ADNOC DISTRIBUTION

CORPORATE GOVERNANCE REPORT 2021

DRIVING GROWTH: DELIVERING EXCELLENCE

ADNOC Distribution

CONTENTS

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC (ADNOC DISTRIBUTION OR THE COMPANY) IS THE UAE'S LARGEST FUEL AND RETAIL CONVENIENCE BRAND, OPERATING 462 SERVICE STATIONS AND 346 CONVENIENCE STORES ACROSS THE COUNTRY'S SEVEN EMIRATES, AS OF DECEMBER 31, 2021.

1 as of 31 December 2021

INTRODUCTION

We're proud of how we've progressed our smart growth strategy, which has seen continued expansion of our products and services both nationally and internationally.

As our reach expands, so too does our responsibility to continuously develop and maintain operational and governance excellence.

We believe that an organization-wide commitment to corporate governance can help drive enhanced management accountability, create value for shareholders, and safeguard the interests of all stakeholders and the communities we serve.

That's why we have created a corporate governance framework that fulfils all applicable laws and regulations while complying with international best practice. This framework was designed, and is being implemented, in line with our cultural and values to ensure the sustainability of our business and to help us achieve our future goals - as dictated by our vision and mission statements.

Our values are the core principles that guide our decision making and ensure consistency in our actions and behaviors. They represent ADNOC Distribution's collective commitment to set, achieve and exceed ambitious targets. We are:

Progressive
We harness the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry.

Collaborative
We work closely with our partners and peers, leveraging our collective strengths to deliver results that benefit all parties.

Respectful
We encourage a culture of inclusivity and mutual respect, and always operate to the very highest professional and ethical standards.

Responsible
We are committed to proactively identifying ways that we can make a difference to our community, while maintaining an unwavering commitment to health, safety and the environment.

Efficient
We are a performance-driven company, dedicated to maximizing the value of energy resources for the benefit of our people, our community, our partners and our nation.

This report provides an overview of ADNOC Distribution's corporate governance systems and procedures as of December 31, 2021, and has been filed with the Securities and Commodities Authority (SCA) and posted on the Abu Dhabi Exchange (ADX) website as well as the ADNOC Distribution website.

H.E. Dr. Sultan Ahmed Al Jaber
Chairman of the Board of Directors
11 Feb 2022

H.E. Ahmed Jasim Al Zaabi
Chairman of the Audit Committee

Mr. Khaled Salmeen
Chairman of the Executive Committee

Ms. Mariam Saeed Ghobash
Chairwoman of the Nomination and Remuneration Committee

Mr. Ben Hennessy
General Counsel*

* The General Counsel is responsible for and oversees the Company's internal control function.

OUR CORPORATE GOVERNANCE OVERVIEW

WE ARE COMMITTED TO HAVING A CORPORATE GOVERNANCE FRAMEWORK THAT IS COMPLIANT WITH ALL CORPORATE GOVERNANCE REQUIREMENTS THAT ARE APPLICABLE TO PUBLIC JOINT STOCK COMPANIES IN THE UAE AND THAT ARE CONSISTENT WITH INTERNATIONAL BEST PRACTICES.

WE ARE

PROGRESSIVE

RESPONSIBLE

COLLABORATIVE

RESPECTFUL

EFFICIENT

Below is a brief summary of some of the key policies that we have implemented and under which we operate.

CORPORATE GOVERNANCE POLICY

Our Corporate Governance Policy provides clear guidance on: (a) the Company's corporate governance structure and the interface between the Company and its stakeholders; (b) the authorities and decision-making mechanisms within the Company and between its stakeholders; and (c) the role and responsibilities of the Company's corporate governance function.

CODE OF CONDUCT

Our Code of Conduct demonstrates ADNOC Distribution's commitment to compliance and ethical behavior in all that it does. Our Code of Conduct (a) sets out the minimum standard of conduct that we expect from anyone working for or on behalf of ADNOC Distribution; and (b) provides a set of simple rules and standards that are designed to ensure that our business is conducted in an ethical and compliant manner and in accordance with our core values.

DIVIDEND POLICY

Our Dividend Policy sets out the clear and transparent criteria and method for the distribution of our profits such that the distribution of our profits serves the interests of both ADNOC Distribution and its shareholders.

The payment of dividends is subject to consideration of: (a) the cash management requirements of the Company for operating expenses, interest expense, and anticipated capital expenditures; and (b) market conditions, the then current operating environment in our markets, and the outlook for the business of the Company. In addition, any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors and approval of the Shareholders.

Under our Articles of Association, the Company may distribute quarterly, semi-annual and/or annual dividends to shareholders from operating profits and/or accumulated profits of the Company. The Company currently intends to pay a dividend twice each fiscal year, with an initial interim payment in October of that year and a second payment in April of the following year.

RELATED PARTY TRANSACTIONS POLICY

Our Related Party Transaction Policy is designed to ensure that: (a) transactions with related parties are conducted on arm's length terms; (b) the Board of Directors and senior management are aware of the steps required to approve transactions with related parties; and (c) a legitimate business case is present and which supports the relevant related party transactions, including their arm's length nature. In accordance with this policy, we may not enter into a related party transaction unless it has been approved by: (i) our Board of Directors, where the transaction's value does not exceed 5% of the value of our share capital; or (ii) our shareholders at a General Assembly, where the transaction's value exceeds 5% of our share capital. The foregoing requirements do not apply to transactions with ADNOC and with other ADNOC group companies. However, for so long as ADNOC owns more than 50% of our shares, we may not enter into transactions with ADNOC or other ADNOC group companies unless such transactions have been approved by our Board of Directors, including a majority of the independent members of the Board of Directors, subject to certain thresholds under our Delegation of Authority Matrix.

INSIDER DEALING POLICY

The requirement to have fair and transparent dealings in our securities is of paramount importance to us and we take a zero tolerance approach to any activities which would prevent this requirement from being properly implemented. Accordingly, we have implemented an Insider Dealing Policy to ensure that the obligations and responsibilities of our employees, officers and directors with respect to dealings in our securities are clearly defined. In accordance with the Insider Dealing Policy, we have established an Insider Dealing Committee to oversee the ongoing implementation of this policy.

ANTI-BRIBERY AND CORRUPTION POLICY

We are committed to doing business lawfully, ethically and with integrity, and we expect all of our employees and representatives to act accordingly. Consistent with this commitment, we take a zero tolerance approach to fraud, bribery and all other forms of corruption. Our Anti-Bribery and Corruption Policy sets forth our requirements to ensure that none of our employees or representatives engage in any of these activities.

COMPLIANCE INVESTIGATIONS POLICY

Our commitment to operating with integrity includes investigating, where necessary, allegations of ethical misconduct. Our Compliance Investigations Policy and supporting procedures set forth our approach to investigations relating to alleged violation: of (a) ethical business practices; (b) integrity in our interactions and arrangements with third parties; and (c) applicable laws, regulations, policies and procedures relating to ethical business practices and integrity. This policy requires all of our personnel to cooperate fully and truthfully with all investigations and to avoid engaging in certain activities that may hinder or interfere with an investigation.

CONFLICTS OF INTEREST POLICY

We understand that our employees, officers and directors will engage in legitimate social, financial and business activities outside the scope of their work for us. Our Conflicts of Interest Policy sets forth our requirements for the avoidance and management of conflicts of interest that may arise as a result of these other activities, including the avoidance of situations that merely have the appearance of a conflict of interest. Under this policy, conflicts of interest must be promptly disclosed so that the appropriate course of action can be taken in order to protect ADNOC Distribution's interests.

WHISTLEBLOWING POLICY

Having an open, honest and transparent culture supports our commitment to integrity. Our Whistleblowing Policy encourages our employees to report concerns about unethical behavior in connection with our business by assuring confidentiality and by protecting good faith whistle-blowers from retaliation, even if they are mistaken.

GENDER DIVERSITY POLICY

We are committed to advancing gender diversity and equality across the organization and are constantly working to recruit more women in all areas of our business. We are also working on a number of initiatives to advance women's career growth across the Company. To this end, we have created a Gender Diversity Policy to support our actions. Additionally, the Company will continue to ensure that its female employees obtain access to all necessary training and development in order to achieve their full potential in line with the standards of high performance we expect from all our employees - both men and women alike.

SHARE DEALINGS

PURCHASES AND SALES OF OUR SHARES AND OTHER TRANSACTIONS INVOLVING OUR SECURITIES BY EMPLOYEES, OFFICERS AND DIRECTORS ARE GOVERNED BY OUR INSIDER DEALING POLICY.

It is the policy of ADNOC Distribution that inside information must not be used by any of our employees, officers or directors for personal gain. ADNOC Distribution expects that all of its people, as well as the other persons with whom ADNOC Distribution transacts, abide by this policy, and in doing so adhere to applicable laws that apply to inside information and dealings in ADNOC Distribution's securities.

The following table sets forth the details of all purchases and sales of our shares undertaken by our Directors, their spouses and their children in 2021:

Director	Position	Shares held as at 31 December 2021	Total Sale Transactions	Total Purchase Transactions
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	–	–	–
H.E. Mohamed Hassan Alsuwaidi	Director	–	–	–
H.E. Ahmed Jasim Al Zaabi	Director	–	–	–
Mr. Khaled Salmeen	Director	–	–	–
Ms. Mariam Saeed Ghobash	Director	–	–	–
Mr. Abdulaziz Abdulla Alhajri	Director	–	–	–
Mr. Ahmed Tamim Al Kuttab	Director	–	–	–

Director	Position	Shares held from 01 Jan 2021 to 16 March 2021	Total Sale Transactions	Total Purchase Transactions
Mr. Jassim Alseddiqi	Director(*)	–	–	–
Mr. David-Emmanuel Beau	Director(*)	–	–	–
Mr. Pedro Miró Roig	Director(*)	–	–	–

(*) Member of the Board until 16 March 2021

ADNOC DISTRIBUTION'S BOARD OF DIRECTORS

Our Board of Directors comprises seven Directors elected by the General Assembly at the annual meeting on 16th March 2021. All Directors are independent non-executive directors, within the meaning of Resolution No. (3/R.M) of 2020 of the Securities and Commodities Authority of the United Arab Emirates (the **SCA** and the **Corporate Governance Rules**). Pursuant to our Articles of Association, each Director serves a three-year term, after which a Director may be elected to a successive term or terms.

