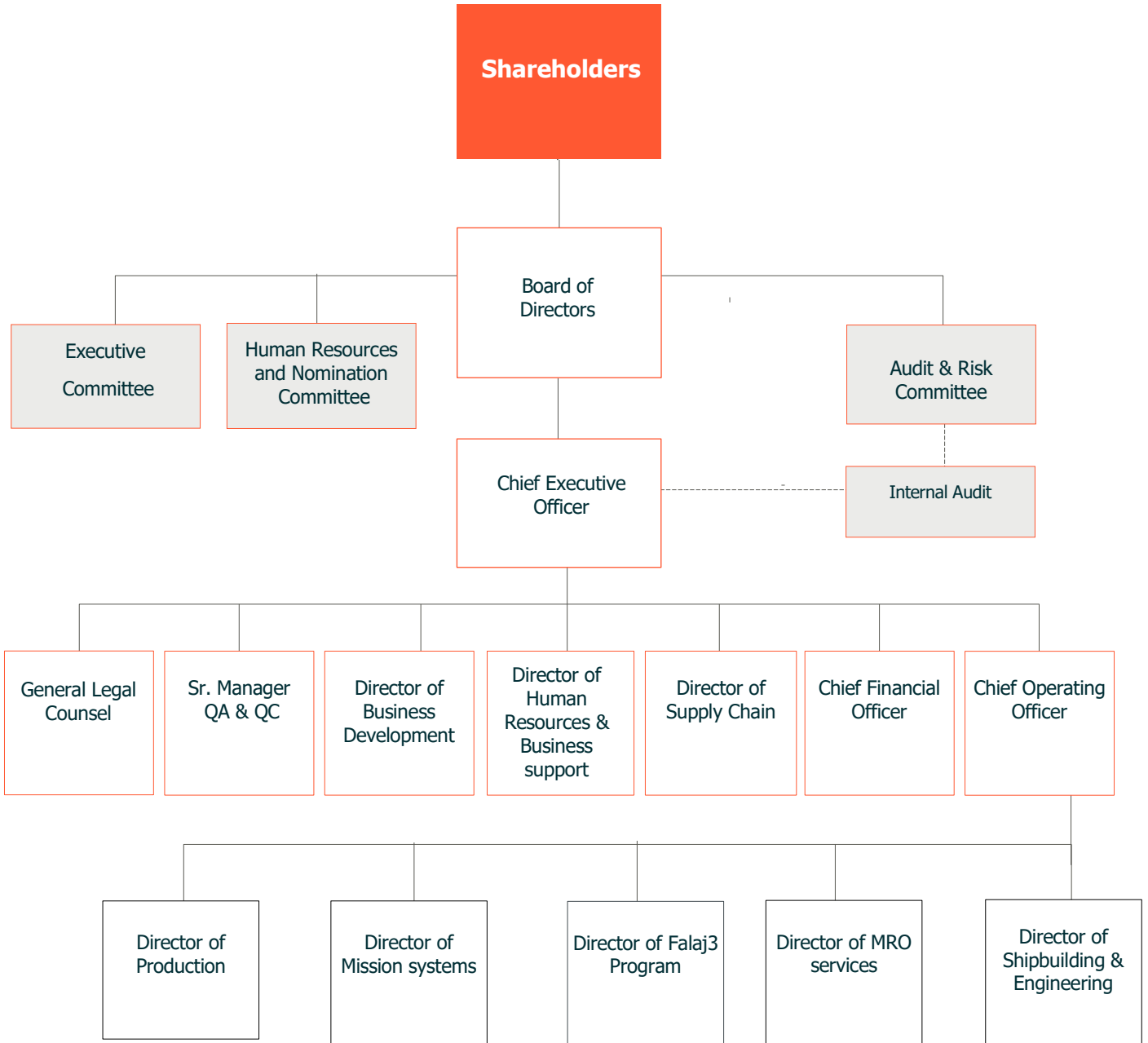
All related party transactions carried out in 2023 were in the Company's normal course of business and details of such transactions are set out in the table below.

There were no related party transactions equal to or more than 5% of the Company's share capital.

Transactions between Group Companies and Related Parties during the Year 2023 (AED)

	Transaction Type	Related Parties	Service Type	Transaction Volume
1	Related Costs Recharges	Edge Defense Platforms & Systems	Information Technology Services	(3,517,684)
2	Related Costs Recharges.	Edge Defense Platforms & Systems	Marketing Services	(3,193,530)
3	Reimbursement of costs	Edge Defense Platforms & Systems	Reimbursement of costs	423,868
4	Supply contract	Nimr Automotive LLC	Supply contract	4,233,362
5	Service contract	Abu Dhabi Autonomous Systems Investments Co. LLC	Service contract	150,000
6	Service contract	Beacon Red	Service contract	(16,005)
7	Service contract	Jaheziya Group	Service contract	(9,200)
Net Transactions				(1,929,189)

8. The Company Organisational Structure as of 31 of December 2023



9. Detailed Statement of the Senior Executives in the First and Second Ranks of the Company, their Positions, Dates of Appointment, Total Salaries and Bonuses paid during the year 2023

