



شركة الجرافات
البحرية الوطنية
NATIONAL MARINE
DREDGING COMPANY



Corporate Governance Report 2021



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1. INTRODUCTION

National Marine Dredging Company Group (hereafter referred as "NMDC" or the "Company" or the "Group") is operating in an evolving global environment of diverse expectations, constant regulatory change, and increasing focus on stakeholder engagement and accountability. We acknowledge that the environment in which we operate provides challenges from a governance and regulatory perspective; however, we are confident that our commitment to adopting and complying with good corporate governance practices, and our culture and values will continue, as ever, to provide the group with a strong foundation that will enable the Board of Directors and the Company to meet these challenges going forward.

The purpose of this document is to report on the corporate governance framework at NMDC Group, in accordance with Resolution No. 3 of 2020 concerning Approval of Joint Stock Companies Governance Guide (hereafter referred as "Corporate Governance Guide") issued by the Securities and Commodities Authority (hereafter referred as "SCA") and as amended from time to time.

This report includes a discussion on the following:

1. Corporate Governance Practices - the principles of the Company's corporate governance framework and the approach the Company takes to the implementation of these principles;
2. Board of Directors (the Board) - the role of the Board in connection with the Company's corporate governance framework, the structure and composition of the Board, the terms of membership of the Directors including membership in other joint stock companies and details about their remuneration from the company;
3. Directors' Dealings in NMDC Group Securities - a description of the Company's share dealing policy, and the company's approach to ensuring that it complies with its disclosure obligations relating to Directors' dealings in NMDC Group securities;
4. External Auditors - a brief about the Auditor company, including a statement of the fees and expenses relating to auditing or other services provided by the Company's External Auditor, and their qualified opinion on the interim and annual financial statements;
5. Board Committees - a description of the composition, functions and responsibilities of the three Board Committees – Audit Committee, Nomination and Remuneration Committee, and Strategy Committee;
6. Internal Control System - a description of the Company's internal control system, and the Company's approach to comply with that system;
7. Company's Contribution – in development of local community and environment protection during the year 2021; and
8. General Information - other information requested by SCA, including price movement of Company's shares, breakdown of share ownership, statement of significant events encountered by the Company, innovative projects and initiatives, Emiratization percentage, investor relations and any corporate governance violations committed during 2021.

This Corporate Governance Report provides information pertaining to NMDC Group post-merger with National Petroleum Construction Company (NPCC). The information relating to previous years considers only NMDC details as NPCC was previously not listed in the stock market.



2. CORPORATE GOVERNANCE PRACTICES

2.1. Corporate Governance Rules

The Board of NMDC Group is committed to implementing strong corporate governance practices to a standard derived from amalgam of UAE guidelines and international best practices. Underpinning these legislative, regulatory and best practice requirements are NMDC Group's values and philosophies, which provide the framework against which we measure behavior and practices to assess the characteristics of good governance. Our values require that directors and employees act with integrity and conduct themselves to promote and maintain trust.

Sound corporate governance is therefore implicit in our values, culture, processes, functions and organizational structure. Structures are designed to ensure that our values remain embedded in all businesses and processes. We continually refine these structures and a written statement of values serves as our code of ethics. NMDC Group undertakes a frequent review of its strategic and operational environment, including communication with its stakeholders, in order to determine an appropriate balance, scope and sophistication of the corporate governance framework which is proportionate to NMDC Group's nature, size and complexity.

The corporate governance culture of NMDC Group is driven by:

- A well informed and effective Board to direct the Company's affairs and set its objectives;
- Clearly defined roles and responsibilities of the Board, its members, its committees, and key Company officers and executives;
- Selection of productive strategies and management of risks;
- Appropriate delegation and monitoring of responsibility and accountability to Management;
- Satisfying the interests of stakeholders through relevant and material disclosures;
- Ensuring compliance with all regulatory obligations;
- Ensuring that the Company's performance and financial reporting are properly directed and controlled through an effective internal control system;
- Engaging with the community; and
- Adopting high ethical standards and practices by the Company, its officers, and employees.

To achieve these aims, and to ensure compliance with the specific requirements of the Corporate Governance Guide issued by SCA, the Company has developed and implemented its Corporate Governance Manual, which contains policies on the following subjects:

- Board and Director Matters;
- Board Committees and their Charters;
- Delegation of Authority;
- Relationship with Shareholders;
- Company's Disclosure Obligations;
- Internal Control System;



- Engagement of Auditors;
- Code of Conduct; and
- Share Dealing Policy.

The Board reviewed Resolution No.3 of 2020 in relation to Corporate Governance and its related amendments and Federal Law No. 2 of 2015 amendments concerning commercial Companies and will update the Corporate Governance Manual to align with these requirements.

The Board is responsible to the Company's shareholders for creating and delivering sustainable value through the management of the Company's businesses. Although day-to-day management of these businesses is delegated to the Management, the Board is responsible for providing strategic direction, management supervision and adequate controls with the ultimate objective of promoting the success and long-term value of the Company. The Board retains responsibility for the overall performance of the Company, and must ensure that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

2.2. Corporate Governance Structure

Corporate Governance is the system by which the business of the Company is directed and controlled. The implemented corporate governance structure specifies the distribution of rights and responsibilities among different stakeholders within the Company, such as, the Board Chairman, Group Chief Executive Officer, Chief Officers, Managers and shareholders; and establishes the rules and procedures for making decisions on corporate affairs. The primary goal of the Company's corporate governance policy is to create and sustain value within the Company.

The Company believes that it is important that these principles of governance are made transparent to all the stakeholders and to safeguard their rights and promote their participation in the Company's corporate governance process.

The Board plays a central role in the Company's corporate governance framework. It is ultimately responsible for ensuring that the Company complies with its legal and regulatory obligations, the Company's Memorandum and Articles of Association, and its duties to shareholders. The Board is assisted in this process by various Board committees (particularly Audit Committee, Nomination and Remuneration Committee, and Strategy Committee), external and internal auditors, and company officers and employees (including the Group Chief Executive Officer, Group Chief Financial Officer, Internal Audit and Compliance Director and other members of Management).

In addition to the Articles of Association and regulating laws, the NMDC Group Board has approved a wide range of charters, codes, policies and carefully defined business structures and processes in order to record their decisions and delegations, and regulate the operations and overview activities of the Company and its subsidiaries. The Board has also issued general principles of behavior and personal conduct for which all directors and staff are accountable as individuals and as a collective entity.

2.3. Disclosure Practices

The Company is committed to comply with all of its disclosure obligations, including to the SCA, the Abu Dhabi Stock Exchange (hereafter referred as "ADX") and to shareholders, so that trading in its shares can take place in an informed market. In 2021, the Company made regular disclosures to SCA and ADX including upcoming Board meetings and decisions, publication of Annual Report, Corporate Governance



Report, Sustainability Report and other announcements on key financial and/or operational matters/transactions, copies of which are generally available or updated on the Company's website.

2.4. Delegation of Authority

The Board bears ultimate responsibility for the operations of the Company, and within the provisions of the Articles of Association, UAE Companies Law and approved Corporate Policies and Procedures, the Board has the authority to delegate its powers to the committees and senior management.

The Board has approved latest revision of Delegation of Authority in 2020. The Delegation of Authority outlines authority limits delegated by the Board to the executive committees, management and employees in order to run the Company's affairs and operations within the United Arab Emirates and overseas locations.

The Board has also delegated certain authority to its committees, being the Audit Committee, the Nomination and Remuneration Committee, and the Strategy Committee, as defined within their Charters, and updates to which were approved in 2019.

2.5. Code of Business Conduct and Fraud Control Policy

The Company recognizes the importance of establishing and maintaining a set of core values and approaches to the process of doing business. The Company demands, and will maintain, the highest ethical standards in its business activities through a detailed Code of Business Conduct and Fraud Control Policies, which address the following areas:

- Compliance with Laws, Rules and Regulations;
- Personal Conduct;
- Standard of Conduct;
- Confidentiality and Intellectual Property Rights;
- Integrity and Conflicts of Interest;
- Competition and Fair Dealing;
- Corporate Opportunities;
- Protection and Proper Use of the Company's Assets;
- Environment and Community Service;
- Health and Safety;
- Reporting any Violations of the Code;
- Compliance Procedure; and
- Disclosure in Reports and Documents.