COMPOSITION OF THE BOARD OF DIRECTORS

Set forth below is a table detailing the composition of our Board of Directors:

H.E. Dr. Sultan Ahmed Al Jaber
Chairman
Since February 2016(*)

H.E. Mohamed Hassan Alsuwaidi
Director
Since March 2021

H.E. Ahmed Jasim Al Zaabi
Director
Since April 2019(**)

Mr. Khaled Salmeen
Director
Since February 2019(**)

Ms. Mariam Saeed Ghobash
Director
Since March 2021

Mr. Abdulaziz Abdulla Alhajri
Director
Since November 2017(**)

Mr. Ahmed Tamim Al Kuttab
Director
Since March 2021

(*) Pre IPO, H.E. Dr. Sultan Ahmed Al Jaber was appointed in February 2016 as the Chairman of the Board of Directors of ADNOC Distribution, he was reappointed as the Chairman of the Board in November 2017 at the time of the IPO and in March 2021 when the current Board was elected.

(**) Member of the Board reappointed in March 2021 when the current Board was elected.

OUR BOARD OF DIRECTORS

H.E. Dr. Sultan Ahmed Al Jaber
Chairman

H.E. Dr. Sultan Ahmed Al Jaber has served as Minister of Industry and Advanced Technology since July 2020, as a member of the Supreme Council for Financial and Economic Affairs since December 2020, as UAE Cabinet Member since March 2013, Minister of State from March 2013 up to July 2020, as the Chairman of the National Media Council from 2016 up to July 2020, as the UAE's special envoy for Climate Change since November 2020, as Group Chief Executive Officer of ADNOC since February 2016 and additionally Managing Director of ADNOC since February 2021. From January 2014 to February 2016, he served as Chief Executive Officer, Energy, of Mubadala Development Company.

H.E. Dr. Al Jaber is also Chairman of several other ADNOC Group companies, Chairman of Masdar and Chairman of Abu Dhabi Media Company PJSC, Emirates Development Bank, Chairman of the Board of trustees of Mohammed bin Zayed University of Artificial Intelligence, as well as a member of the Board of Directors of Emirates Global Aluminum, Emirates Investment Authority, First Abu Dhabi Bank and Khalifa University.

H.E. Dr. Al Jaber holds a PhD in business and economics from Coventry University in the United Kingdom, an MBA from the California State University, and a Bachelor in Chemical Engineering from the University of Southern California, USA.

H.E Mohamed Hassan Alsuwaidi

Director

H.E. Mohamed Hassan Alsuwaidi has served as Chief Executive Officer of ADQ since May 2019, having previously served as the Director of Metals and Mining of Mubadala Investment Company from 2007 to 2019. H.E Alsuwaidi is also Chairman of the Board of Directors of TAQA and Emirates Water & Electricity Company (EWEC). He is a member of the Board of Directors of Emirates Global Aluminium, Abu Dhabi Pension Fund and Emirates Nuclear Energy Co.

H.E. Alsuwaidi holds a BSc Degree in Accounting from the United Arab Emirates University, UAE.

H.E Ahmed Jasim Al Zaabi

Director

Chairman of the Audit Committee
Member of the Executive Committee

H.E. Ahmed Jasim Al Zaabi has served as the Chairman of Abu Dhabi Global Market (ADGM) since October 2021. He previously served as Group Chief Financial Officer of ADNOC from December 2019 to December 2021. He also served as Executive Director of the Office of Government Investments at Abu Dhabi Department of Finance from 2018 until February 2019, and as a Director of Office of State Owned Enterprises, GSEC from 2011 until 2018. He is a member of the Board of Directors of Khalifa Fund for Enterprise Development, TAZIZ, IFAD and several other ADNOC Group companies. Mr. Al Zaabi holds a Master's degree in Economics Science with Honors from University of Aberdeen, UK.

Khaled Salmeen

Director

Chairman of the Executive Committee
Member of the Nomination and Remuneration Committee

Mr. Khaled Salmeen has served as the Executive Director of Downstream Industry, Marketing and Trading (DM&T) of ADNOC since January 2021, having previously served as Executive Director of Marketing, Sales & Trading (MS&T) of ADNOC from February 2019. He previously also served as Chief Executive Officer of the Khalifa Industrial Zone (KIZAD), Chairman of Abu Dhabi Terminals, and Chief Operating Officer of National Central Cooling Company (Tabreed). He also served as Director of ADNOC's Transformation Project Management Office from 2016 to 2017. Mr. Salmeen currently serves as a member of the Board of Directors of a number of ADNOC Group companies. He is also Chairman of TA'ZIZ and Chairman of ADNOC Trading.

Mr. Salmeen holds a BSc in Engineering from Colorado School of Mines, Colorado, USA, an Executive MBA from INSEAD and a Project Management Professional (PMP) from the Project Management Institute (PMI) and Harvard Business School, USA.

Mariam Saeed Ghobash

Director

Chairwoman of the Nomination and Remuneration Committee
Member of the Executive Committee

Ms. Mariam Saeed Ghobash served as Director of Global Special Situations Department of Abu Dhabi Investment Council from 2009 to June 2021. She previously served as an Associate at HSBC from 2006 to 2009. Ms. Ghobash is a member of the Board of Directors of Etisalat, Aldar Properties, Emirates Development Bank, Invest AD and Zayed University.

Ms. Ghobash holds a BSc in Economics from the University of Pennsylvania, Philadelphia, USA.

Ahmed Tamim Al Kuttab

Director

Member of the Nomination and Remuneration Committee
Member of the Audit Committee

Mr. Ahmed Tamim Al Kuttab has served as Director of the Executive Office of ADNOC since May 2017. Mr. Al Kuttab also serves as a member of the Board of Directors of several other ADNOC Group companies and has served as a director of Emirates Development Bank since Sept 2020.

Mr. Al Kuttab holds a Master's degree of Business Administration (MBA) from the University of Oxford (UK) and a BSc (Finance) from George Mason University, USA.

Abdulaziz Abdulla Alhajri

Director

Member of the Executive Committee
Member of the Audit Committee

Mr. Abdulaziz Abdulla Alhajri has served as Executive Advisor of ADNOC since January 2021. He previously served as Executive Director, Downstream Directorate of ADNOC from May 2016 until December 2020. From October 2007 to May 2016, he was Chief Executive Officer of Abu Dhabi Polymers Company (Borouge), a joint venture of ADNOC and Borealis. He also serves as a member of the Board of Directors of several other ADNOC Group companies.

Mr. Alhajri holds a BSc in Chemical Engineering from the University of Texas, USA.

FORMER BOARD OF DIRECTORS MEMBERS

Jassim Alseddiqi
(until 16 March 2021)
Former Director, Chairman of the Nomination and Remuneration Committee, Member of the Audit Committee

Mr. Alseddiqi ceased to hold office on 16 March 2021 and therefore no longer holds these roles with the Company. Mr. Alseddiqi has served as Chief Executive Officer of Shuaa Capital PSC since January 2011. He also serves as the Chairman of Eshraq Properties PJSC, Chairman of Islamic Arab Insurance Co. (Salama) PJSC, Chairman of GFH Financial Group BSC, Chairman of Khaleeji Commercial Bank BSC and The Entertainer. He is also a member of the Board of Directors of First Abu Dhabi Bank, Dana Gas and Abu Dhabi Chamber of Commerce and Industry. Mr. Alseddiqi holds a Bachelor's degree in Electrical Engineering from the University of Wisconsin-Madison and a Master's degree in Electrical Engineering from Cornell University. He has also served as a lecturer at the Abu Dhabi-based Petroleum Institute.

David-Emmanuel Beau
(until 16 March 2021)
Former Director, Chairman of the Audit Committee
Mr. Beau ceased to hold office on 16 March 2021 and therefore no longer holds these roles with the Company.
Member of the Executive Committee *(continuous throughout 2021)*

Mr. David-Emmanuel Beau served as Senior Vice President, Asset Management & Business Development (Downstream Industry, Marketing & Trading) at ADNOC from November 2020 to 30 November 2021. He previously served as Chief Investment Officer of the GSS Department at Abu Dhabi Investment Council (ADIC) from 2007 to 2020, where he focused on the MENA region, and prior to that as a fund manager at the Abu Dhabi Investment Authority (ADIA) from 2003 until 2007. He serves as a member of the Board of Directors of Invest AD. Mr. Beau is a CFA Charter holder.

Pedro Miró Roig
(until 16 March 2021)
Former Director, Member of the Nomination and Remuneration Committee

Mr. Roig ceased to hold office on 16 March 2021 and therefore no longer holds these roles with the Company. Mr. Pedro Miró Roig was Chief Executive Officer of Compañía Española de Petróleos (CEPSA) from September 2013, and Vice Chairman from June 2014, in each case until October 2019. He served as Chief Operating Officer of CEPSA from 2011 to 2013. He serves as a member of the Board of Directors of Mubadala Petroleum. Mr. Miró holds a Bachelor's degree in Chemistry from the University of Barcelona.