Position	Date of Appointment	Total Salaries and Allowances Paid for the year 2023 (Dirham)	Total Bonuses Paid for year 2023 (Dirham)	Any other cash/in kind Remuneration for the year 2023 or Falling Due in the Future
Chief Executive Officer	01/04/2020	1,691,332.08	Not yet determined	None
Chief Operating Officer	01/04/2019	1,320,528.00	Not yet determined	None
Chief Financial Officer	08/02/2015	1,139,976.38	Not yet determined	None
General Legal Counsel	13/02/2020	1,276,439.65	Not yet determined	None
Human Capital & Business Support Director	09/02/2020	964,268.19	Not yet determined	None
Supply Chain Director	19/05/2019	921,073.20	Not yet determined	None
Business Development Director	14/10/2018	1,083,851.40	Not yet determined	None
Shipbuilding & Engineering Director	14/12/2014	1,005,700.33	Not yet determined	None
MRO Services Director	06/08/2017	1,091,715.35	Not yet determined	None
Falaj 3 Program Director	08/09/2013	981,133.53	Not yet determined	None
Production Director	20/11/2011	865,313.65	Not yet determined	None
Mission Systems Director	03/04/2023	757,412.61	Not yet determined	None

4. External Auditor

Grant Thornton were the independent External Auditor of the Company for the year ended 31 December 2023. Grant Thornton is one of the leading professional audit services companies in the United Arab Emirates and is recognised as a leading provider of quality assurance and business advisory services.

They were appointed by a decision of the shareholders at the General Assembly Meeting on 28 April 2023 for a fee of AED 243,200 for the audit and quarterly reviews of the Company (excluding standard out-of-pocket expenses).

The General Assembly evaluates the performance of the external auditors and approves their appointment and remuneration. The external auditors attend the General Assembly Meeting to submit their reports and respond to any inquiries of shareholders.

a. Statement of fees and costs for the audit or services provided by the external auditor

Audit Firm Name	Grant Thornton Audit and Accounting Limited – Abu Dhabi
Partner Auditor Name	Samer Hijazi
Number of Years Spent as External Auditor of The Company	4 Years
Number of Years Spent By The Partner Auditor Auditing the Company Accounts	4 Years
Total Fee for the Audit and (Interim and Annual) Financial Statements Review for the Year 2023 (AED)	AED 243,200
Fees and Costs of other Special Services other than Financial Statements Audit for the Year 2023 (AED)	AED 20,000
Details and Nature of Other Services Provided (if any), but if no other services were provided, please state expressly	Agreed-upon procedures in accordance with SCA circular issued dated 27 April 2023 in relation to unclaimed dividends
Statement of Other Services provided by an External Auditor other than the Company External Auditor during the year 2023 (if any), and if none please state expressly	None.

b. External Auditor's opinion on the Company's interim and annual financial statements for the year 2023.

No qualified opinions or reservations were made by the Company's external auditor in the interim and annual financial statements for 2023.

5. AUDIT & RISK COMMITTEE

The Audit & Risk Committee assists the Board in fulfilling its corporate governance responsibilities in relation to risk management and internal control systems, accounting policies and practices, financial reporting and internal and external audit functions.

The Committee is comprised of three non-executive independent Directors. The General Legal Counsel is the Secretary to the Audit & Risk Committee. The CEO, external auditor and Company advisers also attend the meetings as and when required but are not entitled to vote on the decisions of the Committee.

a. Names of the Audit & Risk Committee Members

	Name	Position
1	Khalifa Abushahab	Chairman
2	Abdulla Al Ghafli	Member
3	Rodrigo Torres	Member
4	Amit Surana	Advisor

The Chairman of Audit & Risk Committee acknowledges his responsibility for the Audit & Risk Committee, the review of its working mechanisms and ensuring its effectiveness.

b. The Charter of the Audit & Risk Committee Defines the Committee's Responsibilities as follows:

- Reviewing the Company's financial and accounting policies and procedures.
- Monitoring the integrity of the Company's financial statements and reports (annual, semi-annual and quarterly) and reviewing as a part of its normal work during the year, and in particular:
 - Any changes in accounting policies and practices;
 - Highlighting the aspects that are subject to management's discretion;
 - Substantial amendments resulting from the audit;
 - Supporting continuity of the Company's business;
 - Commitment to the accounting standards approved by the Securities and Commodities Authority; and
 - Commitment to the listing and disclosure rules and any other legal requirements related to the preparation of financial statements and reports.
- Co-ordinating with the Company's Board of Directors, Senior Executive Management, and the Finance Manager or the Manager performing such role in the Company, for the purpose of performing its duties.
- Considering important and unusual clauses or unconventional issues that are not mentioned in such reports and accounts; the Committee shall also pay attention to any issues brought up by the Finance Manager, the Manager performing such role, the Compliance Officer, or the Auditor.

- Submitting a recommendation to the Board of Directors relating to the selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Committee's recommendations and the reasons for the Board of Directors' rejection.
- Setting and implementing the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the Committee deems necessary to take procedures in relation to, and submitting the Committee's recommendations concerning the steps required to be taken.
- Ensuring the auditor's fulfillment of the terms stipulated in applicable laws, regulations, and resolutions and the Company's Articles of Association, and following up and monitoring its independence.
- Meeting with the Company's auditor without attendance of any of the personnel of the Senior Executive Management or representatives thereof, at least once annually, and discussing with the auditor the nature and scope of the auditing process and its effectiveness according to approved auditing standards.
- Studying everything related to the auditor's role, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up on the Board of Directors' response thereto and provision of the facilities required for performing the auditor's role.
- Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.
- Reviewing and assessing financial controls, internal controls and risk management systems in the Company.
- Discussing the internal control systems with the Board of Directors and ensuring the establishment of an effective system for internal control.
- Considering the results of primary investigations in internal control issues as assigned to the Committee by the Board of Directors or based on an initiative on the part of the Committee and the Board of Director's approval of such initiative.
- Review of the auditor's assessment of internal control procedures and ensuring co-ordination between the internal and external auditors.
- Ensuring availability of the resources required for the internal control department and reviewing and monitoring the effectiveness of such department.
- Studying internal control reports and following up the implementation of corrective measures for the comments arising from such report.
- Setting the rules that enable the Company's staff to report confidentially any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.
- Monitoring the extent to which the Company complies with the Company's Code of Conduct.