Company officers and employees are required to comply with these Codes in performing their duties.



2.6. Director's Induction Policy

The Company's policy on director induction requires all new Directors to participate in the Company's induction program. This program includes presentations by Management to familiarize new Directors with the Company's objective and strategic plans, business operations and activities, business units and departments, and principal officers and employees. The program aims at providing the information required to ensure that a new Director understands his/her duties and responsibilities under the applicable laws and regulations, the Company's corporate governance framework, and understands the Company's policies in its field of operations.

2.7. Share Dealing Policy

The purpose of the Company's share dealing policy is to ensure that the Company's Directors and employees (and their Connected Persons) do not deal or trade in securities issued by the Company or its subsidiary or sister companies based on undisclosed confidential information or in circumstances of conflict.

The Company's share dealing policy is that no Director or employee of the Company (or any subsidiary or other company controlled by the Company) may deal in the Securities of the Company whilst they are in possession of any information which could affect the price of the Securities of the Company, where such information has not been disclosed to the ADX. Directors who are not in such possession may only deal in the securities of the Company with the prior written consent of the Chairman (or, in his absence, of the Vice-Chairman), whilst employees who are not in such possession may only do so with the prior written consent of the Group CEO (or, in his absence, the Company Secretary).

This policy does not avoid the need to obtain the consent of the ADX Board of Directors before trading in the Company's Securities, and does not permit any Director or employee to deal in the Securities of the Company during any Blackout Period, as defined Company's Corporate Governance Manual. This policy is also in addition to, and does not avoid the legal requirement to comply with, any applicable laws or regulations. Directors and employees remain personally liable for their non-compliance with any applicable laws and regulations.

2.8. Follow-up & Supervision Committee

The Follow-up & Supervision Committee has responsibility for the Register of Insiders including monitoring, follow up, supervising and managing the dealings of all Insiders, registering their dealings and ownership in the Register and to communicate and report to ADX regularly on all such matters.

The Follow-up & Supervision Committee comprises of the following members:

Name	Position	Designation
Mr. Kashif Nawaz Shaikh	Internal Audit and Compliance Director	Committee Head
Mr. Mohammed Al Falahi	General Purchasing Manager	Committee Member
Mr. Khaled Al Shalati	Investor Relation Officer	Committee Member



Mr. Kashif Nawaz Shaikh acknowledges his responsibility for the follow-up & supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness.

The Committee in 2021 regularly reviewed and updated the Register of Insiders. Further, in line with ADX regulations and NMDC Group Corporate Governance Manual, notifications were communicated to Insiders for blackout periods. There was no trading conducted by Insiders during year 2021.

2.9. Transactions in Company's Securities by Board Members

The Board and the individual Directors, as well as Company Management understand their obligations with respect to disclosure requirements, in connection with their dealings in NMDC securities and are compliant with all requirements set by SCA and ADX.

The table below provides details of dealing in NMDC securities and balances as at 31 December 2021, by current Board Members and their wives, sons and daughters.

Name	Position/ Relationship	Shares Held as at 31/12/2021	Total Sale Transactions	Total Purchase Transactions
Mr. Abdul Ghafar Abdul Khaleq Al Khouri	Member	5,999,999	-	-
	Son	3,199	-	-
	Son	3,199	-	-
	Son	3,199	-	-
	Son	3,199	-	-
	Daughter	3,199	-	-
Mr. Mohamed Ahmed Bandouq Al Qamzi	Wife	53,999	-	-



3. BOARD OF DIRECTORS

3.1. Role of the Board

The Board is responsible to the Company's shareholders for creating and delivering sustainable value through oversight of the Company's business. In particular, the Board is responsible for providing strategic direction, management supervision and adequate controls, with the objective of promoting success and long-term value of the Company, and is accountable for performance and affairs of NMDC Group.

The Board also plays a central role in the Company's corporate governance framework. The Board has adopted a Corporate Governance Manual, which provides a framework of how the Board operates as well as the type of decisions to be taken by the Board and which decisions should be delegated to Management. The Board is ultimately responsible for ensuring that the Company complies with its legal and regulatory obligations, the Company's Memorandum and Articles of Association, and its duties to shareholders.

The following is a list of some of the key specific responsibilities of the Board:

- Taking the necessary procedures to ensure compliance with applicable laws, regulations, resolutions and requirements of the regulatory authorities.
- Approval of the strategic approaches and main objectives of the Company, and supervising implementation thereof.
- Taking the steps sufficient to ensure efficient internal control of the work flow in the Company
- Establishing an internal control department to follow up compliance to the applicable laws, regulations, and resolutions, requirements of the regulatory bodies, and the internal policy, rules, and procedures set by the Board of Directors.
- Setting written procedures to regulate conflict of interests and deal with potential cases of such conflict for Board members, the senior executive management, and shareholders, and setting the procedures to be taken in cases of misuse of the Company's assets and facilities or misconduct resulting from transactions with Related Parties.
- Ensuring soundness of administrative, financial, and accounting rules, including the rules related to preparation of financial reports.
- Ensuring the use of appropriate regulatory systems for risk management by outlining potential risk and discussing it with transparency.
- Setting clear and precise standards and procedures for Board membership and putting them in force subsequent to approval of the general assembly.
- Setting a clear authorization policy in the Company to determine authorized persons and the powers assigned to them.
- Setting a policy that regulates the relationship with stakeholders in a manner that ensures the Company's fulfilment of its obligations towards them, preserving their rights, providing them with required information, and establishing sound relations with them.
- Setting code of conduct for Board members, employees, auditor, and persons assigned some of the Company's works.
- Setting procedures to apply governance rules in the Company, review of such procedures, and assessment of compliance thereto on annual basis.



- Designing appropriate training programs for Board members to enhance and update their knowledge and skills and ensure effective participation in the Board of Directors, and ensure compliance with any training or qualifying programs determined by the SCA or the Market.
- Familiarizing a newly appointed Board member with all the Company's departments and sections, and providing them with all the information required to ensure correct understanding of the Company's activities and works, and full realization of their responsibilities, all that enables them to perform their duties duly in accordance with the enforced legislations, all other regulatory requirements, and the Company's policies in its field of business.
- Setting procedures to prevent employees who have access to information from using the Company's confidential internal information to make tangible or intangible gains.
- Devising a mechanism for receiving shareholders' complaints and proposals including their proposals concerning particular issues in the general assembly's agenda in a manner that ensures studying such proposals and making the right decisions about them.
- Approval of the rules on which basis incentives, bonuses, and special privileges shall be granted to Board members and senior executive management in a manner that furthers the Company's interest and helps achieve its objectives.
- Setting the Company's policy of disclosure and transparency and follow up of implementation thereof in accordance with the requirements of the regulatory authorities and applicable legislations.
- Setting a clear policy for distribution of the Company's profits in a manner that furthers the interests of both the shareholders and Company, and it should be displayed to shareholders in the meeting of the general assembly and it should be mentioned in the Board of Directors' report.

3.2. Composition of the Board

NMDC Group Board of Directors comprises of the following members

Name	Designation	Membership Category	Year of Initial Appointment
Mr. Mohamed Thani Murshid Al Rumaithi	Chairman	Non-Executive	2007
Mr. Hamad Salem Mohammed Al Amri	Vice Chairman	Independent	2021
Mr. Abdul Ghaffar Abdul Khaleq Al Khouri	Member	Non-Executive	2007
Mr. Mohamed Ahmed Bandouq Al Qamzi	Member	Non-Executive	2013
Mr. Mohamed Ibrahim Al Hammadi	Member	Independent	2021
Mr. Yaser Saeed Al Mazrouei	Member	Independent	2021
Mr. Ahmed Amer Omar Saleh Omar	Member	Independent	2021

All of the above Directors are considered as non-executive and/or independent, according to the definitions used in the Corporate Governance Guide. In particular, the Guide states that a Director is non-executive if they are not employed by the Company, or who do not receive a monthly or annual salary from the Company. All of the Directors satisfy this definition and are thus considered as non-executive Directors.