FEMALE REPRESENTATION ON THE BOARD OF DIRECTORS

On 16th March 2021, Ms. Mariam Saeed Ghobash was elected to the Board of Directors and accordingly there is currently one female member of the Board, which is in compliance with SCA's Corporate Governance Rules. Where Board vacancies arise we will actively seek out greater female representation while at the same time considering all qualified candidates, regardless of gender, and recognizing that appointment of directors is a matter reserved for the shareholders of ADNOC Distribution.

DIRECTORS' REMUNERATION

In 2021, our shareholders approved a total remuneration of AED 12 million which was paid to the members of our Board of Directors for 2020.

It is proposed that the remuneration for the Board of Directors for 2021, to be paid in 2022, is a total of AED 20.28 million plus any applicable VAT.

This will be presented to our shareholders at our upcoming annual General Assembly meeting for approval.

STATEMENT OF ALLOWANCES PAID TO COMMITTEE MEMBERS IN 2021

In 2021, no allowances, salaries or additional fees were paid to committee members.

BOARD MEETINGS – ATTENDANCE RECORDS

Our Articles of Association require that the Board of Directors meets a minimum of four times each year. The quorum for meetings is a majority of directors, and voting during meetings is a majority of attendees. The following table sets forth the meetings held by our Board of Directors in 2021:

Board Member	Position on the Board	17 Jan 2021	14 Feb 2021	16 Mar 2021	09 May 2021	20 May 2021(1)	09 Aug 2021	23 Sept 2021(2)	30 Sept 2021(3)	13 Oct 2021	08 Nov 2021	14 Dec 2021
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	P	P	P	P	P	P	P	P	P	P	P
H.E. Ahmed Jasim Al Zaabi	Director	P	P	P	P	P	P	P	P	P	P	A
Mr. Khaled Salmeen	Director	P	P	P	P	P	P	P	P	P	P	P
Mr. Abdulaziz Abdulla Alhajri	Director	P	P	P	P	P	P	P	P	P	P	P
H.E. Mohamed Hassan Alsuwaidi*	Director			P	P	P	P	P	P	P	P	P
Ms. Mariam Saeed Ghobash*	Director			P	P	P	P	P	P	P	P	P
Mr. Ahmed Tamim Al Kuttab*	Director			P	P	P	P	P	P	P	P	P
Mr. Jassim Alseddiqi**	Director	P	A									
Mr. Pedro Miró Roig**	Director	P	P									
Mr. David Emmanuel Beau**	Director	P	P									

P – Present, A – Absent.
(1) Meeting held by circulation to approve the appointment of ADNOC Distribution's new Chief Executive Officer.
(2) Meeting held by circulation to approve the appointment of a new member to the Company's Nomination and Remuneration Committee (NRC).
(3) Meeting held by circulation to approve payment of 2021 interim dividend.
(*) Member of the Board starting 16 March 2021.
(**) Member of the Board until 16 March 2021.

MATTERS RESERVED TO THE BOARD OF DIRECTORS AND DELEGATED TO MANAGEMENT

The Board of Directors has issued a Delegation of Authority to our Chief Executive Officer, Mr. Bader Saeed Al Lamki, under which the Board of Directors has delegated to him the authority to conduct the daily management activities of the Company, subject to appropriate limits (beyond which, the approval of the Board of Directors must be sought).

Under the Delegation of Authority, Mr. Al Lamki has the ability to sub-delegate activities to other members of ADNOC Distribution's management. Notwithstanding the Delegation of Authority that has been provided to Mr. Al Lamki, the Board of Directors maintains oversight over these activities, and Mr. Al Lamki is regularly required to report to the Board of Directors with respect to the activities undertaken by him pursuant to the terms of the Delegation of Authority.

DETAILS OF THE DELEGATION OF AUTHORITY ARE PROVIDED BELOW

Name of the authorized person
Chief Executive Officer

Scope of authority
Authority to conduct the daily management activities of ADNOC Distribution, subject to appropriate limits as set down by the Board of Directors from time to time.

Duration of delegation
Until the authority is revoked by the Board of Directors.

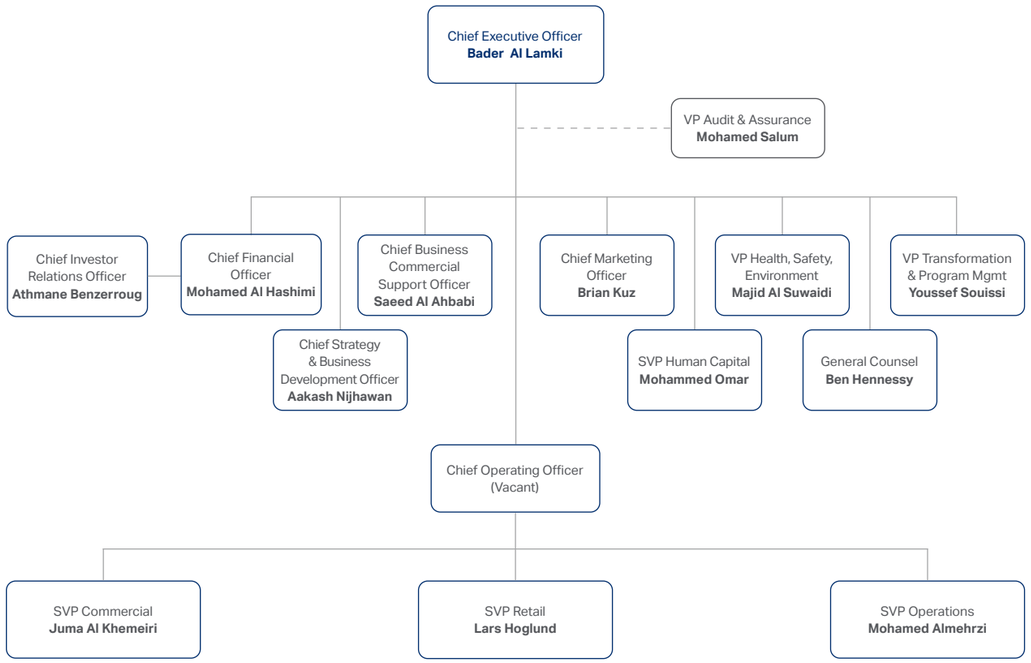
EXECUTIVE MANAGEMENT

UNDER THE DELEGATION OF AUTHORITY, AND IN CONSULTATION WITH THE BOARD OF DIRECTORS, OUR CHIEF EXECUTIVE OFFICER HAS SUB-DELEGATED SOME OF THE POWERS GIVEN TO HIM TO MEMBERS OF OUR EXECUTIVE MANAGEMENT TEAM.

Our executive management team carries out the day-to-day activities of ADNOC Distribution pursuant to this authority and in line with international best practice and the relevant governance rules and regulations.

ADNOC DISTRIBUTION ORGANIZATION CHART

Below is the organization chart of ADNOC Distribution:



Note: Organization Chart as of 31st December 2021

KEY EXECUTIVE MANAGEMENT - GOVERNANCE

BADER SAEED AL LAMKI
CHIEF EXECUTIVE OFFICER

Eng. Bader Al Lamki was appointed as Chief Executive Officer in May 2021. He brings more than 20 years of diversified experience in the oil and gas, clean energy and utilities sectors. Previously, Eng. Al Lamki held the role of the Chief Executive Officer at National Central Cooling Company PJSC (Tabreed) from April 2019 to May 2021, leading the company's operations and growth ambitions in the UAE, across the GCC and internationally. Eng. Al Lamki has extensive experience with some of the UAE's biggest energy companies, including with ADNOC operating company ADMA-OPCO, where he successfully led a strategic development initiative to increase the company's daily oil production. He also worked with Masdar Clean Energy, where he was responsible for business growth activities, including bidding, acquisition and green field project development, including having an instrumental role in building the company's international renewable energy portfolio, with projects spanning 25 countries. Earlier in his career, Eng. Al Lamki gained experience with a number of renowned organizations, including French oil major Total, where he advised on oil and gas projects in Africa. Eng. Al Lamki holds a BSc degree in Chemical Engineering from the United Arab Emirates University.

MOHAMED AL HASHIMI
CHIEF FINANCIAL OFFICER

Mr. Mohamed Al Hashimi was appointed as Chief Financial Officer in October 2020. He served as Chief Operating Officer of ADNOC Distribution from July 2019 to September 2020. Before joining ADNOC Distribution, Mr. Al Hashimi served as SVP Asset Management & Business Development for ADNOC Group and was also advisor to the ADNOC Distribution Executive-Committee. Previously, Mr. Al Hashimi served as Senior Vice President (SVP) Group Strategic Investments for ADNOC Group delivering world-class projects. Mr. Al Hashimi holds a Master's Degree in Business Administration and Management from Harvard University.

ATHMANE BENZERROUG
CHIEF INVESTOR RELATIONS OFFICER

Mr. Athmane Benzerroug joined ADNOC Distribution in September 2018 as Chief Investor Relations Officer. Prior to joining ADNOC Distribution, Mr. Benzerroug served 10 years at Deutsche Bank as a Director focusing on industrials, real estate and retail. He has 20 years of experience in investment banking and equity capital markets leading major IPOs in Europe, the Middle East and Turkey. Previously, Mr. Benzerroug was responsible for European Infrastructure at Natixis Securities in Paris. Mr. Benzerroug holds an MSc in Banking and Finance from University of Paris X, France.