- Reviewing related party transactions with the Company, managing conflicts of interest, and submitting recommendations concerning such transactions to the Board of Directors before concluding contracts.
- Ensuring implementation of the Code of Conduct related to the Committee's duties and powers assigned to it by the Board of Directors.
- Taking responsibility for the risk management policy of the Company's operations and oversight of the operations of the Company's risk management framework.
- Assisting the Board of Directors in fulfilling its oversight responsibilities with regard to the risk appetite of the Company and the risk management and compliance framework and the governance structure that supports it. Risk appetite is defined as the level and type of risk a company is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders.
- Approving and periodically reviewing the risk management policies of the Company's global operations; and overseeing the operation of the Company's global risk management framework, which shall be commensurate with the structure, risk profile, complexity, activities, and size of the Company, including: policies and procedures establishing risk management governance, risk management procedures, and risk control infrastructure for operations;
- Monitoring processes and systems for implementing and monitoring compliance with policies and procedures, including processes and systems to:
 - Identify and report risks and risk management deficiencies, including emerging risks, and ensure effective and timely implementation of actions to address emerging risks and risk management deficiencies for the Company's operations;
 - Establish managerial and employee responsibility for risk management;
 - Ensure the independence of the risk management function; and
 - Integrate risk management and associated controls with management goals and the company's compensation structure for its operations.

c. Audit & Risk Committee Meetings during year 2023:

Meeting No.	Meeting Date	Number of Attendees
1	13 March 2023	3
2	10 May 2023	3
3	25 May 2023	3
4	9 August 2023	3
5	6 November 2023	4

6. Human Resources and Nomination Committee

The Human Resources and Nomination Committee assists the Board with its responsibilities for reviewing nomination and remuneration arrangements for both Board members and the Executive Management team in order to support the strategic aims of the business.

The Committee is comprised of three non-executive independent Directors. The General Legal Counsel is the Committee Secretary. The CEO, and Company advisers attend the meetings as and when as required but are not entitled to vote on the decisions of the Committee.

a. Names of the members of the Human Resources and Nomination Committee

	Name	Position
1	Anas Jawdat Albarguthi	Chairman
2	Arwa Ahmed Al Kindi	Member
3	Khaled Ahmed AlZaabi	Member
4	Noor Alsulaimani	Adviser

The Chairman of the Human Resources and Nomination Committee acknowledges his responsibility for the Human Resources and Nomination Committee, the review of its working mechanisms and ensuring its effectiveness.

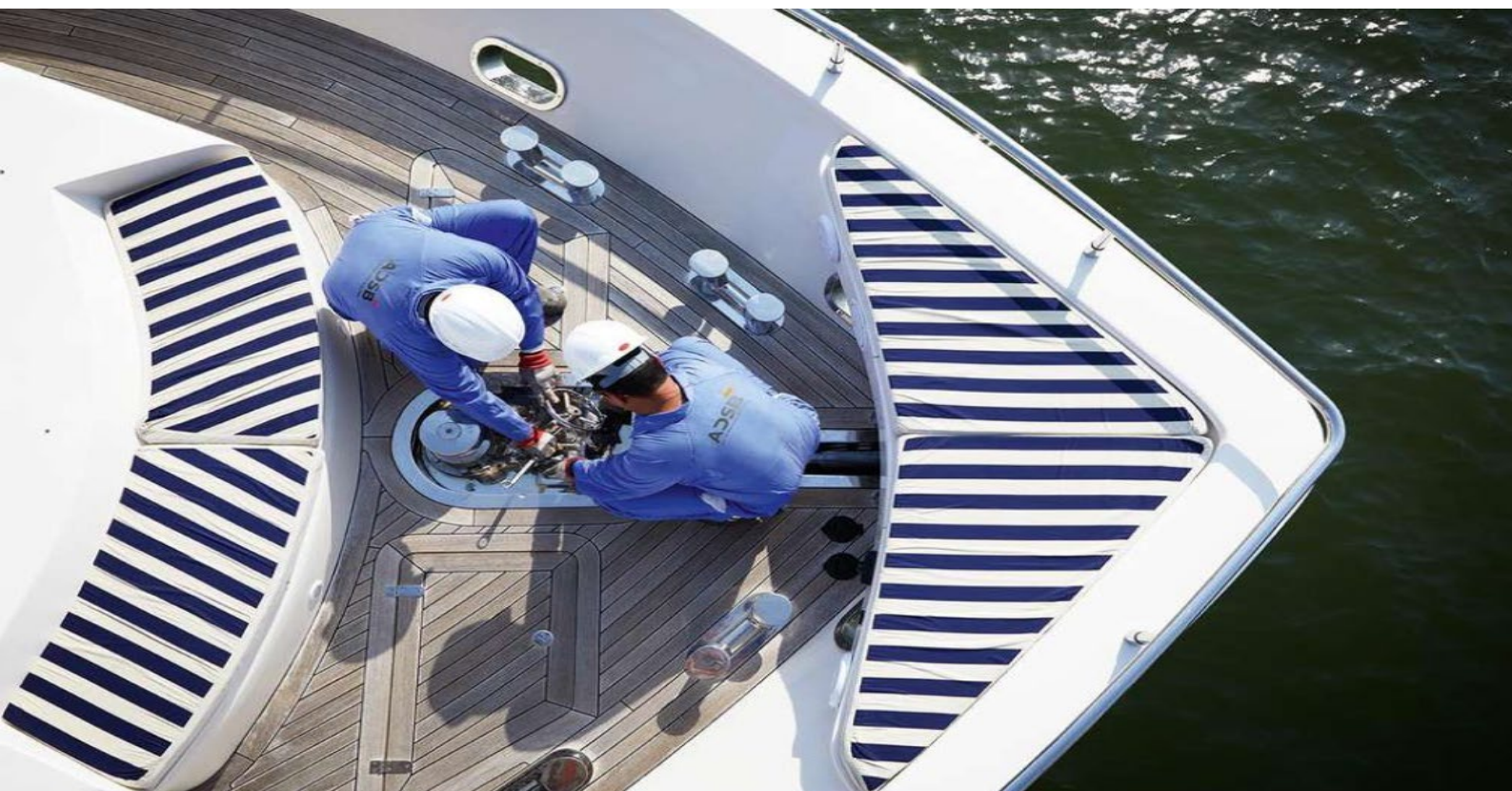
b. The Charter of the Human Resources and Nomination Committee Defines the Committee's Responsibilities as follows:

- Setting a policy for the nomination of the Board and executive management membership with the aim of balancing the two genders on the Board and encouraging female nominees through offering privileges and training and motivational programmes, and submitting a copy of such policy to the Securities and Commodities Authority.
- Regulating and following up on the procedures of nomination for Board membership in accordance with the applicable laws and regulations, as well as the provisions of the Code of Corporate Governance.
- If the Committee finds out that one of the members has lost his independence, the Committee shall bring the issue before the Board to inform the member(s) by a registered letter at their address registered at the Company clarifying the reasons for the loss of independence; such member shall reply to the Board within fifteen days from the date of receiving notice thereof, and the Board shall issue a decision as to whether such member is independent or otherwise in its first meeting following reception of the Board member's reply or elapse of the period mentioned in this paragraph without replying.
- Taking into consideration article (145) of the Companies Law, if the Board decision of a member's loss of independence affects the minimum percentage of independent Board members, the Board shall appoint an independent member to replace such member in case the latter submits ion for losing independence; if such member refuses to submit his/her resignation, the Board of Directors shall bring the issue before the general assembly to issue the decision of approval of appointing another Board member or open the door for nomination to elect a new Board member.

- Setting the policy for granting bonuses, privileges, incentives, and salaries for employees of the company, reviewing such policy annually, and ensuring that the bonuses and privileges offered to the Senior Executive Management are reasonable and in line with the Company's performance.
- Determining the qualifications at the Senior Executive Management and the employee levels and the criteria for selection.
- Setting the Company's human resources and training policy, monitoring implementation of such policy, and reviewing on an annual basis.
- Reviewing, recommending and/or endorsing the Company's structure, Emiratisation, compensation and benefits policies.

c. Human Resources and Nomination Committee meetings during the year 2023

Meeting No.	Meeting Date	Number of Attendees
1	14 March 2023	3
2	17 May 2023	3
3	18 December 2023	4



7. EXECUTIVE COMMITTEE

The Executive Committee was formed on 26 January 2020. The Executive Committee acts in an advisory capacity to the Board where it reviews, evaluates and makes recommendations to the Board on various matters based on the level of authority and delegation.

The Committee is comprised of three non-executive independent Directors. The General Legal Counsel is the Committee Secretary. The CEO, and Company advisers attend the meetings as and when as required but are not entitled to vote on the decisions of the Committee.

a. Names of the members of the Executive Committee

	Name	Position
1	Khaled Ahmed AlZaabi	Chairman
2	Omar Al Zaabi	Member
3	Saeed Alsuwaidi	Member
4	Amit Surana	Adviser
5	Miles Chambers	Adviser

The Chairman of the Executive Committee acknowledges his responsibility for the Executive Committee, the review of its working mechanisms and ensuring its effectiveness.

b. The Charter of the Executive Committee Defines the Committee's Responsibilities as follows:

- Reviewing and making recommendations to the Board on the direction of, and strategies for, development or new business areas that promote the growth of the Company's overall business in accordance with the Company's business plan and strategic objectives.
- Advising the Board on the strategic health of the Company with respect to its overall business goals and strategic objectives as set forth in the Company's business plan.
- Overseeing and expediting any operational, financial and strategy related matter concerning the operations of the Company, as seen fit by the members of the Committee.
- Endorsing the Company's business plan, and reviewing and making recommendations to the Board regarding any modifications to the Company's business plan and budget.
- Reviewing and endorsing sales plans and bid proposals.
- Reviewing potential business opportunities and business development strategy and recording required actions to secure such opportunities.
- Reviewing and approving the CAPEX spending and sales pipeline as part of the business plan.
- Endorsing policies and procedures relating to the Company's operations and submitting to the Board for approval.