Resolution No.3 of 2020 in relation to Corporate Governance highlights that a board member shall lose his/ her independency in the following cases:



- If a Board member or any of his/her second-degree relatives work or worked at the senior executive management of the Company or its subsidiary company during the two years preceding his/her nomination for Board membership.
- If a Board member or any of his/her first-degree relatives has a direct or indirect interest in the contracts and projects of the Company or its subsidiary companies during the last two years and the total of such transactions exceeds (5%) of the company's paid-up capital or the amount of AED 5 million or its equivalent amount in a foreign currency, the lesser of the two, unless such relationship is part of the nature of the Company's business and involves no preferential conditions.
- If a Board member works or worked for the Company or its subsidiaries during the last two years preceding the date of his appointment to the Board.
- If a Board member works for or is a partner in a company that performs consulting works for the Company or any of its subsidiary companies, sister companies, affiliate companies or any parties related thereto during last two years.
- If a Board member has entered into personal services contracts with the Company or any of its subsidiary companies, sister companies, or affiliate companies during last two years.
- If a Board member is directly engaged in a non-profit organization that receives sizeable finances from the Company or a party related thereto.
- If a Board member or any of his/her relatives is a partner or employee of the Company's auditor, or if he/she was a partner or employee of the Company's auditor or auditing office during the two years preceding his/her occupying a seat in the Board of Directors.
- If a Board member and/or any of his/her underage children own (10%) or more of the Company's capital.
- If a Board member is selected for a fourth consecutive term.

Independence of a Board member shall not be affected for the reason of only being an employee of the parent company or any of its subsidiary companies in case any of such companies is owned by the government or in case at least (75%) of the parent or subsidiary companies is owned by the government.

3.3. Representation of Female Members in the Board of Directors

The Company's Board was re-constituted during 2021 for which the Company sent out advertisements in line with applicable law and regulations seeking nominations for the Board from eligible members. The Nomination and Remunerations Committee of the Board reviewed the nominations received as per the Company's Articles of Association and applicable regulations; however, no female member nomination was received. Therefore, there is no female representation in the current Board of Directors.



3.4. Director's Qualification and Experience

The current NMDC Group Board of Directors' qualifications and experience are as follows:

Name	Qualification	Exp.	Membership in Other Joint Stock Companies	Positions in any other important Regulatory, Governmental or Commercial Positions
Mr. Mohamed Thani Murshid Al Rumaithi	Businessman	25+ Years	1. Chairman of Alpha Dhabi 2. Board Member of First Abu Dhabi Bank	1. Chairman of Thani Murshed Uniliver
Mr. Hamad Salem Mohammed Al Amri	Bachelor of Civil Engineering and Master of Business Management	25+ Years	1. Board Member and CEO of Alpha Dhabi 2. Board Member in Al Dar Properties 3. Board Member in Arabtec	
Mr. Mohamed Bandouq Ahmed Al Qamzi	Bachelor of Science in Management, EMBA, PLD	25+ Years	-	1. Advisor, HH Managing Director Office at Abu Dhabi Investment Authority 2. Board Member of Khalidiya Co-operative Society 3. Member of National Consultative Council
Mr. Abdul Ghaffar Abdul Khaleq Al Khouri	Businessman	25+ Years	-	1. CEO of Abdul Khaleq Al Khouri & Sons Company. 2. Managing Director of Milipol International Company.
Mr. Mohamed Ibrahim Al Hammadi	Masters in Engineering Management and Bachelor in Electrical Engineering, Honorary Doctorate	25+ Years	-	1. Managing Director and Chief Executive Officer at Emirates Nuclear Corporation (ENEC) 2. Member of World Association of Nuclear Operation's (WANO) 3. Member of American Nuclear Society 4. Senior Member of the Institute of Electrical and Electronics Engineers (USA), the International Council on Large Electric Systems, and the Engineers Association of the UAE
Mr. Yaser Saeed Al Mazrouei	Master of Petroleum Engineering	25+ Years	1. Board Member of ADNOC Drilling	1. CEO of the Exploration, Development and Production Department - ADNOC
Mr. Ahmed Amer Omar Saleh Omar	Bachelor of Business Administration	25+ Years	1. Chairman of RAK Cement	

3.5. Directors Remunerations

The Company's General Assembly determines remuneration of the Board of Directors on an annual basis. According to the Company's Articles of Association and the Corporate Governance Guide, the Director's remuneration cannot exceed 10% of net profits of the Company, after deducting depreciations and statutory reserve.



The Nomination and Remuneration Committee is also required to review, at least annually, the remuneration proposed to be paid to Directors, whether in their capacity as members of the Board or of the Board Committees, and make recommendations to the Board as considered appropriate.

In 2021, the Board of Directors were paid remuneration of AED 11 million in respect to financial year 2020. The Company has made a provision of AED 95 million towards Board remuneration and employee bonuses for 2021.

On 15 March 2022 in the Annual General Assembly Meeting the shareholders approved the payment of AED 8 million in addition to any applicable taxes to the Board of Directors as remuneration in respect to financial year of 2021.

Apart from the above remuneration, no other remuneration or allowances have been paid to Board members for attending the meetings of the Board or membership remuneration in the committees formed by the Board for year 2021.

3.6. Board of Directors Meeting

The Board of Directors held five (5) meetings during 2021 on the following dates:

Name	Meeting No. 1	Meeting No.2	Meeting No. 3	Meeting No. 4	Meeting No. 5
	28/2/2021	31/3/2021	6/5/2021	15/7/2021	18/11/2021
Mr. Mohamed Thani Murshid Al Rumaithi (Chairman)	✓	✓	✓	✓	✓
Mr. Hamad Salem Mohammed Al Amri (Vice Chairman)	Note 1	✓	✓	✓	✓
Mr. Abdul Ghaffar Abdul Khaleq Al Khouri	✓	✓	✓	✓	✓
Mr. Mohamed Ahmed Bandouq Al Qamzi	✓	✓	✓	✓	✓
Mr. Mohamed Ibrahim Al Hammadi	Note 1	✓	✓	✓	✓
Mr. Yaser Saeed Al Mazrouei	Note 1	✓	✓	✓	X
Mr. Ahmed Amer Omar Saleh Omar	Note 1	✓	✓	✓	✓
Dr. Mohamed Rashid Ahmed Al Hamli	✓	Note 2	Note 2	Note 2	Note 2
Mr. Majed Ahmed Al-Karbi	✓	Note 2	Note 2	Note 2	Note 2
Mr. Khalifa Mohamed Abdul Aziz Rubaya Al Muhairy	✓	Note 2	Note 2	Note 2	Note 2
Mr. Rubaya Mohamed Abdul Aziz Rubaya Al Muhairy	✓	Note 2	Note 2	Note 2	Note 2
Mr. Dagher Darwish Al Mara	✓	Note 2	Note 2	Note 2	Note 2
Mr. Mohamed Rashed Mubarak Al Kitbi	✓	Note 2	Note 2	Note 2	Note 2

✓ refers to attendance

x refers to absence

Note 1: Mr. Hamad Salem Mohammed Al Amri, Mr. Mohamed Ibrahim Al Hammadi, Mr. Yaser Saeed Al Mazrouei and Mr. Ahmed Amer Omar Saleh Omar were elected as New Board Members in the Annual General Assembly held on 28 March 2021.

Note 2: Mr. Khalifa Mohamed Abdul Aziz Rubaya Al Muhairy, Dr. Mohamed Rashid Ahmed Al Hamli, Mr. Mohamed Rashed Mubarak Al Kitbi, Mr. Rubaya Mohamed Abdul Aziz Rubaya Al Muhairy, Mr. Dagher Darwish Al Marar and



Mr. Majed Ahmed Al-Karbi were replaced by new Board Members in the Annual General Assembly held on 28 March 2021.

3.7. Board Secretary

The position of Board Secretary in 2021 was held by external consultant Allen and Overy, an international law firm which was appointed in 2012. Allen & Overy have over 5,500 people, 2,800 lawyers, over 550 partners and over 40 offices in 30 different countries. Their team advises both sponsors and investors – including private equity houses, government entities, financial institutions and corporate clients – on fund establishment and related issues, including Shari'a aspects of fund structures. They have significant experience of advising clients on commercial disputes and breach of contract claims and in particular those under the laws of the GCC. In addition, they have extensive experience in drafting laws, regulation, legislation and acting on arbitrations that include disputes across the Middle East, including in Saudi Arabia, the UAE, Iraq, Oman, Bahrain, Egypt and Jordan.