BEN HENNESSY
GENERAL COUNSEL

Mr. Ben Hennessy joined ADNOC Distribution in October 2019 as General Counsel. He has served as an international lawyer for more than 17 years, initially at global law firm DLA Piper, followed by eight years at BP PLC, where he led legal teams supporting BP's retail fuels and lubricants businesses. Mr. Hennessy is a qualified solicitor in England & Wales and holds an LPC from the University of Law, London and a BA from the University of Newcastle, UK.

EXECUTIVE MANAGEMENT REMUNERATION

Details of the total salaries and benefits paid to the senior members of our executive management team in 2021 are provided in the table below:

		2021		
Position	**Appointment date**	**Total salaries & allowances paid**	**Total bonuses paid**	**Other benefits for 2021 or due in the future[1]**
Chief Executive Officer	May 2021	1,877,512	-	
Chief Financial Officer	July 2019	1,617,933	388,822	
Chief Investor Relations Officer	September 2018	1,510,930	322,283	
Chief Strategy and Business Development Officer	January 2019	1,620,000	445,662	
Chief Marketing Officer	August 2019	1,381,263	272,798	
Chief Business and Commercial Support Officer	June 2019	1,742,069	607,732	
Senior Vice President, Commercial	November 2020	1,500,120	115,883	
Senior Vice President, Retail	September 2019	1,394,200	264,732	
Senior Vice President, Operations	Jan 2020	1,596,002	447,784	

(1) Bonuses for 2021 that are payable in 2022 are yet to be determined or awarded.

TRANSACTIONS WITH RELATED PARTIES

We are and have been a party to various agreements and other arrangements with related parties, comprising ADNOC and certain of its other subsidiaries.

Details of these transactions are described below and reflects the position as at 31 December 2021. In addition, the value of all related party transactions undertaken by ADNOC Distribution during 2021 (as disclosed in our 2021 financial statements) is as follows:

	2021 AED'000
Revenue- ADNOC Group	1,154,589
Purchases – ADNOC	15,486,637
Vessel Hire charges and Port Charges- ADNOC Group	35,415
Dividends paid	(2,571,250)
Rendering of services	160,585
Recovery of expenses incurred related to City Gas	55,567
End of service benefits transferred	-

RELATIONSHIP AGREEMENT WITH ADNOC

In 2017, we entered into a Relationship Agreement with ADNOC by which ADNOC agreed, for so long as our shares are listed on the ADX and ADNOC owns or controls more than 50% of the shares, among other things: (a) not to take certain actions that might interfere with our status as an independent company, including: (i) ADNOC will not take any action that would interfere with our ability to comply with our obligations under certain ADX and SCA listing and governance rules, and (ii) ADNOC will conduct all transactions with us on arm's length terms and on a commercial basis and will allow us to carry out our business independently; (b) not to engage in a competing gasoline filling station business or retail convenience store business in the UAE; and (c) not to terminate, and to renew at our request, certain supply and other agreements we have entered into with ADNOC, in each case, so long as we are not in material default of our obligations under those agreements.

Pursuant to the Relationship Agreement, we have also agreed to enter into transactions with ADNOC and other members of the ADNOC group only with the approval of a majority of our directors, including a majority of our independent non-executive directors (other than transactions that, in accordance with our Delegation of Authority, do not require approval of the Board of Directors). Any enforcement of the provisions of the Relationship Agreement against ADNOC requires approval by our Board of Directors, which is effectively controlled by ADNOC. However, for so long as ADNOC holds the majority of our shares, ADNOC has agreed to procure that there shall be three independent non-executive directors appointed to the Board of Directors at all times and, if the overall size of the Board of Directors increases, that the number of independent non-executive directors appointed to the Board of Directors shall, if necessary, also be increased so that they amount to at least one-third of the total number of directors on the Board of Directors.

In any case, as noted under ADNOC Distribution's Board of Directors in section 3, all of our Directors are independent non-executive directors under the SCA's Corporate Governance Rules.

REFINED PRODUCTS SUPPLY AGREEMENT

We entered into a Refined Products Supply Agreement with ADNOC, effective 1 October 2017, pursuant to which we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, refined liquid hydrocarbons, comprising unleaded gasoline (91, 95 and 98 grades), gas oil (diesel), illuminating kerosene, and aviation fuels. The term of the Refined Products Supply Agreement is for an initial period expiring on 31 December 2022, and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date. Under the Refined Products Supply Agreement, ADNOC has committed to supply all quantities of refined products included in annual and quarterly plans and has agreed to use its best endeavors to source such products from third-party suppliers to the extent not otherwise available to it. Pursuant to the Refined Products Supply Agreement, the prices we pay for gasoline and gas oil (diesel) will equal the Platt's benchmarks utilized by the Retail Price Committee chaired by the UAE Ministry of Energy to set retail pump prices plus a fixed margin per liter, provided that during the initial term of the agreement expiring on 31 December 2022, such prices will be reduced on a fils-for-fils basis if the regulated gross margins on retail sales of gasoline and diesel are reduced from their current levels.

In addition, ADNOC must make a payment to us to the extent that, for any contract quarter, the actual per-liter gross margin we earn on retail sales of gasoline and diesel (calculated by reference to actual retail fuel sales revenue less the price we pay for such fuel under the Refined Products Supply Agreement) is less than certain specified minimum levels. Any fils-per-liter shortfall against such minimum margin levels is payable to us by ADNOC in respect of all retail fuel quantities we have sold of the affected grade during the relevant period. For other refined products, including illuminating kerosene and aviation fuels, prices will be ADNOC's official selling prices for such products.

Under the Refined Products Supply Agreement, we have agreed to purchase refined products exclusively from ADNOC (unless otherwise prohibited by applicable law), and ADNOC undertakes not to compete with us in selling to any customer in the UAE without our consent, except for sales to Emarat, ENOC, customers purchasing more than 10,000 metric tons of refined products, and customers to whom we have elected not to sell refined products. ADNOC has also undertaken not to sell on a spot basis to unaffiliated non-export customers in the UAE at prices lower that the prices it charges us.

LPG SUPPLY AGREEMENT

LPG SUPPLY AGREEMENT

We entered into an LPG Supply Agreement with ADNOC, effective 1 October 2017, by which we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, butane, propane and LPG in quantities requested by us and confirmed by ADNOC. The term of the LPG Supply Agreement is for an initial period expiring on 31 December 2022, and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date.

Under the LPG Supply Agreement, ADNOC has committed to supply the quantities of products confirmed by ADNOC each month and has agreed to use its best endeavors to source such products from third-party suppliers to the extent not otherwise available to it.

Pursuant to the LPG Supply Agreement, prices for butane, propane and LPG are ADNOC's official selling prices as in effect from time to time.

Under the LPG Supply Agreement, we have agreed to purchase butane, propane and LPG exclusively from ADNOC, and ADNOC undertakes not to compete with us in selling to any customer in the UAE without our consent, except for sales to Emarat, ENOC, customers purchasing more than 80,000 metric tons per annum of products, and customers to whom we have elected not to sell products. ADNOC has also undertaken not to sell on a spot basis to unaffiliated non-export customers in the UAE at prices lower than the prices it charges us.

In connection with our purchase of propane from ADNOC at the Ruwais facility, in February 2022 we entered into a Propane Handling Services Agreement with Abu Dhabi Gas Industries Limited (trading as ADNOC Gas Processing), a subsidiary of ADNOC, effective as of 1 September 2021, for certain propane handling services. The agreement is for a three year term.

BASE OIL SUPPLY AGREEMENT

We purchase base oil used to produce lubricants and for resale to our Corporate Division customers from ADNOC pursuant to an annual confirmation under the terms of the Base Oil Supply Agreement.

The term of the Base Oil Supply Agreement is for an initial five-year period expiring on 31 December 2022 and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date.

TRANSFER OF NATURAL GAS BUSINESS

In November 2017, we entered into a Business Transfer Agreement with ADNOC pursuant to which we agreed to transfer to ADNOC all of the assets and operations relating to our natural gas business. These did not include those assets and operations located at our retail fuel service stations for the compression and sale of compressed natural gas (CNG) to operators of natural gas-powered vehicles.

The consideration equaled AED 64.1 million (representing the net book value of the transferred assets), plus all operating costs and capital expenditure incurred by us in relation to the natural gas business between signing and closing, less: (a) all customer receipts received by or on our behalf in relation to the natural gas business between signing and closing; and (b) an amount equal to all duties and liabilities incurred by us in connection with the employment of the employees to transfer with the natural gas business prior to closing.

In connection with the Business Transfer Agreement, we have agreed to purchase natural gas from ADNOC for sale as CNG at our retail fuel service stations. Under the terms of the agreement, we purchase from ADNOC, and ADNOC sells to us, specified volumes of natural gas, which we may only resell at our retail fuel service stations, as part of our business selling CNG to natural-gas powered vehicles, or back to ADNOC.

We also continue to provide certain support services to assist ADNOC in operating the natural gas business under a services agreement.

REAL ESTATE TRANSFER LIABILITY AND LEASEBACK AGREEMENTS

In order to continue to comply with property ownership laws in the UAE following our IPO, our real property portfolio was transferred to ADNOC pursuant to decisions of the Crown Prince of Abu Dhabi and the Rulers of the Northern Emirates. To allocate liabilities associated with the property transfers, and to ensure we have continued access to our properties,

we entered into Transfer Liability and Leaseback agreements with ADNOC. Under the terms of the Real Estate Transfer Liability and Leaseback Agreements, ADNOC agreed to lease all real estate transferred to it, back to us on a cost-pass-through basis. Each lease has a term of four years and renews automatically unless notice of termination is given by us at least one year prior to the then-effective expiration date. Under the terms of the agreements, we will indemnify ADNOC for any environmental liabilities relating to our operations on the properties.