- Supervising the operations of the Company and making recommendations to the Executive Management to improve the operations of the Company.
- Ensure the portfolio of technical programmes and major projects are in line with the Company's strategy.
- Ensuring that the Company has appropriate technical capabilities and road map consistent with its strategy.
- Facilitating the Board gaining a deeper understanding of general operational and technical issues.
- Providing guidance on appropriate governance and standards processes.
- Overseeing and reviewing the technical aspects of the Company's projects including reviewing project milestones and project life-cycle.
- Undertaking periodic reviews of progress reports on projects.
- Reviewing health, safety and environment policies and procedures and recommending updates where necessary.
- Investigating any complaint by the Company's customers in respect of any operational and/or technical issues.
- Obtaining legal or other professional advice from both inside and outside the Company as and when required, at the Company's expense, and appointing and securing the attendance of external consultants and advisers if it considers this beneficial.

c. Executive Committee meetings during the year 2023

Meeting No.	Meeting Date	Number of Attendees
1	30 March 2023	5
2	10 August 2023	5
3	30 October 2023	5



INTERNAL

CONTROL



8. Internal Control System

a. Recognition by the Board of Directors of its responsibility for the company's internal control system and for reviewing its mechanism of action and ensuring its effectiveness

The Board of Directors is responsible for overseeing the company's internal control system and reviewing its working mechanism and ensuring its effectiveness.

The internal control system is established to ensure that both the Board and management are able to achieve their business objectives effectively and efficiently safeguarding the interests of the Company's shareholders and other stakeholders, while minimising key risks such as fraud, unauthorised business activity, misleading financial statements and breaches of legal or contractual obligations.

b. Internal Control Department In-charge's Profile

To adapt to the changing needs of the organisation and to enhance assurance over internal controls and risk management, the Company's internal audit function was outsourced to Mazars Chartered Accountants consulting firm in 2023.

Mazars is a global consulting firm that provides clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through their network of more than 47,000 professionals across 95 countries. Mazars specializes in audit, accounting, and consulting, making it a globally recognised player in the industry.

c. Number of reports issued by the Internal Control Department to the Company's Board of Directors

In 2023 four internal audits were conducted with one report issued to the Audit & Risk Committee.

d. Compliance officer's name, qualifications and appointment date

The Company's Legal Department was in charge of the compliance function in the year 2023 by ensuring compliance by the Company and its employees with issued laws, regulations and decisions, as well as other internal policies and measures.

e. Internal Control Department and major problems with the Company

The outsourced Internal Audit function conducts an independent risk assessment to identify and evaluate risks associated with the adequacy, effectiveness and execution of the Company's strategy.

Internal Audit has unrestricted and direct access to the Audit & Risk Committee, allowing it to handle matters independently and confidentially, and any significant audit findings are highlighted to the Committee with the corrective actions, responsibility and implementation timeline based on audit recommendations.

Internal Audit also monitors the actions to be taken by the management to correct the audit finding to ensure satisfactory implementation of the actions plans. The follow-up audits are also conducted at the appropriate level to ensure that risks are adequately addressed, and processes are operated efficiently.

f. Details of regulatory violations committed during 2023, explaining their causes, how to address them and avoiding recurrence in the future

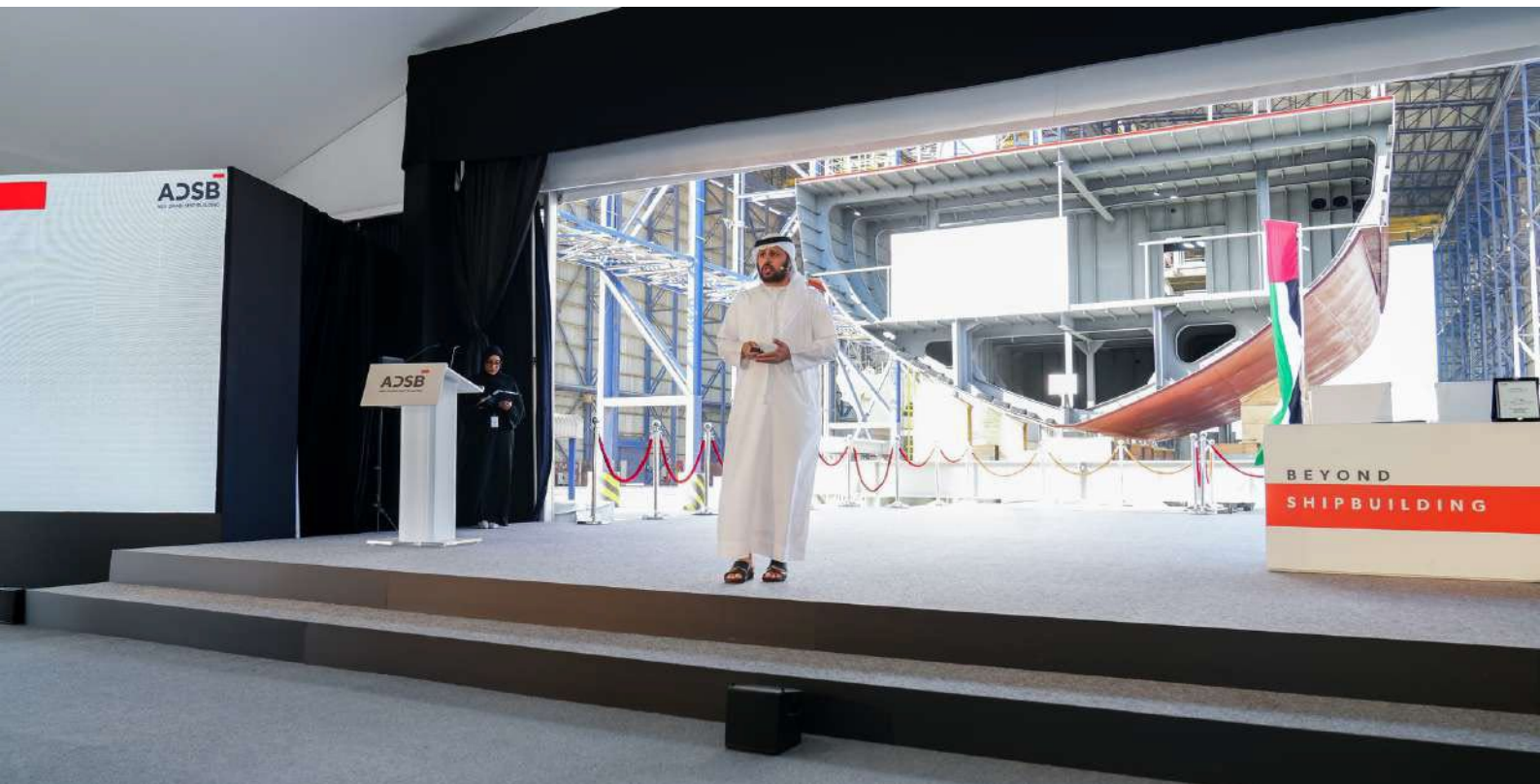
During 2023, the Company was not subject to any fines or restrictions by the Securities and Commodities Authority or any legal authority in relation to any financial market issue.