Statement of their duties during the year were the following:

- Preparing and sending invitations for Board of Directors meetings
- Distributing Board of Directors Meeting Agenda
- Taking minutes of meeting during Board of Directors meeting
- Providing legal advisory to the Board of Directors when needed

3.8. Duties and Competencies of the Board performed by Executive Management

Under the Articles of Association, and by virtue of various resolutions, the Board of Directors of the Company have delegated to the other committees of the Board, Board members, the Group CEO or other officers, the authority to transact business on behalf of the Company.

To that end, the Board has nominated, appointed and authorized the Chairman (Mr. Mohamed Thani Murshed Al Rumathi) of the Board of Directors and Vice Chairman (Mr. Hamad Salem Mohamed Al Ameri), jointly or any of them jointly with any of the following members of the Board of Directors:

Board Members
Mr. Abdul Ghaffar Abdul Khaleq Al Khouri
Mr. Mohamed Ahmed Bandouq Al Qamzi
Mr. Mohamed Ibrahim Al Hammadi
Mr. Yaser Saeed Al Mazrouei
Mr. Ahmed Amer Omar Saleh Omar

The duration of the Power of Attorney begins from 30 November 2021 and ends on 29 November 2024. Some of the duties authorized but not limited to are listed below.

- Attend to all matters affecting the Company, and its subsidiaries and their business, and to represent, act for and sign on behalf of the Company before Governmental and Local Departments.
- Open, withdraw, administer and close in the name of the Company or any of its subsidiaries accounts with any bank, financial institutions, trust or fund inside and outside the United Arab Emirates.



- Represent the Company and any of its subsidiaries in the United Arab Emirates or elsewhere and execute and sign all relevant and required documents in relation to any amendment, waiver or change (of any nature) to the Company's status or its subsidiaries status, its capital, management, employees or any other constitutional and corporate issue, and to receive on behalf of the Company any certificate or document regarding such amendments or changes.
- To have full authority to negotiate, conclude, sign and deliver all contracts or agreements relating to acquisitions and ownership of other companies or associations whether inside or outside the United Arab Emirates.
- Enforce, protect and defend the interest of the Company or any of its subsidiaries in all law suits or other legal proceedings, whether brought by the Company or any of its subsidiaries or against it.
- Retain and employ advisors including financial advisor, legal counsel, lawyers, advocates and others possessing appropriate skills to advise, act for or represent the Company, sign engagement letters with such advisors, determine their fees.

Further the Chairman has authorized the Group Chief Executive Officer to conduct the business of the Company within the UAE and abroad, and to carry out all acts reasonably necessary to fulfil the Company's objects with certain financial limits.

Name of Authorized Person	Designation	Duration of Authorization
Mr. Yasser Nassr Zaghloul	Group Chief Executive Officer	27 August 2019 to 26 August 2022

Specifically, the Special Power of Attorney, which is signed by the Chairman of the Board, authorize the Group CEO to perform the following:

- Sign all correspondence of the Company before Governmental and Local Departments;
- Complete legal transactions on behalf of the Company in accordance with the Company's policies and procedures;
- Address, send and receive notices and warnings on behalf of the Company;
- Visit all Federal or Local Departments and establishments for completing and signing all the administrative, legal and judicial requirements of the Company's business;
- Sign all bids, tenders, supply contracts and projects contracts executed by the Company or on its behalf via subcontracting;
- Sign sale contracts for selling materials, vehicles, sea parts or metals that the Company wishes to dispose of and sell to third parties; and
- The right to authorise third parties to do all or some of the powers conferred upon him.

3.9. Dealing with Other Related Parties

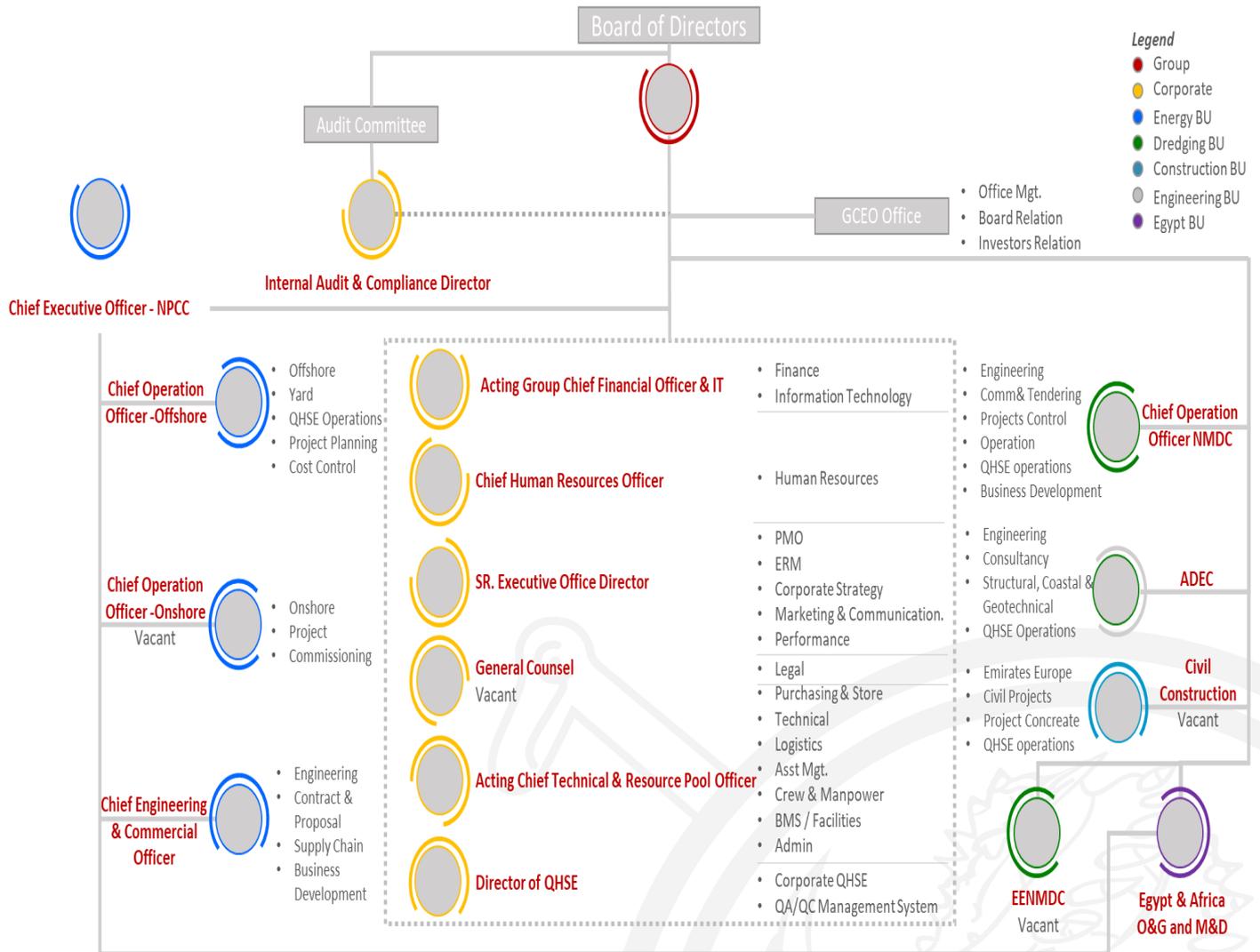
During the year 2021, no transactions were conducted with related parties equal to 5% or more of the company's capital.



3.10. Executive Management

The Group CEO, supported by the Management team, is responsible for the day-to-day management of the Company's businesses.

The following illustrates Organization Structure of the Company.