BRAND USAGE AGREEMENT

We entered into a Brand Usage Agreement with ADNOC pursuant to which ADNOC has granted to us a non-exclusive license to use certain ADNOC trademarks and logos in Africa, Europe, the GCC, and any other countries or territories as may be agreed by us and ADNOC in writing from time to time in connection with: (a) the operation of fuel service stations; (b) the manufacture, sale, storage, marketing, and distribution of petroleum products, including engine oils, bitumen, and other petroleum by-products; (c) other goods and services related to the foregoing, including lubricants, car washing services, merchandise, and sponsorships; and (d) any other activities that we currently are engaged in or that may be otherwise required for our operations from time to time. The license granted under the Brand Usage Agreement is royalty-free for the first four years.

Thereafter, ADNOC may propose a license fee in an amount to be agreed between us and ADNOC. Subject to the restrictions set forth in the Relationship Agreement, ADNOC may terminate the Brand Usage Agreement upon 12 months' notice, including if the parties are unable to agree on the license fee payable after the first four years.

CIVIL AVIATION SUPPLY CARVE-OUT

We entered into an Aviation Sales Transfer Agreement with ADNOC in September 2017 pursuant to which we transferred all contracts for the sale and supply of jet fuel to the civil aviation sector, and related receivables and jet fuel inventories (other than any Jet A-1 held at our Al Dhafra Terminal), to ADNOC effective 30 September 2017.

In connection with the Aviation Sales Transfer Agreement, we entered into an Aviation Services Agreement with ADNOC to provide ADNOC with services to operate its civil aviation supply business and to provide operations and maintenance services in respect of certain assets related to the civil aviation supply business. Pursuant to the Aviation Services Agreement, ADNOC may request us to perform certain services relating to the transportation and delivery of fuel to its civil aviation customers, which we may perform ourselves or procure third-party service providers to perform. For providing services under the Aviation Services Agreement, ADNOC has agreed to compensate us in an amount equal to our incurred operating expenses incurred in connection therewith (including any related taxes or other charges) plus 8% of such amount, and to reimburse us for the costs of any third-party service providers. During the term of the Aviation Services Agreement, we have agreed that we will not own or engage in a civil aviation supply business that competes with ADNOC's civil aviation supply business. The Aviation Services Agreement has an initial term expiring on 31 December 2022, with successive five-year renewal periods unless any party provides at least 12-months' notice of its intent not to renew.

ADNOC REFINING PERIMETER REORGANIZATION

On 30 September 2017, we entered into an ADNOC Refining Asset Purchase Agreement with ADNOC Refining and AssetCo, both of which are subsidiaries of ADNOC, pursuant to which ADNOC Refining transferred certain assets to us or, to the extent such assets have been built at specifications and capacities that exceed our needs, to AssetCo. These assets comprised certain storage, pipeline and other fuel terminal and distribution assets that ADNOC Refining had constructed primarily for our benefit.

The assets that were transferred to us had historically been operated and maintained by us. In consideration of the transfer of these assets, we paid ADNOC Refining approximately AED 696.2 million, representing the net book value of such assets. On the fifth anniversary of the transfer, we will discuss with the AssetCo the potential acquisition of its assets, subject to agreement on pricing and other terms.

In connection with the ADNOC Refining Asset Purchase Agreement, we entered into an AssetCo O&M Agreement with AssetCo on 30 September 2017 pursuant to which we provide operations and maintenance services in respect of those assets that were transferred to AssetCo under the ADNOC Refining Asset Sale Agreement

and that historically had been operated and maintained by us. Certain other assets that were transferred to AssetCo under the ADNOC Refining Asset Sale Agreement historically had been, and will continue to be operated and maintained by ADNOC Refining, for which ADNOC Refining will be compensated by AssetCo. In addition, the AssetCo O&M Agreement grants us the right to use these assets in connection with our fuel distribution operations. For providing services under the AssetCo O&M Agreement, AssetCo has agreed to compensate us in an amount equal to our incurred operating expenses incurred in connection therewith (including any related taxes or other charges) plus 8% of such amount, and to reimburse us for the amount of any required capital expenditures. Amounts due to us by AssetCo are offset by amounts we owe AssetCo for utilization of the assets transferred to AssetCo. The AssetCo O&M Agreement has an initial term expiring on 31 December 2022, with successive five-year renewal periods unless we provide at least 12-months' notice of our intent not to renew.

SHAREHOLDER SERVICES AGREEMENT

On 30 September 2017, we entered into a Shareholder Services Agreement with ADNOC pursuant to which ADNOC provides us with certain administrative and other support in the areas of treasury, accounting, finance, tax, legal and compliance support, corporate governance, HR, logistics, information technology, procurement, insurance, risk management, record keeping, reporting and general and administrative services to the extent we determine based on our business requirements. Pursuant to the terms of the Shareholder Services Agreement, we and ADNOC will negotiate the cost, including the cost of third-party service providers, for the provision of such services, provided that ADNOC will not charge us for the provision of such services, other than the actual cost of third-party service providers and allocated costs of group insurance for the initial four-year term of the agreement. After the initial four-year term, the agreement may be extended by mutual agreement.

2021 Corporate Governance Report

EXTERNAL AUDITOR

WE HAVE ENTRUSTED THE EXTERNAL AUDIT FUNCTION FOR ADNOC DISTRIBUTION'S YEARLY ACCOUNTS TO GRANT THORNTON, UAE WHICH HAS BEEN ADNOC DISTRIBUTION'S EXTERNAL AUDITOR SINCE THE START OF 2021.

Grant Thornton is a global network with member firms in over 130 countries. It is the fifth largest professional services firm in the UAE, offering a broad portfolio of tax, audit, and advisory services. Grant Thornton's dedicated UAE Team includes subject matter experts in Oil & Gas, Financial Services and Government Sector to mention a few. It has been in the UAE for 55 years and shares the vision of the country to go above and beyond what's expected.

Details of the fees paid to Grant Thornton, UAE for the 2021 auditing services are provided in the table below:

Number of years as an external auditor for ADNOC Distribution served	1 year (2021 is the first year as ADNOC Distribution's external auditors)
Partner name	Mr. Samer Hijazi
Number of years the Partner served as the Company's external audit partner.	1 year
Total fees for auditing the financial statements of 2021 (in AED) including provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting	Total lump sum fee to provide Financial Audit Services FY 2021is AED 648,695. **Breakdown**: ■ **AED 254,895** Fee for auditing the Annual financial statements ■ **AED 181,000** Fee for quarterly review of the financial statements ■ **AED 212,800** Other relevant audit services in relations to the annual audit of the Company's departmental financial statements and the provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting
Fees and costs of other private services other than auditing the financial statements for 2021 (AED)	None
Details and nature of other services provided (if any)	Not Applicable
Statement of the other services performed by an external auditor other than ADNOC Distribution's auditor in 2021 (if any)	Not Applicable

For our annual financial statements for the year ended 31 December 2021, Grant Thornton, UAE, issued an unqualified audit opinion.

AUDIT COMMITTEE

Our Audit Committee assists the Board of Directors in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including:

- Reviewing and monitoring the integrity of our annual and interim financial statements;
- Reviewing and monitoring the extent of the non-audit work undertaken by external auditors;
- Advising on the appointment of external auditors;
- Overseeing the relationship with our external auditors;
- Reviewing the effectiveness of the external audit process; and
- Reviewing the effectiveness of our internal control review function.

The Audit Committee makes recommendations to the Board of Directors, which retains ultimate responsibility for reviewing and approving our annual report and financial accounts.

The Audit Committee gives due consideration to the applicable laws and regulations of the UAE, SCA and the ADX, including the provisions of the Corporate Governance Rules.

The Corporate Governance Rules, reflected in the Audit Committee Charter require that the Audit Committee comprise of at least three members who are non-executive directors, and that at least two of the members must be independent. One of the independent members must be appointed as chairman of the Committee. In addition, all members must have knowledge in financial and accounting matters and at least one member shall have practical experience in accounting or finance and shall have a university degree or professional certificate in accounting or finance or another relevant field. The current members of the Audit Committee are H.E. Ahmed Jasim Al Zaabi (Chairman), Mr. Abdulaziz Alhajri and Mr. Ahmed Al Kuttab.

The Audit Committee has taken appropriate steps to ensure that ADNOC Distribution's external auditors are independent of ADNOC Distribution as required by the Corporate Governance Rules. The Audit Committee has also obtained written confirmation from its auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The Audit Committee's responsibilities in relation to the Audit & Assurance function include the review and approval of the overall audit strategies and annual audit work plan, budget, and overseeing the Internal Audit programs and performance. In addition, the Audit Committee ensures that Audit & Assurance has full and unrestricted access to all required sources of information relevant to performance of its work.

As part of his role as the Chairman of the Audit Committee, H.E. Ahmed Jasim Al Zaabi is responsible for ensuring the Committee's overall effectiveness and that the Committee properly complies with all of its stated objectives. The Audit Committee met six times during 2021.

Details of those meetings (including the attendance records for those meetings) are contained in the table below. In 2021, all recommendations of the Audit Committee were accepted by the Board of Directors.

Committee member	Position in Committee	14 Feb 2021	15 Mar 2021	09 May 2021	28 Jun 2021	09 Aug 2021	08 Nov 2021
H.E. Ahmed Jasim Al Zaabi	Chairman and Member (1)	P	P	P	P	P	P
Mr. Abdulaziz Alhajri	Member (2)			P	A	P	P
Mr. Ahmed Al Kuttab	Member (2)			P	P	A	A
Mr. David-Emmanuel Beau	Chairman (3)	P	P				
Mr. Jasim Al Sediqqi	Member (3)	P*	A				

P – Present, P*– Proxy Attendance, A – Absent
(1) Appointed as Chairman of the Committee on 16 March 2021.
(2) Appointed on 16 March 2021.
(3) Member/Chair until 16 March 2021.