9. Corporate Social Responsibility

Abu Dhabi Ship Building adopts a community-focused Corporate Social Responsibility (CSR) practices through a blend of diverse initiatives centered around social and environmental aspects and employee well-being.

ADSB CSR strategy has been the main component in the shipyard's transition to a modern, highly efficient, productive and profitable shipbuilding and repair business. It highlights the advancement in the working environment for all employees, in and out of the yard. It is vital to look after the environment as well as the Company's social assets, its employees, with importance given to a diverse workforce and equal opportunity for all, giving a chance to all genders and people from all backgrounds.

ADSB has hired an external consultant to assist in the development of a Sustainability Report for 2023. Details about the sustainability initiatives are provided in ADSB's Environmental, Social and Governance report.



A large industrial vessel, possibly a ship or offshore platform, is shown under construction. The vessel's hull is a light greenish-grey color. The upper deck is heavily loaded with numerous black tires, arranged in rows. A yellow crane is mounted on the vessel, extending upwards. The background is a clear blue sky. The text "Shareholding & General Information" is overlaid on an orange banner across the middle of the image.

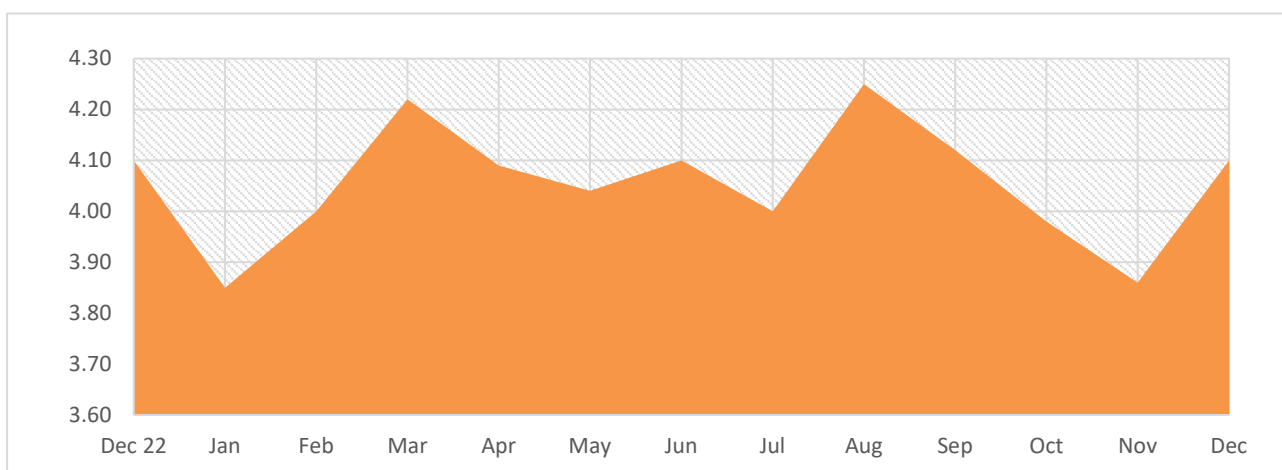
Shareholding & General Information

10. General Information about the Company

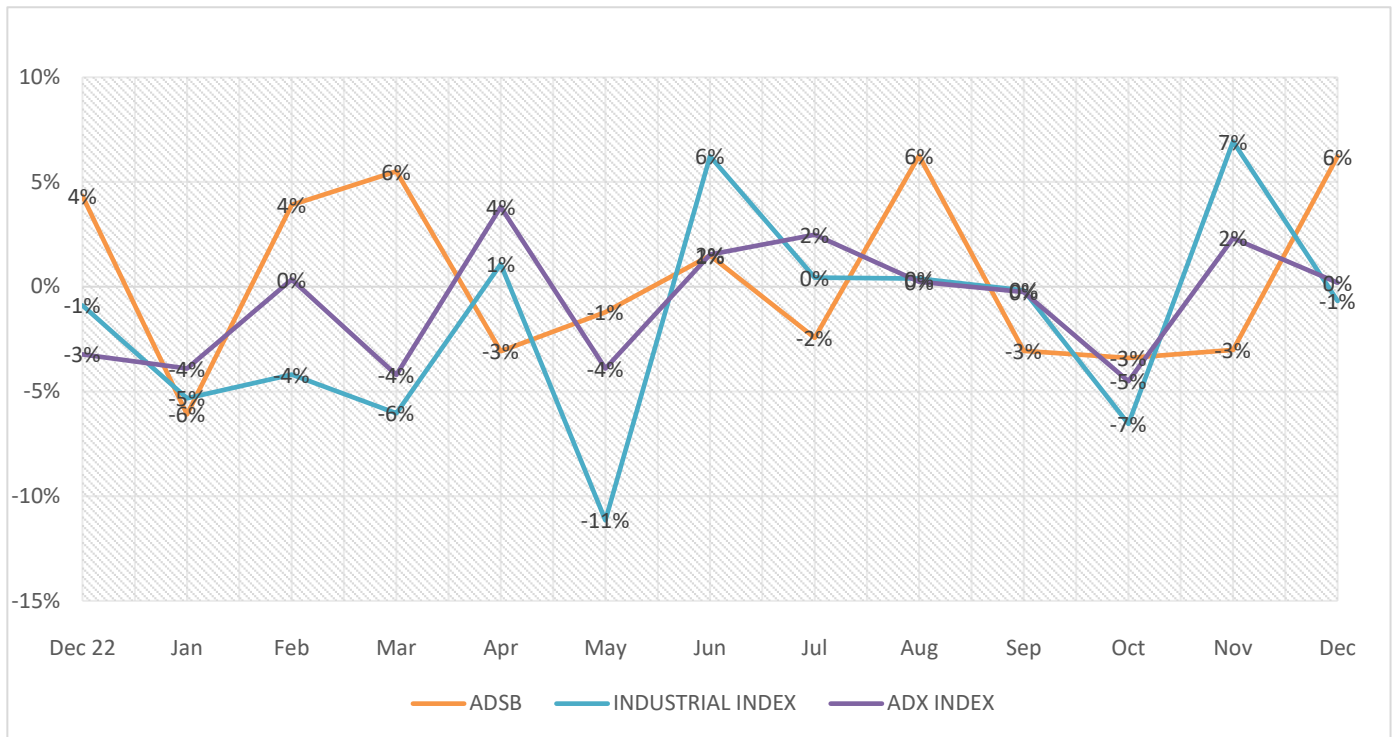
a. Company's share price on the market (closing price - highest price - lowest price) at the end of each month during the fiscal year 2023

MONTH	OPEN (AED)	CLOSE (AED)	HIGH (AED)	LOW (AED)	VALUE (AED) TRADED	VOLUME TRADED	# OF TRADES
01	4.00	3.85	4.08	3.55	13,266,797	3,412,020	590
02	3.86	4.00	4.27	3.71	23,727,916	5,901,769	713
03	3.91	4.22	4.30	3.90	27,034,745	6,553,105	764
04	4.22	4.09	4.25	3.99	3,588,931	870,188	218
05	4.10	4.04	4.25	3.74	10,623,909	2,619,755	463
06	4.07	4.10	4.10	3.90	1,879,837	469,493	219
07	4.11	4.00	4.25	3.86	5,887,785	1,482,833	334
08	3.95	4.25	4.60	3.92	52,128,428	12,051,823	1,278