The table below details the current Executive Management team at NMDC Group, along with their date of appointment, salaries, allowances and bonuses paid to them for the financial year 2021:

Current Position	Date of Current Appointment as per the new structure*	Total Salaries and Allowances paid in 2021 (AED)	Total Bonuses for 2021 (AED)	Any other Cash/in-kind benefits for 2021
Group Chief Executive Officer	29-Jul-2021	5,412,744	4,500,000	-
Chief Executive Officer - NPCC	29-Jul-2021	2,961,110	1,769,325	-
Group Chief Financial Officer & IT – Acting	29-Jul-2021	1,296,333	300,000	-
Chief Operating Officer – NMDC	29-Jul-2021	1,445,771	300,000	-
Chief Technical and Resource Pool Officer – Acting	29-Jul-2021	1,641,905	300,000	-
Chief Engineering and Commercial Officer	29-Jul-2021	1,259,981	400,000	-
Chief Operation Officer – Offshore	29-Jul-2021	1,668,755	500,000	-
Chief Human Resources Officer	29-Jul-2021	1,296,315	150,000	-
Senior Executive Office Director	21-Nov-2021	102,666	20,000	-

*Date of current appointment was based on the new organization structure issued on 29 July 2021 in which new job positions were announced. Hence the information mentioned in the total salaries and allowances paid in 2021 covers the whole year of 2021, except for the Senior Executive Office Director who was newly appointed on 21 November 2021.



4. EXTERNAL AUDITORS

4.1. Appointment of External Auditors

The Company's External Auditors appointed for the year 2021 are Ernst & Young (EY). EY is a US\$ 31.4 billion global professional services organization with over 247,570 employees in more than 150 countries. They are global leaders in providing assurance, tax, transaction and advisory services.

The Audit Committee, after consideration and evaluation recommended appointment of EY as the External Auditors for 2021. They were appointed as the Company's Auditor for the financial year 2021 by a shareholders' resolution at the Company's Annual General Meeting held on 28 March 2021.

4.2. External Auditors Independence

The Company adopts a policy on external auditors' independence by which the external auditor may not, while assuming the auditing of the Company's financial statements, perform any technical, administrative or consultation services or works in connection with its assumed duties that may affect its decisions and independence or any services or works that, in the discretion of SCA, may not be rendered by the external auditor.

The Company's policy includes measures to ensure the external auditors' independence, including the following:

- The Board nominates the external auditor, generally upon the recommendation of the Audit Committee;
- The appointment of the external auditor is made by a resolution of the Company's Annual General Meeting, for a period of one year renewable;
- The external auditor should be independent from the Company and its Board and may not be a partner, agent or a relative, even of the fourth degree, of any founder or director of the Company; and
- Review and approval by the Audit Committee for any proposed additional services from the external auditors.

Management obtains comfort on independence of the appointed external audit firm through direct inquiry to the firm on independence of the external audit engagement team. Such independence is also reiterated by the appointed auditors during their quarterly presentation to the Audit Committee/ Board.

4.3. External Auditors Fees

External auditor details for the year 2021 are mentioned below:

Name of Auditing Firm	Ernst & Young
Name of Audit Partner	Mr. Ahmed Al Dali
Number of years served as an external auditor for the Company	4 years
Total fees for auditing the financial statements of 2021	AED 971,900

During 2021, EY has provided for NMDC and ADEC professional services for Consultant Classification Certificate issued by the Department of Municipalities and Transport in Abu Dhabi amounting to AED 18,000.



4.4. Services received from other External Audit Firms

Services received from other external audit firms in 2021 include:

Service Provider	Nature of Service	Value of Service (AED)
Price Waterhouse Cooper (PwC)	Tax Advisory Service for NMDC - Maldives	24,232
Deloitte & Touche	NMDC - KSA Transfer Pricing / ADNOC ICV Certificate / KSA Tax Advisory Service	173,393
Deloitte & Touche	Auditing and reviewing the financial statements (interim and annual) of NPCC – UAE for the year 2021	300,000
Deloitte & Touche	Auditing and reviewing the financial statements (interim and annual) of NPCC-KSA for the year 2021	88,037
Deloitte & Touche	Auditing and reviewing the financial statement (interim and annual) of NEL – India for the year 2021	163,205
Deloitte & Touche	Auditing and reviewing the financial statements (interim and annual) of ANEWA - India for the year 2021	49,153
Deloitte & Touche	Complete the evaluation and certification process to attain the ICV 3.0 Certification for the Financial year 2019 as well as to obtain Electricity Tariff Incentive Program (ETIP)	44,100
KPMG Lower Gulf Limited	ICOFR/COSO Compliance Self-assessment process for the year 2020	399,000

4.5. Qualification of External Auditors

No qualification opinion made by the external auditors Ernst & Young in the interim and annual financial statements of 2021.



5. BOARD COMMITTEES

The following Board committees have been established by a resolution of the Board, and comprise of non-executive/ independent Board members:

Name of Board Committee	Members
Audit Committee (AC)*	Mr. Ahmed Amer Omar Saleh Omar (Chairman) Mr. Mohamed Ahmed Bandouq Al Qamzi (Member) Mr. Abdul Ghaffar Abdul Khaleq Al Khouri (Member) Mr. Mohamed Ibrahim Al Hammadi (Member)
Nomination & Remuneration Committee (N&RC)*	Mr. Mohamed Ibrahim Al Hammadi (Chairman) Mr. Ahmed Amer Omar Saleh Omar (Member) Mr. Yaser Saeed Ahmed Al Mazrouei (Member)
Strategy Committee (SC)*	Mr. Hamed Salem Mohamed Al Ameri (Chairman) Mr. Mohamed Ahmed Al Qamzi (Member) Mr. Yaser Saeed Ahmed Al Mazrouei (Member) Mr. Ahmed Amer Omar Saleh Omar (Member)

* The Committees were reconstituted on 31st March 2021 during Board of Directors meeting.

The Company has adopted formal Charters for each of these Board committees, which details the composition, duties, and responsibilities of each committee, amongst other things. These Charters are also compliant with requirements of the Corporate Governance Guide.

The following conditions govern relationship between the Board and its committees as per the Company's Corporate Governance Manual:

- **Reporting to the Board:** Each committee will report regularly to the Board about their activities and the exercise of their powers. This includes updating the Board at each Board meeting of all decisions and resolutions passed by the committees since the last Board meeting;
- **Annual Evaluation:** Each committee will evaluate its workings under its relevant Charters on an annual basis, with a view of improving workings of the relevant committee or its relationship with the Board; and
- **Board Follow-up:** The Board will follow up the operations of the committees to ensure that they are adhering to their Charters.

5.1. Audit Committee

Mr. Ahmed Amer Omar Saleh Omar, Audit Committee Chairman, acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness.

The role of the Committee is to review the Company's financial and accounting policies and procedures, monitor integrity of the Company's reports and financial information, implement policy for selection of Company auditor and provide recommendation to the Board, review and assess internal control and risk management systems, set up rules to enable confidentially reporting of violations, and ensure implementation of code of conduct.

The duties and responsibilities of the Audit Committee are in line with the Corporate Governance Guide and are specified in the approved Audit Committee Charter. In particular, the Audit Committee has following key duties and responsibilities:



- Overseeing integrity of and reviewing the Company's financial statements including quarterly and annual reports;
- Developing and applying the policy for selection of external auditors, and following up and overseeing qualifications, independence and performance of the external auditor;
- Overseeing qualifications, independence and performance of the Company's internal audit staff, and approving the annual audit plan prepared by internal auditors;
- Reviewing the external and internal auditors' management letters, reports and recommendations, and management responses, and overseeing implementation of action plans recommended;
- Reviewing the Company's financial control, internal control and risk management systems;
- Overseeing scope of the Company's compliance with its Code of Conduct and its various legal and regulatory obligations; and
- Review or investigate any allegations of fraud or theft, which are brought to the Audit Committee's attention, which are made by or against employees or directors, and make appropriate recommendations to the Board.

The Audit Committee held six (6) meetings during the year 2021 to discharge the duties as entrusted to them by the Board and the Corporate Governance Guide. Following are the details of meetings held during 2021:

Name	Meeting No.1	Meeting No.2	Meeting No.3	Meeting No.4	Meeting No.5	Meeting No.6
	17/1/21	11/2/21	28/2/21	06/5/21	15/7/21	14/10/21
Mr. Ahmed Amer Omar Saleh Omar (Chairman)*	Note 1	Note 1	Note 1	✓	✓	✓
Mr. Mohamed Ahmed Bandouq Al Qamzi*	✓	✓	✓	✓	✓	✓
Mr. Abdul Gaffar Abdul Khaleq Al Khouri	✓	✓	✓	✓	✓	✓
Mr. Mohamed Ibrahim Al Hammadi	Note 1	Note 1	Note 1	✓	✓	✓
Mr. Mohamed Rashed Mubarak Al Kitbi	×	×	✓	Note 1	Note 1	Note 1
Mr. Dagher Darwish Al Marar	✓	✓	✓	Note 1	Note 1	Note 1

✓ refers to attendance

× refers to absence

*Mr. Mohamed Ahmed Bandouq Al Qamzi was replaced by Mr. Ahmed Amer Omar Saleh Omar as an Audit Committee Chairman on 31st of March 2021.