NOMINATION AND REMUNERATION COMMITTEE

Our Nomination and Remuneration Committee assists the Board of Directors in discharging its responsibilities relating to the composition and make-up of the Board of Directors and any committees of the Board of Directors

It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board of Directors and committees of the Board of Directors and, in particular, for monitoring the independent status of the independent non-executive directors.

It is also responsible for periodically reviewing the Board of Directors' structure and identifying potential candidates to be appointed as directors or committee members as the need may arise.

In addition, the Nomination and Remuneration Committee assists the Board of Directors in determining its responsibilities in relation to remuneration, including making recommendations to the Board of Directors on ADNOC Distribution's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

The Corporate Governance Rules, reflected in the Nomination and Remuneration Committee Charter, require the Nomination and Remuneration Committee to be comprised of at least three non-executive directors, at least two of whom must be independent. The chairman of the Nomination and Remuneration Committee must be chosen from amongst the independent Committee members.

The current members of the Nomination and Remuneration Committee are Ms. Mariam Ghobash (Chairwoman), Mr. Khaled Salmeen, Mr. Ahmed Al Kuttab and Mrs. Ayesha Al Hammadi.

As part of her role as the Chairwoman of the Nomination and Remuneration Committee, Ms. Mariam Ghobash is responsible for ensuring the Committee's overall effectiveness and that the Committee properly complies with all of its stated objectives.

In 2021, the Nomination and Remuneration Committee met six times. Details of those meetings (including the attendance records for those meetings) are contained in the table below:

Committee member	Position in Committee	24 Jan 2021	04 Mar 2021	09 Jun 2021	12 July 2021	22 Sep 2021	25 Nov 2021
Ms. Mariam Ghobash	Chairwoman (1)			P	P	P	P
Mr. Khaled Salmeen	Member	P	P	P	P	P	P
Mr. Ahmed Al Kuttab	Member (1)			P	P	P	P
Mrs. Ayesha Mohamed Al Hammadi	Member (2)						P
Mr. Ghannam Al Mazrouei	Member (3)			P	P		
Mr. Jassim Alseddiqi	Chairman (4)	P	P				
Mr. Pedro Miró Roig	Member (4)	P	P				

P – Present, A – Absent
(1) Appointed 16 March 2021.
(2) Appointed 23 Sept 2021.
(3) Appointed 16 March 2021 resigned 15 Sep 2021.
(4) Member until 16 March 2021.

EXECUTIVE COMMITTEE

THE EXECUTIVE COMMITTEE WAS ESTABLISHED BY THE BOARD IN 2019 IN ORDER TO ASSIST THE BOARD IN THE DISCHARGE OF ITS DUTIES.

The role of the Executive Committee is to act on behalf of the Board during the intervals between scheduled Board meetings so that matters that require Board approval during such intervals can be dealt with in a timely and efficient manner. Additionally, the Executive Committee provides recommendations to the Board on matters that require Board approval.

Our Executive Committee consists of six members, four of whom are independent non-executive directors. The current members of the Executive Committee are Mr. Khaled Salmeen (Chairman), H.E. Ahmed Al Zaabi, Ms. Mariam Ghobash, Mr. Abdulaziz Alhajri, Mr. Guy Moeyens and Mr. David-Emmanuel Beau.

As part of his role as the Chairman of the Executive Committee, Mr. Khaled Salmeen is responsible for ensuring the Committee's overall effectiveness and that the Committee properly complies with all of its stated objectives.

In 2021, the Executive Committee met twelve times. Details of those meetings (including the attendance records for those meetings) are contained in the table below:

Committee Member	Position in Committee	01 Jan 2021	26 Jan 2021	03 Mar 2021	05 Apr 2021	26 Apr 2021	05 May 2021	31 May 2021	06 July 2021	27 July 2021	14 Sep 2021	29 Sep 2021	08 Dec 2021
Mr. Khaled Salmeen	Chairman	P	P	P	P	P	A	P	P	P	P	P	P
H.E. Ahmed Jasim Al Zaabi	Member	P	P	A	P	P	A	A	A	P	P	P	A
Mr. David-Emmanuel Beau	Member	P	P	P	P	P	P	P	P	P	P	P	A
Ms. Mariam Ghobash	Member (1)				P	P	P	P	P	A	P	P	P
Mr. Abdulaziz Alhajri	Member (1)				P	P	P	P	P	P	P	P	P
Mr. Guy Moeyens	Member (1)				P	P	P	P	P	P	A	P	P

P – Present, A – Absent
(1) Appointed 16 March 2021.

INSIDER DEALING COMMITTEE

OUR INSIDER DEALING COMMITTEE OVERSEES COMPLIANCE WITH THE INSIDER DEALING POLICY AND OUR SHARE DEALING CODE (WHICH HAS BEEN ESTABLISHED BY OUR INSIDER DEALING POLICY).

Pursuant to our Share Dealing Code, all directors, officers and other employees who are in possession of inside information are prohibited from dealing in ADNOC Distribution's shares during certain periods, and must seek approval from the Insider Dealing Committee to purchase, sell or otherwise deal in our shares during other periods.

In order to grant approval, the Insider Dealing Committee must be satisfied that the individual seeking to deal in ADNOC Distribution's shares is not, at that time, in possession of inside information.

The Insider Dealing Committee is comprised of three members who are appointed by the Board of Directors. Currently, the members of the Committee are Mr. Ben Hennessy, our General Counsel who chairs the Committee, Mr. Mohamed Al Hashimi our Chief Financial Officer and Mr. Athmane Benzerroug, our Chief Investor Relations Officer.

The Insider Dealing Committee met twice in 2021 to, among other things: (a) review and discuss the Share Dealing Code and how it is to be applied; and (b) consider requests from members of staff to deal in our shares.

INTERNAL CONTROL SYSTEM

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the internal control system within ADNOC Distribution and has established a number of processes and procedures which are designed to ensure the effectiveness of our internal control system.

OUR INTERNAL CONTROL SYSTEM

The key objectives of the internal control system are:

- Creating control mechanisms that ensure efficient business processes and the implementation of the Company's objectives;
- Ensuring the safety of the Company's assets and efficient use of its resources;
- Protecting the interests of the Company's shareholders and preventing and resolving conflicts of interest;
- Creating conditions for timely preparation and submission of reliable reports and other information that is legally required to be publicly disclosed; and
- Ensuring the Company's compliance with applicable laws and requirements of regulators.

In addition to the functions and remit of the Board of Directors, the Company's internal control system is imbedded in the Company at three levels:

- **Level 1:** the heads of the various departments and divisions within the Company are responsible for assessing and managing risks and building an efficient control system for their functions;
- **Level 2:** appropriate internal departments and committees (including our enterprise risk management and compliance functions) are responsible for developing, communicating and monitoring the appropriate policies, processes and procedures; and
- **Level 3:** the Company's Audit and Assurance function conducts independent assessments of the efficiency of the internal control system.

AUDIT AND ASSURANCE FUNCTION

The Board of Directors has approved and implemented governance functions and structures, including an Audit and Assurance Division that is independent of our management and reports directly to the Company's Audit Committee. The key objective of the Audit and Assurance function is to provide assurance and advice on the adequacy of the Company's internal control environment, corporate governance framework and risk management processes.

Our Audit and Assurance Division is headed by Mr. Mohamed Saleh who was appointed as Vice President Audit and Assurance in December 2017. Mr. Saleh is responsible for reporting the Audit and Assurance Division's findings/ observations to the executive management and to our Audit Committee on a regular basis. In order to enhance the independence of our Audit and Assurance Division, they report functionally to our Audit Committee and administratively to the Company's Chief Executive Officer. Audit and Assurance's charter, policies, procedures, methodologies and the risk based internal audit plans are presented to and approved by the Audit Committee.

The Abu Dhabi Accountability Authority performs regular reviews of our Audit and Assurance processes and methodology which ensures alignment with industry best practices and regulatory requirements. Our Audit and Assurance activities are performed by a team of appropriate, qualified and experienced members. Additionally, a continuous improvement process is implemented through the use of a learning and development framework that is designed to ensure that the Audit and Assurance team members maintain and upskill their competencies and capabilities.

Taking into account the independency element, our Audit and Assurance Division also serves as an in-house advisor on many areas of interest which allow to provide value-added services that are critical to efficient and effective organizational management.

RISK MANAGEMENT

The Company has implemented an integrated enterprise risk management system, which showcases its commitment to protecting the business and the interest of all stakeholders. This Enterprise Risk Management system:

- Facilitates risk informed strategic planning to achieve business objectives and identify potential business opportunities;

- Supports the Company in identifying and managing key strategic, functional, investment and project risks (including the use of an objective driven process);
- Assesses the identified risks and the potential impact of such risks on the Company and its key objectives;
- Enhances corporate performance as processes become more risk aware and control focused; and
- Strengthens the Company's resilience to market disruption and evolving business practices.

The Company's risks are monitored by a dedicated enterprise risk unit and this unit provides quarterly reports to the Audit Committee. An annual report of the identified risks is then provided to the Board of Directors.

COMPLIANCE AND CONTROL

The Company has established and maintains an internal control framework that provides our executive management and Board of Directors with reliable assurances on the health of our internal controls. These controls are designed to ensure that we are able to (a) continually meet the operational and financial objectives of the Company; (b) properly manage risks; (c) ensure the validity and transparency of the information we provide to our stakeholders; and (d) comply with applicable laws and regulations.