09	4.25	4.12	4.29	3.90	9,712,469	2,364,757	762
10	4.14	3.98	4.14	3.75	5,820,432	1,464,161	454
11	3.99	3.86	3.99	3.73	2,547,066	648,203	237
12	3.83	4.10	4.10	3.61	6,823,525	1,726,154	442
Total					163,041,840	39,564,261	6,474

b. Company's share price performance during the year 2023



c. Performance of the Company's shares compared to the ADX index and ADX Industrial and financial sector index during 2023



d. Distribution of shareholders' ownership as at 31/12/2023 (individuals, companies, governments) classified as follows: Local, Gulf, Arab, and Foreign:

Shareholder Classification	Percentage of Shares Owned			
	Individuals	Companies	Government	Total
Local	37.62%	5.44%	49.96%	93.02%
Arab	0.81%	0.39%	0.00%	1.20%
Foreign	5.04%	0.74%	0.00%	5.78%
Total	43.47%	6.57%	49.96%	100.00 %

e. Shareholders owning 5% or more of the company's capital as of 31/12/2023:

Name	Number of Shares Owned	Percentage of Shares Owned by the Company's Capital
Edge Defense Platforms & Systems	105,908,000	49.96%
Mohamed Bin Ahmed Bin Saeed Al Qasimi	18,685,902	8.81%
Total	124,593,902	58.77%

f. Shareholders' distribution according to ownership size as of 31/12/2023:

Equity Ownership (Shares)	Number of Shareholders	Number of Shares Owned	Percentage of Shares Owned by Capital
Less than 50,000	5,244	22,983,263	11%
50,000 to less than 500,000	137	21,167,180	10%
500,000 to less than 5,000,000	25	37,241,215	18%
More than 5,000,000	3	130,600,342	62%
Total	5,409	211,992,000	100%

g. Investor Relations

The management is committed to having effective communication between the Company and its shareholders. The Company regularly announces its results to the SCA, the ADX, and shareholders by way of interim management statements, quarterly results, and the annual report and annual financial statements.

Significant matters relating to share trading or business development are disclosed to the SCA, the ADX, and the general public by way of market disclosures and announcements in accordance with the related provisions of applicable laws and regulations, in addition to an Investor Relations page which has been created on the Company's website.