Note 1: Mr. Dagher Darwish Al Marar and Mr. Mohamed Rashed Mubarak Al Kitbi were replaced by Mr. Ahmed Amer Omar Saleh Omar and Mr. Mohamed Ibrahim Al Hammadi in the Board of Directors meeting held on 31st March 2021.

The Audit Committee submits its Annual Report to the Board, on the activities that were carried out by them during the year to discharge the responsibilities entrusted to the Audit Committee.



5.2. Nomination & Remuneration Committee

Mr. Mohamed Ibrahim Al Hammadi, Nomination & Remuneration Committee Chairman, acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness.

The role of the Committee is to set up policy and its regulation regarding nomination for the Board and executive management membership, the basis on which bonuses, privileges, incentives, and salaries shall be granted to the Board members and employees, and other related human resources policy.

The duties and responsibilities of the Nomination & Remuneration Committee are in line with the Corporate Governance Guide and are specified in the approved Nomination & Remuneration Committee Charter. In particular, the Nomination and Remuneration Committee has the following key duties and responsibilities:

- Organizing and following up the Board nomination procedures in line with requirements of applicable laws and regulations and the SCA Corporate Governance Guide, in addition to determining the Company's needs for qualified staff at the level of Senior Management and the basis for their selection;
- Verifying the continued independence of independent Board members;
- Reviewing and approving, in consultation with the Chairman of the Board and/or the Group Chief Executive Officer, the terms and conditions of the service contracts of Executive Directors and Senior Management employees;
- Reviewing at least annually, remuneration (comprising of basic salary, other allowances, and any performance-related element of salary or bonus) of the Company's employees, including the Senior Management team, and remuneration proposed to be paid to the Board Directors; and
- Preparing a succession plan for the Board and its committees, the Chief Executives, and key members of Management.

The Nomination and Remuneration Committee meets as often as required. In year 2021, the Nomination and Remuneration Committee held one (1) meeting, as detailed below:

Name	Meeting No. 1*
	18/3/2021
Mr. Abdul Ghaffar Abdul Khaleq Al Khouri (Chairman)	✓
Mr. Mohamed Ahmed Al Qamzi	✓
Mr. Mohamed Rashed Mubarak Al Kitbi	✓
Mr. Rubaya Mohamed Abdul Aziz Rubaya Al Muhairy	✓

✓ refers to attendance

✗ refers to absence

*This meeting was conducted before the constitution of the new Board of Directors and Committees.

5.3. Strategy Committee

The duties and responsibilities of the Strategy Committee are specified in its approved Charter. In particular, the Strategy Committee has the following key duties and responsibilities:

- Review and evaluate the recommendations submitted by the executive management with regard to business strategy, budgets and annual plan.



- Work with the executive management to make recommendations to the Board on the business strategy and long term strategic objectives of the Company, including all subsidiaries and associates.
- Review and evaluate large scale capital investments and operational expenditure.
- Review and evaluate the Company's operational plans in support of the Company's strategic plan and refer them to the Board for final approval, including:
 - Expansion Strategy, including opening of new subsidiaries, branches and joint ventures
 - Acquisition Strategy
 - Opportunities for potential acquisitions
- Review and evaluate major unbudgeted expenditure, including those relating to contractual arrangements with consultants and advisors.
- Review and assess responses to external developments and factors, such as changes in the economy, industry trends, competition and technology, which may impact the Company's strategic plan.

The Strategy Committee meets as often as required. In year 2021, the Strategy Committee held five (5) meetings, as detailed below:

Name	Meeting No. 1	Meeting No. 2	Meeting No. 3	Meeting No. 4	Meeting No. 5
	7/1/2021	6/4/2021	5/5/2021	10/6/2021	24/8/2021
Mr. Hamd Salem Mohamed Al Ameri (Chairman)*	Note 1	✓	✓	✓	✓
Mr. Mohamed Ahmed Bandouq Al Qamzi*	✓	✓	✓	✓	✓
Mr. Yaser Saeed Ahmed Al Mazrouei	Note 1	✓	✓	✓	✓
Mr. Ahmed Amer Omar Saleh Omar	Note 1	✓	✓	✓	✓
Mr. Abdul Ghaffar Abdul Khaleq Al Khouri	✓	Note 1	Note 1	Note 1	Note 1
Mr. Dagher Darwish Al Marar	✓	Note 1	Note 1	Note 1	Note 1
Mr. Majed Ahmed Omar Al-Karbi	✓	Note 1	Note 1	Note 1	Note 1

✓ refers to attendance

x refers to absence

*Mr. Mohamed Ahmed Al Qamzi was replaced by Mr. Hamad Salem Mohamed Al Ameri as a Chairman of the Committee.

Note 1: Mr. Abdul Ghaffar Abdul Khaleq Al Khouri, Mr. Dagher Darwish Al Marar and Mr. Majed Ahmed Omar Al Karbi were replaced by Mr. Hamad Salem Mohamed Al Ameri, Mr. Yaser Salem Mohamed Al Mazrouei and Mr. Ahmed Amer Omar Saleh Omar as Strategy Committee Members in the Board of Directors meeting held 31st March 2021.



6. INTERNAL CONTROL SYSTEM

6.1. System of Internal Control at NMDC

The Board of Directors acknowledges its responsibility for the Company internal control system, review of its work mechanism and ensuring effectiveness. Further, the Internal Audit department issued 8 reports to the Board of Directors in 2021. In relation to major problems occurred during 2021, the Company did not encountered any major problems during 2021.

The Company's internal control system is established to ensure that the Board and Management are able to achieve their business objectives in a prudent manner, safeguarding interests of the Company's shareholders and other stakeholders, whilst at the same time minimizing key risks such as fraud, unauthorized business activity, misleading financial statements, un-informed risk-taking, or breach of legal or contractual obligations, and also ensuring highest quality achieved in a safe and sustainable environment.

As per the approved Corporate Governance Manual, the Board is responsible for ensuring that the Company applies a precise internal control system that covers the following key functions being managed by respective heads as detailed hereunder:

Department	Head of Department & Designation	Date of Appointment	Qualification	Experience
Internal Audit & Compliance	Mr. Kashif Nawaz Shaikh (Internal Audit and Compliance Director)	1-Feb-2019	- Chartered Certified Accountant - Certified Internal Auditor - Cost and Management Accountant	Over 16 years of professional experience in the fields of Internal Audit, Statutory Audit, Risk Management, Corporate Governance and Business Process reviews.
Quality, Health Safety and Environment (Including Risk Management)	Mr. Mohamed Yassein Mohamed (QHSE Director)	25-Aug-16	-BS. Civil Engineering -Construction Management Diploma -MBA -ISO 9001:2015 Certified Lead Auditor - Nebosh International Certificate	Over 27 years of experience in Quality, HSE and Constructions.

Management is responsible for ensuring that adequate internal controls (both financial and operational) are in place and applied to safeguard and manage the assets of the Company, in an effective and efficient manner.

6.2. Independent Assessment of Internal Control System

Internal control is designed to mitigate, not eliminate, significant risks faced. It is recognized that such a system provides reasonable, but not absolute, assurance against material error, omission, misstatement or loss. This is achieved within the Company through a combination of risk identification, evaluation and monitoring processes, appropriate decision and oversight forums, assurance and control functions such as External Audit, Internal Audit, Ethics & Compliance, Quality, Health, Safety and Environment function.



These ongoing processes, which comply with leading practices and the Corporate Governance Guide, were in place throughout the year under review and up to the date of approval of the annual report and financial statements.

During the year 2021, the Company was subject to the following independent assessments of its internal control system:

- Annual external audit and interim reviews of NMDC Group consolidated financial statements through EY, a professional services firm. The external audit work covers assessment of internal controls over financial reporting, although the same does not entail expressing an opinion on the effectiveness of the Company's internal control.
- Process reviews of NMDC Group business processes and functions through the Internal Audit Function, according to an Internal Audit Plan approved by the Audit Committee. The scope of internal audit for the year 2021 covered both core and support processes at NMDC Group, and were prioritized in accordance with Risk Analysis Methodology.