Our compliance and control function is, among other things, responsible for ensuring that the Company conducts its business in full compliance with all relevant laws and regulations, as well as professional standards, accepted business practices and internal standards.

Our compliance and control function performs a number of tasks that are designed to ensure that our internal control system is effectively implemented and managed. These include:

- Discussing the internal control system with the Board of Directors;
- Considering the results of primary investigations in internal control issues;
- Studying internal control reports and following up the implementation of corrective measures arising from the findings of such reports; and
- Setting rules that enable ADNOC Distribution's staff to confidentially report any potential violations in financial reports, internal control etc.

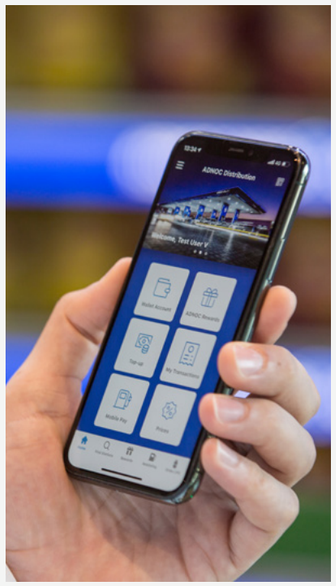
Mr. Ben Hennessy, in his role as General Counsel of the Company, oversees the Company's Legal, Compliance and Governance functions and Mr. Mohamed Al Hashimi, in his role as Chief Financial Officer oversees the Enterprise Risk Management function, and together they are responsible for ensuring that, through the input of these functions, we consistently operate in accordance with the highest international standards.

They ensure that these functions provide continued oversight of our control system. This helps to ensure that our control system is embedded in all of our key processes so that we are able to ensure that our strategic and business objectives are achieved within the required risk tolerance levels.

IDENTIFIED ISSUES AND RECENT DEVELOPMENTS

For 2021, no significant issues were identified with respect to our compliance and control systems.

NO VIOLATIONS WERE COMMITTED BY ADNOC DISTRIBUTION IN 2021



CORPORATE SOCIAL RESPONSIBILITY

"WE ARE PROUD TO BE A BRAND ASSOCIATED WITH THE NATIONAL PRIDE OF THE UAE, OFFERING THE HIGHEST QUALITY FUEL AND NON-FUEL PRODUCTS AND SERVICES TO CUSTOMERS, AS WELL AS SETTING THE BENCHMARK FOR SERVICE EXCELLENCE NATIONWIDE.

We remain committed to our longstanding responsibility to always placing the interests of our people, customers, and the communities we operate in at the top of our priorities, all while taking into consideration the highest HSE considerations. We do so by leveraging our nationwide footprint, expertise, and resources to benefit our stakeholders.

As we head towards ADNOC Distribution's golden jubilee, it's important to always return to the fundamentals of our purpose, and utilize the necessary means in fulfilling them. This is key in running our organization, taken into consideration in making business decisions and when creating internal policies, which eventually shapes our unique corporate culture. This is particularly visible in our long-term commitments to the community, such as to the country's Emiratization agenda, where we continue to create new job opportunities for UAE nationals through various programs. This is also the case with our efforts in

promoting local procurement and encouraging local supply practices through policy updates and supplier incentive schemes. In addition, we strive to continuously upgrade the overall customer experience across our platforms, with a firm belief that there is always room for improvement. Such elements have always come into effect when deciding on our annual corporate social responsibility (CSR) agenda.

When selecting CSR projects to undertake, or planning for new initiatives to support, we make a conscious effort to ensure that they resonate with ADNOC Distribution's large and diverse pool of stakeholders, to have a meaningful impact to benefit the targeted communities. In 2021, ADNOC Distribution further utilized its digital capabilities to support its CSR initiatives, whether through social channel promotion, or direct customer engagement with ADNOC Rewards.

COVID-19

ADNOC Distribution continued to support the nation's ongoing recovery from the COVID-19 pandemic in 2021, with CSR efforts channeled towards COVID-related causes and prevention measures. This included an ongoing company-wide PCR testing campaign that ensured all employees were frequently tested for COVID-19 in accordance with guidance from the health authorities.

ADNOC Distribution also succeeded in becoming the first fuel retailer globally to ensure 100% vaccination of its frontline employees in Q1 2021, and continues with this effort in providing all employees with COVID-19 vaccines and booster shots in collaboration with the health service provider SEHA, and in alignment with the health authorities' and government regulations. ADNOC Distribution also ran a special CSR initiative to acknowledge the efforts of its COVID-19 healthcare partner, SEHA. The initiative called "Thank You SEHA Heroes" came as a token of appreciation to thank SEHA's healthcare team for their efforts in keeping our family safe.

This included sending personalized thank you and appreciation email from ADNOC Distribution's CEO to each of SEHA's healthcare team. SEHA team also received special ADNOC Rewards giveaways, including 2,000 ADNOC free Rewards points and other offers. The campaign was an instant success with almost 18,000 SEHA healthcare workers claiming their gift.

REACH CAMPAIGN

ADNOC Distribution continued supporting the "Reach" campaign in 2021, a charity partnership with the Emirates Red Crescent that aligns closely with the UAE's worldwide humanitarian efforts. ADNOC Distribution took special interest in one cause under the campaign, aiming to help end the river blindness disease around the world. The devastating medical condition affects millions of people, but can easily be treated at a minimal cost of AED 2, enough to provide treatment for one person against the disease for an entire year.

In addition to directly contributing to the cause, ADNOC Distribution promotes and encourages customers to donate through special collection boxes placed at ADNOC service stations. The campaign saw an increase in customer donations when ADNOC Distribution introduced an option to donate through ADNOC Rewards program for the first time in 2021. Customers are now able to use their ADNOC Rewards points to donate for the campaign, a tactic proving to be extremely successful and resulting in additional donations of more than AED 65,000.

OTHER CSR INITIATIVES

Other CSR initiatives in 2021 included participation in the Pink Caravan women's healthcare and breast cancer awareness campaign for the tenth consecutive year, including a Pink Caravan mobile clinic offering women physical examinations for free at select ADNOC stations. The caravan conducted more than 1,500 clinical examinations to women this year alone.

ADNOC Distribution also offered retail space to Al Ghadeer UAE project, a cultural preservation initiative for women, to showcase and sell their products at selected ADNOC Oasis stores. The project provides women in need with vocational training and the necessary supplies to produce modern gift and household items inspired by the United Arab Emirates' rich heritage. Our total expenditure on social development and related sponsorship projects for 2021 was approximately AED 139,000.

GENERAL INFORMATION

OUR 2021 SHARE PERFORMANCE

Trading of ADNOC Distribution shares on the ADX started on 13 December 2017 under the symbol ADNOCDIST. The share price at 31 December 2021 was AED 4.27. ADNOC Distribution's market capitalization at 31 December 2021 was AED 53.4 billion.

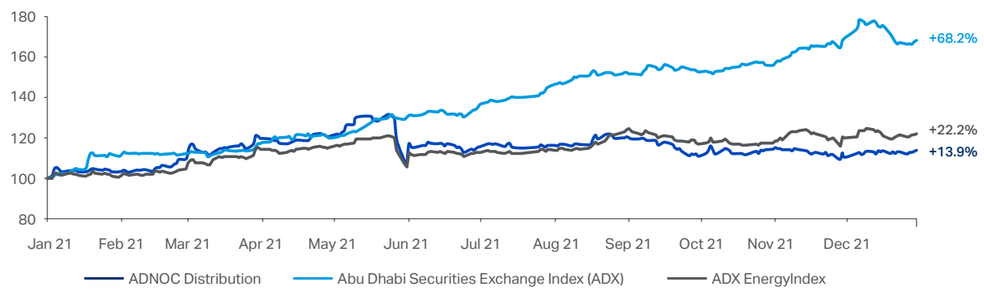
ADNOC Distribution's paid-up share capital is AED 1 billion, divided into 12.5 billion shares, each with a nominal value of AED 0.08.

The following table sets forth the closing price and the high and low share prices of our shares at the end of each month during 2021.

2021	High (AED)	Low (AED)	Close (AED)
January	3.95	3.80	3.87
February	4.11	3.86	4.11
March	4.54	4.18	4.49
April	4.58	4.39	4.53
May	4.93	3.99	3.99
June	4.42	4.23	4.33
July	4.40	4.31	4.36
August	4.57	4.35	4.50
September	4.50	4.16	4.16
October	4.35	4.19	4.29
November	4.32	4.10	4.14
December	4.27	4.19	4.27

OUR 2021 SHARE PERFORMANCE COMPARED WITH OUR SECTOR INDEX

The below graph shows the ADNOC Distribution's share performance comparative to our sector index during 2021.



BREAKDOWN OF SHAREHOLDINGS AS AT 31 DECEMBER 2021

The table below shows the percentage of the shares owned by different categories of shareholders as at the end of 2021.

Shareholder Category	Percentage of Shares Held			
	Individual	Companies	Government	Total
Local	3.54%	88.90%	1.88%	94.32%
GCC	0.15%	0.36%	0.00%	0.51%
Arab	0.14%	0.00%	0.00%	0.14%
Foreign	0.10%	4.93%	0.00%	5.03%
Total	3.92%	94.19%	1.88%	100%

STATEMENT OF SHAREHOLDERS WHO HELD 5% OR MORE OF ADNOC DISTRIBUTION'S CAPITAL AS AT 31 DECEMBER 2021

The table below shows the name of shareholders who held 5% or more of ADNOC Distribution's capital at the end of 2021 and the percentage of such shareholdings.