Details and contact information of Abu Dhabi Ship Building Investor Relations Officer:

- **Investor Relations Officer:** Ms. Bushra Abyan
- **Contact Details:**
 - Mobile Number: +971 54 363 3409
 - Phone: +971 2 502 8424
 - Email: bushra.abyan@adsb.ae

h. Annual General Assembly 2023

The Company held its General Assembly Meeting on April 28, 2023 in which the shareholders approved the following matters:

- Board of Directors' annual report for the financial year ending on 31 December 2022.
- External auditors' report on the financial position of the Company for the financial year ending on 31 December 2022.
- Company's balance sheet and profit and loss and financial statements for the financial year ending on 31 December 2022.
- Board of Directors' proposal to distribute cash dividends to shareholders for the year 2022 at the rate of 6 fils per share with a total amount of AED 12.7m.
- Board of Directors' proposal for their remuneration for the year 2022 for the total amount of AED 1.4m.
- Discharge of the members of the Board of Directors from liability for the performance of their duties for the year ending on 31 December 2022.
- Discharge of the external auditors from any liability for the financial year ending on 31 December 2022.
- Appointment of the external auditors of the Company for the financial year ending on 31 December 2023 for total fees of AED 243,200.

i. Emiratisation Percentage in Company as of 2023

In 2023, the Company's Emiratisation percentage was 9% overall.

The Company works in co-operation with local educational institutions and relevant government organisations in order to create long-term employment opportunities for UAE Nationals. Through several programmes like the Ignite Program which provides UAE national graduates with a tailored training and development through on-the-job rotations, professional qualifications, and external training prior to being hired on a permanent basis. The Company also offers sponsorship to other UAE national employees to continue their education while working.

In 2023, the Company started an Emirati technician development programme in collaboration with Abu Dhabi Vocational Education and Training Institute (ADVETI), Nafis, and CMN to second 6-8 skilled employees to CMN France for a duration of (24-30) weeks to learn and transfer the technology of the first Angolan Naval vessel built at CMN France.

EMIRATI TECHNICIAN

DEVELOPMENT PROGRAMME



j. Statement of significant events in 2023

The following is a summary of the key events that took place in 2023 which were disclosed to the ADX market.

February	<ul style="list-style-type: none">▪ Resolution of the Board members by circulation for the Appointment of Chairman and Vice Chairman of Board of Directors▪ Successful participation in NAVDEX exhibition 2023▪ Announcement of Abu Dhabi Ship Building PJSC signing Euro 1 Billion contract to supply three 71m corvettes plus other vessels and support services to the Angolan Navy
March	<ul style="list-style-type: none">▪ Publication of Financial Results for the Period ended 31 December 31 2022 and Management Discussion and Analysis Report▪ Board of Directors' Report for the Period Ended 31 December 2022
April	<ul style="list-style-type: none">▪ Publication of Sustainability Report 2022▪ Publication of Corporate Governance Report 2022▪ Annual General Assembly
May	<ul style="list-style-type: none">▪ Publication of Financial Results for the Period ended 31 March 2023 and Management Discussion and Analysis Report.
July	<ul style="list-style-type: none">▪ Announcement of the Resignation of Vice-Chairman and Appointment of a new Vice Chairman▪ Resolution of the Board by circulation for the restructuring of the Executive Committee
August	<ul style="list-style-type: none">▪ Publication of Financial Results for the Period ended 30 June 30 2023 and Management Discussion and Analysis Report▪ Resolution of the Board members by circulation for
September	<ul style="list-style-type: none">▪ Announcement of Appointment of Board member
October	<ul style="list-style-type: none">▪ Announcement of Resolution by Board by circulation for the restructuring of the Board Committees
November	<ul style="list-style-type: none">▪ Announcement of Resolution by Board by circulation for the approval of Financial Results for the Period Ended September 30,2023▪ Publication of Financial Results for the Period ended 30 September 30 2023 and Management Discussion and Analysis Report

k. Initiatives and Innovations during 2023

ADSB has successfully grown its innovative footprint and emerged as a leading industry player in showcasing new designs and most cutting-edge solutions to the market.

in 2023, the Company unveiled its new 17-meter autonomous Mine Counter Measures vessel. The 17m boat, known as the '170 M-Detector USV', is designed for mine countermeasures (MCM) and anti-submarine warfare (ASW) missions, and can operate as both a manned and unmanned platform. The USV was involved in a live demonstration at NAVDEX 2023.

In addition, the Company also showcased the latest model of Falaj-3 class combatant Offshore Patrol Vessels (OPVs) which is being built for the United Arab Emirates (UAE) Naval Forces. The latest model will have enhanced air defence capabilities as shown at the Naval Service's stand at NAVDEX naval area during the IDEX/NADEX 2023 exhibition.

At the Langkawi International Maritime and Aerospace Exhibition (LIMA 2023) in Malaysia on May 2023, ADSB announced its new 92m Corvette design, a fast and powerful vessel designed by ADSB. Built and equipped for a wide range of littoral missions, the dynamic multi-domain vessel features a helideck and hangar, unmanned aerial vehicle (UAV) operational capability, two rigid-hull inflatable boats, various combat systems, electronic warfare (EW) system, and a wide range of countermeasures.

At the Abu Dhabi International Boat Show (ADIBS 2023), the Company showcased its latest innovation, the 24-A houseboat. The ADSB 24-A houseboat brings all the conveniences, amenities and build quality of conventional living to the unlimited horizons of the sea and is built using the latest construction technologies.



This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/Chairman of 2020 as amended from time to time on the Corporate Discipline and Governance Standards of Public Joint Stock Companies (Resolution 3/2020), and the format of this report is as prescribed by SCA.

The Report has been filed with the Securities and Commodities Authority and posted on Abu Dhabi Exchange in addition to the ADSB's website.


Mr. David Massey
Chief Executive Officer