The internal audit procedures are designed on the assumption that the responsibility for a sound system of internal controls rests with Management, and work performed by internal audit might not lead to identifying all strengths and weaknesses that may exist, but so that any material irregularity has a reasonable probability of discovery. The internal audit procedures also focus on areas identified by Management as being of greatest risk and significance, and the internal audit plan therein is subject to approval of the Audit Committee.

The internal audit function reports directly to the Audit Committee. Internal audit reports on any control recommendations, to Senior Management and the Audit Committee. The internal audit function considers and includes focus areas for audit in the annual audit plan. Material incidents and losses and significant breaches of systems and controls are reported to the Audit Committee.

External audit function discusses their management letter with the Audit Committee, highlighting control deficiencies, if any. Appropriate processes, including review by the audit function, ensure that timely corrective action is taken on matters raised by external audit. Action plan is obtained from the Management to remediate gaps and improve internal controls to avoid similar instances in the future. Internal audit regularly follows up on implementation of action plan and reports to the Audit Committee if not implemented by the due date.

Internal financial controls are based on established policies and procedures. Management is responsible for implementing internal financial controls, ensuring that personnel are suitably qualified, that appropriate segregation exists between duties, and that there is suitable independent review. These areas are monitored by the Board through the Audit Committee, and are independently assessed by the internal audit and the compliance functions. Processes are in place to monitor internal control effectiveness, identify and report material breakdowns, and ensure that timely and appropriate corrective action is taken. NMDC Group finance coordinate, review and comment on the monthly financial and regulatory reports, and facilitate the interim and annual financial reporting process, including the independent audit process.

All internal control weaknesses noted during the year were discussed with Management and Audit Committee with proposed corrective actions.



6.3. Risk Management

While global risks are intensifying, Risk Management Practice aims to enforce business sustainability and continuity by providing the means and mechanism to proactively manage and control threats and opportunities. At NMDC group, we manage risks at the enterprise level by implementing the best practices in risks identification, assessment and mitigation which are applied across all organizational levels.

Enterprise Risk Management practice is a crucial pillar for achieving NMDC group desired business objectives, maintaining sustainability and protecting all stakeholders interests efficiently and effectively. Therefore, Risk Management practice is applied at the strategic level, corporate level and project levels through centralized Enterprise Risk Management function responsible for setting up a unified, consistent and structured framework to embed risk management culture, facilitate risk management processes (identification, evaluation, prioritization, mitigation and communication) and ensuring business continuity.

6.4. Ethics and Compliance

Ethics and Compliance Function is part of Internal Audit and Compliance Department. The role of the Ethics and Compliance Office is to investigate and address any suspected wrongdoings as identified from the whistle blowing system, and to verify compliance by the Company and its officers and employees with the applicable legal and regulatory requirements (including the resolutions issued by SCA and ADX), the Company's internal policies and procedures, and commitments made to third parties (including the Company's lenders and counterparties).

The Company, in 2014, has developed and implemented policies and procedures on Fraud Control, Whistle Blowing and Investigation. These policies have been formulated to provide employees an opportunity to report in good faith in case they observe any unethical or improper practices in the Company. Responsibility for overseeing and implementing the policy has been delegated to the Internal Audit and Compliance Director. The Company's management also has specific responsibility for facilitating operation of the policy. Communication sessions are held to spread awareness on fraud control and whistle blowing system to the employees of the Company. Incidents reported during the year through the whistle blowing system were adequately investigated and appropriately resolved. HR function of the organization has also included such awareness in the new employee induction program.

6.5. Quality, Health, Safety and Environment

Notwithstanding the challenges brought about by global downturn and the continuity of the COVID-19 pandemic, NMDC continued to scale new heights in Quality, Health, Safety and Environment (QHSE) performance.

As in previous years NMDC committed to QHSE and it continues to be her top priority, with the lives of everyone with whom we work and others who are impacted by our activities. Nevertheless, we continued to deliver high-quality projects with added valued services for our clients.

In order to maintain the continuous improvement for QHSE performance, NMDC is committed managing effects and risks associated with its activities and products. To fulfil the commitment, QHSE initiated the following activities to promote a proactive culture:

- Enhanced the sub-contractor's compliance to NMDC's HSEMS at the worksite, by enforcing monitoring and auditing.
- Introduced Supervision and Leadership Campaign to increase the awareness of Line Manager's skills and competency to lead the team



- Remarkable increase of certified internal auditors (non- QHSE employees) who contributed with QHSE internal audit program.
- Enhanced participation Top Management in Site Walkthrough.

Understanding Management directions to improve the proactive approach towards QHSE, encourage employees by increasing their skill, competency and safety awareness by providing training. With well fit and tailored training programs, QHSE managed to arrange more than 40,000 HSE training hours' in-house and 2,000 Quality tool box talks.

During 2021, the following milestones were achieved as planned:

- NMDC has passed the surveillance audit for ISO 45001 and 9001.
- NMDC has successfully sustained an implemented management system onboard applicable marine units as well as being qualified as a MLC manning/staffing agency.
- Hail and Ghasha Project recorded 25 million working man-hours without LTI.



7. COMPANY'S CONTRIBUTION

7.1. Corporate Social Responsibility Initiatives

NMDC recognizes that its activities could, without careful management, have a potential impact on the marine environment. This fact directed NMDC to develop Corporate Social Responsibility (hereafter referred as "CSR") strategy, to address environment and social challenges and meet its stakeholders' expectations. The CSR strategy aligns with NMDC Mission "Environment, People, Value, and Profit", and emphasizes its strategic objective of performing activities directed "for the good of the community". NMDC CSR strategy is adapted regularly to suit the changes to its business environment and its stakeholder expectations. In addition, the QHSE policy also pursues commitment to protect people and property, prevent pollution, protect the environment, conserve power and focus on reducing adverse environmental impacts of our activities and operations. Emphasis is also given to comply with specific customer requirements, applicable laws, regulations, standards and relevant best practices.

NMDC identifies and selects CSR initiatives that link to its CSR policies and strategies, and add value to four quadrants as follows:

- Donations: NMDC encourages initiatives that enhance its participation in community life.
- Internal NMDC Customers: NMDC encourages initiatives that provide good and safe working conditions enhance work-life balance and increase employees' involvement.
- Business partners and authorities: NMDC contributes with business partners and authorities in delivering Abu Dhabi Urban Planning and Economic Vision 2030, encourages the long-term partnership strategy with vendors and sharing its lessons learned and knowledge with CEDA and IMCA members.
- HSE and Marine: NMDC encourages initiatives that results in minimizing adverse environmental impacts and achieving high environmental performance.

7.2. Contribution to Local Community Development

NMDC appoints independent third party specialist to conduct society surveys, to evaluate the performance of CSR, and determine the actions required to improve its management of CSR policies, strategies and initiatives.

During 2021, the main activities / sponsors that were undertaken are as follows:

- Blood donation campaigns
- Cancer Awareness campaign
- Through Internship and training program, trained more than 10 environmental students from Zayed University and 129 Saudi Candidates in Saudi Arabia.
- Distributing food for the needy families in close association with Emirates Red Crescent during Ramadan.
- Distributing "Eidiya" for the needy families and members of the society in close association with Emirates Red Crescent during Eid.



7.3. Contribution to Environment Protection

- Sea Turtles monitoring and Rescue program resulted to saving many turtles.
- Beach Cleaning Campaign – BuTinah, Hail and Ghasha beach clean-up campaigns and 2 beach cleaning campaigns in Saudi Arabia in coordination with Saudi ARAMCO.
- Environmental awareness signboards were installed in liaison at Ras Ghurab Island, Sir Bani Yas Island and Saadiyat Island.
- Planting trees in Hail & Ghasha and in Saudi Arabia in collaboration with Saudi ARAMCO.
- Greener NPCC - applying initiatives to reduce energy consumption / water savings to achieve a total of 30% reduction by year 2025.
- Earth Hour: To enhance employees' awareness with regard to the threats posed by the growing issue of climate change, efforts were made to switch-off unnecessary lights and electronic appliances for an hour.