Name	Number of Shares Held	% of the Shares Held of ADNOC Distribution's capital
Abu Dhabi National Oil Company	9,625,265,509	77%

STATEMENT OF SHAREHOLDING DISTRIBUTION BY THE SIZE OF EQUITY AS AT 31 DECEMBER 2021

The below table shows the shareholding percentage to capital as at the end of 2021.

Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held
Less than 50,000	10,303	36,290,150	0.3%
From 50,000 to less than 500,000	838	137,754,225	1.1%
From 500,000 to less than 5,000,000	301	486,028,668	3.9%
More than 5,000,000	69	11,839,926,957	94.7%

PROCEDURES TAKEN WITH RESPECT TO THE CONTROLS OF INVESTOR RELATIONS

Throughout the year, ADNOC Distribution's Investor Relations Department publishes earnings releases and arranges briefings, conference calls and webcasts to raise investors' awareness globally about the company's attractive value proposition among listed companies and provide updates on ADNOC Distribution's growth strategy and performance.

Each quarter, ADNOC Distribution holds earnings conference calls and webcasts to communicate its quarterly and annual results to analysts, shareholders and investors to discuss its financials and outlook. Copies of all presentations, releases and investor information are available on its investor relations website.

During the COVID-19 pandemic, we believed it was important to engage with shareholders and investors and maintain open communications channels with the markets to update on measures taken to build business resilience during and post-pandemic. A proactive Investor Relations strategy was key to sustaining "investor" trust and maximizing shareholder value, particularly during volatile market conditions and global uncertainty.

ADNOC Distribution's Investor Relations Department is headed by Mr. Athmane Benzerroug, Chief Investor Relations Officer, who brings 20 years of experience in equity capital markets, including 10 years in emerging markets at Deutsche Bank in Dubai.

GENERAL ASSEMBLY AND SPECIAL RESOLUTIONS PRESENTED TO THE GENERAL ASSEMBLY IN 2021

The Company held its annual General Assembly, virtually, on 16 March 2021.

A Special Resolution is defined in our Articles of Association as a resolution requiring the approval of the Company's General Assembly by shareholders owning not less than three-quarters of the shares represented in that General Assembly. In 2021, the following special resolution was passed by the shareholders:

- Approve the amendment to Articles 1, 16, 17, 19, 20, 22, 25, 26, 31, 37, 38, 39, 41, 45, 46, 47, 49, 50, 55, 62 and 68 of the Articles of Association of the Company as published at the Company's page at Abu Dhabi Securities Exchange
- To authorise the Board of Directors of the Company, and/or any person so authorised by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement the ordinary and special resolutions to be adopted by the General Assembly in this Meeting including agreeing any change to any of the above amendments to the Articles of the Company which the SCA or other regulatory authorities may request or which may be required to prepare and certify a full set of the Articles incorporating all the amendments including the introductory part of the Articles of Association and reference to the resolutions of the general assemblies of the Company amending the Articles

THE SECRETARY TO THE BOARD OF DIRECTORS

On 16 March 2021 Mann El Aydi was appointed Secretary to the Board of Directors (effective from 17th March 2021). He is the Senior Advisor, Legal – Executive Office at Abu Dhabi National Oil Company (ADNOC), a role he has held since May 2017. He also serves as Company Secretary for ADNOC Drilling PJSC. Mr. El Aydi advises on a broad range of legal and governance risks and provides hands-on counsel to the Managing Director and Group Chief Executive Officer of ADNOC in relation to the development and implementation of the group's business strategy.

Investor Relations can be contacted at
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Additional investor relations information can be found on our website in Arabic at **www.adnocdistribution.ae/ar/investor-relations/**

and in English at **www.adnocdistribution.ae/en/investor-relations/**

Mr. El Aydi brings over 20 years of corporate, strategic and commercial experience to his role at ADNOC and immediately prior to joining, he spent three years as the Executive Director of Legal & Secretariat at the Tourism Development & Investment Company (TDIC), and five years as the General Counsel & Company Secretary at Abu Dhabi National Hotels PJSC.

A UAE national and fully bilingual in English and Arabic, Mann holds a bachelor's degree in Law from the London School of Economics & Political Science, a master's degree in International & Comparative Business Law, is admitted as a solicitor of the Supreme Court of England & Wales and is a Chartered Secretary registered with The Chartered Governance Institute UK & Ireland.

STATEMENT OF SIGNIFICANT EVENTS

AMENDED DIVIDEND POLICY

On 16 March 2021, the Company's shareholders approved the Board of Directors' recommendation to amend the dividend policy of the Company for 2022, setting a minimum of AED 2.57 billion dividend or 20.57 fils per share (compared to minimum 75% of distributable profits as per previous policy), providing visible payback to shareholders.

The dividend for the years thereafter remained unchanged at a dividend equal to at least 75% of distributable profits. All other sections of the dividend policy remained the same and the above changes should be subject to them.

The amendments to the dividend policy approved by the company's shareholders recognizes the Company's strong financial position at the end of 2020 and shows confidence in its growth prospects and cash-flow generation ability going forward.

CHANGES TO THE BOARD OF DIRECTORS

On 16 March 2021, the Company's shareholders elected the following individuals to a three year term to serve as the new Board of Directors:

H.E Dr. Sultan Ahmed Al Jaber
H.E. Mohamed Hassan Alsuwaidi
H.E. Ahmed Jasim Al Zaabi
Mr. Khaled Salmeen
Mr. Abdulaziz Abdulla Alhajri
Ms. Mariam Saeed Ghobash
Mr. Ahmed Tamim Al Kuttab

CHANGES TO SENIOR EXECUTIVE MANAGEMENT

On 20 May 2021, the Board of Directors appointed Mr. Bader Saeed Al Lamki as Chief Executive Office (effective from 27 May 2021), in replacement of Mr. Ahmed Sulaiman Al Shamsi who stepped down from his role as the Acting Chief Executive Officer.

FREE FLOAT INCREASED TO 23% POST ADNOC PRIVATE PLACEMENT OF ADNOC DISTRIBUTION SHARES

In May 2021, Abu Dhabi National Oil Company (ADNOC) completed a successful placement of approximately 375 million shares (AED 1.6 billion) in ADNOC Distribution, representing an additional 3%, approximately, of the registered share capital of the company. This increased ADNOC Distribution's free float to 23%. ADNOC also issued approximately AED 4.4 billion of senior unsecured bonds due 2024, exchangeable into existing shares of ADNOC Distribution under certain conditions, constituting approximately 7% of the company's registered share capital. Following the transactions, ADNOC will retain at least a 70% strategic stake in the company as it continues to see significant growth potential in ADNOC Distribution

STATEMENT OF DEALS THE COMPANY MADE IN 2021, WHICH EQUAL OR EXCEED 5% OF THE COMPANY'S SHARE CAPITAL

In 2021 the Company entered into an exclusive five year contract with Cars Taxi to supply fuel and lubricants for Cars Taxi's 3,000+ strong fleet in the UAE. The deal, which includes the supply of our premium range lubricant Voyager Gold 5W-40 SN, aligns both companies' commitment to customer safety and satisfaction.

EMIRATIZATION PERCENTAGE IN ADNOC DISTRIBUTION AS AT 31 DECEMBER 2021

Developing our human capital is a strategic priority, and part of our commitment to achieving the Emiratization objectives outlined in the UAE Vision 2021.

Our national employees are a great asset to ADNOC Distribution. We offer them targeted development opportunities to help them reach their full potential as competent and well-informed industry professionals. UAE nationals are appointed as trainees within various departments of ADNOC Distribution so they can successfully complete their career development programs. Through Distributed Emiratization we also ensure the UAE nationals are spread across different layers of the organization & their career development is given utmost importance.

As at 31 December 2021, our Emiratization rate was 67%, which is high compared to our peers in the market.

INNOVATIVE PROJECTS AND INITIATIVES UNDERTAKEN BY ADNOC DISTRIBUTION OR UNDER DEVELOPMENT IN 2021

In 2021, ADNOC Distribution launched "ADNOC Go", the next generation retail experience, a fully autonomous and contactless and cashier-less ADNOC Oasis store. The new ADNOC Oasis offers new, state-of-the-art cashless and contactless payment system and an AI technology enhanced shopping environment. It also utilizes cutting-edge technology via weight sensors on shelves, enabling both camera and weight sensing information to more accurately track the customers' shopping and ensure optimal accuracy and speed for the generated customer basket. The first new generation store has been opened at ADNOC's Sheikh Khalifa Energy Complex, where employees have exclusive access to try out the store, before the new ADNOC Oasis concept is more widely rolled out in the UAE.

The company also continued to roll out its "ADNOC on the go" stations that requires significantly less footprint than a traditional retail/service station facility. It not only minimizes the environmental impact of construction, it also uses, on average, 50 percent less power compared to traditional stations.

In line with the company's ambitious non-fuel retail strategy to offer modern and digitally enabled shopping experience, ADNOC Distribution continued to enhance customer offerings through various initiatives, such as refurbishment of stores, improvement in category management, the introduction of high margin fresh food and premium coffee products.

The Company also swiftly responded to the changing market needs by accelerating its digital strategy and offering customers more convenience through its digital channels, including contactless payment options, expanding its delivery services across C-Store network and accessing new areas across Abu Dhabi for mobile My Station fuel and LPG delivery. In addition to that, the Company has also continued to enhance its loyalty program, ADNOC Rewards, allowing customers to further benefit from their purchases at its outlets.


Natural gas for vehicles
No Smoking