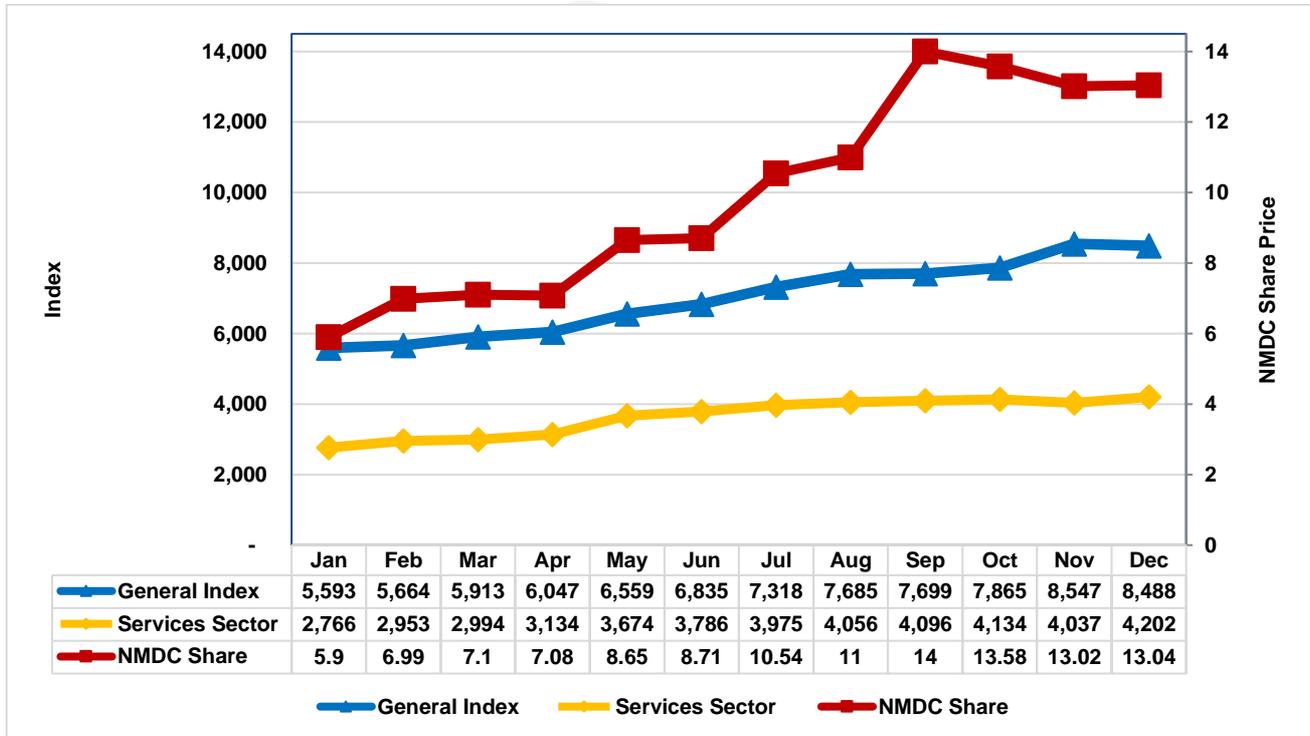
8. GENERAL INFORMATION

8.1. Monthly Price of the Company's share as compared to General and Sector Index

Statement of company's share price in the market (closing price, highest price and lowest price), General Market Index and Sector Index at the end of each month during 2021 were as follows:

Month	Highest price	Lowest price	Closing price	Services Sector Index	General Index
January	5.910	5.500	5.900	2,765.70	5,593.48
February	7.000	5.810	6.990	2,953.49	5,663.62
March	7.500	6.200	7.100	2,993.65	5,912.56
April	7.390	6.850	7.080	3,133.68	6,046.80
May	9.000	6.850	8.650	3,673.83	6,558.71
June	9.200	8.190	8.710	3,786.32	6,835.43
July	11.440	8.700	10.540	3,974.78	7,318.18
August	11.400	10.300	11.000	4,056.15	7,684.61
September	15.000	10.720	14.000	4,095.73	7,698.81
October	14.240	13.000	13.580	4,133.58	7,865.11
November	13.660	12.520	13.020	4,037.00	8,546.52
December	14.200	12.700	13.040	4,201.93	8,488.36

8.2. Chart of the comparative performance of the Company share with General Index and Company's Sector Index





8.3. Breakdown of Ownership of NMDC Shares by Nationality and by Category as at 31 December 2021

Shareholder Category	Individual Shares	Companies Shares	Government	Total Shares
Locals	60,553,411	764,401,158	-	824,954,569
GCC	4,185	29,593	-	33,778
Arabs (Other than GCC)	3,599	-	-	3,599
Foreigners	8,054	-	-	8,054
Total	60,569,249	764,430,751	0	825,000,000
Percentage	7.34%	92.66%	0%	100%

8.4. Statement of the Company's Shareholders who own 5% or more of the Company's Capital as at 31 December 2021

Shareholder	Number of Shares	Percentage (%)
Sogno Commercial Investment – Sole Proprietorship L.L.C	364,649,990	44.20%
WAS TWO Commercial Investment – Sole Proprietorship L.L.C	172,500,000	20.91%
General Holding Corporation – PJS	117,850,009	14.28%

8.5. Breakdown of Ownership of Company Shareholders as at 31 December 2021

Sr. No	Share(s) Owned	Number of Shareholders	Number of shares owned	The percentage (%) of shares owned
1	Less than 50,000	3,253	12,289,940	1.49%
2	50,000 to less than 500,000	155	23,209,096	2.81%
3	500,000 to less than 5,000,000	22	25,193,739	3.05%
4	More than 5,000,000	11	764,307,225	92.65%
	Total	3,441	825,000,000	100 %

8.6. Statement of significant events encountered by the Company during 2021

- The Annual General Meeting of NMDC Group, held on March 28, 2021, approved the appointment of seven new board of directors for the next three years.

This follows the shareholder vote on December 14, 2020 as well as receiving all required regulatory approvals for the legal completion of NMDC's integration with National Petroleum Construction Company (NPCC). The combination of NMDC and NPCC (the Combined Group) created one of the leading integrated oil & gas and marine services EPC players, with an established footprint across MENA and South Asia. The businesses are complementary, and the transaction provides significant revenue diversification for the Combined Group.

By creating a single platform, the Combined Group is ideally positioned to capture growth opportunities in the UAE and in key regional markets, with strong capabilities across the value chain to support future expansion plans.



- In 2021, NMDC was awarded the Damietta Port Deepening & Development and Shamal Development Project. Similarly the Company's subsidiary NPCC was awarded Umm Al Dalkh Early Production Scheme EPC Project, CRPO #69 - Ju'aymah Offshore Platform - Bypass System, 18" Pipeline Remedial Project, Belbazem Offshore Block Project and Package A of the two Dalma EPC contracts.
- In 2021, NPCC signed 2 MOUs with Petrojet Egypt and CNCEC China.

8.7. Investor Relation Officer

Mr. Khaled Al Shalati and Mr. Ahmed Yousri are the Company's Investor Relation Officers. Furthermore, the Company website i.e. www.nmdc.com, has a dedicated page for investor relations, which includes Company's Articles of Association, candidates for Board of Directors, Company's address, and Investor Relation Officers contact information.

Contact Information of Investor Relation Officers

Email: ir@nmdc.ae

Office No.: 02 – 513 0242 / 02 513 0252

Mobile No.: 050-4111846 / 050-6218611

8.8. Emiratization in 2021

The Emiratization percentage in NMDC Group as of 31 December 2021 was 10% for white-collar employees. Refer to table below for Emiratization percentage in 2019 and 2020.

Year	Emiratization Percentage
2019	10%
2020	11%

8.9. Innovative projects and initiatives in 2021

Marine Catalogue

Marawah Biosphere reserve has a global importance as a shelter and feeding ground for the vulnerable Dugongs. NMDC designed and is developing a Marawah Marine Protected Area Environmental Data Catalogue.

8.10. Details of violations during 2021

There were no violations reported during 2021.


Board of Directors
Chairman

Date: 04/02/2022


Audit Committee
Chairman

Date: 04/02/2022


Nomination &
Remuneration
Chairman

Date: 04/02/2022


Internal Audit and
Compliance
Director

Date: 04/02/2022

