

الواحة كابيتال  
WAHA CAPITAL

Corporate Governance  
Report

2020

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Waha Capital PJSC  
23rd February 2021



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# Introduction

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At Waha Capital PJSC (the Company), we believe that by implementing and maintaining a high-quality corporate governance framework and exercising complete information transparency, we are better able to promote the long-term sustainable success of the Company, generate value for all its stakeholders and contribute to the wider community. Consequently, we have adopted and implemented a complete corporate governance framework that caters for all applicable laws and regulations while aligning with international best practice.

Our corporate governance framework has been engineered to ensure that the Company maintains a culture of the highest standards of consistency, responsibility, accountability and transparency at all levels.

The purpose of this document is to report on our corporate governance framework for the financial year ending 31 December 2020 (in accordance with the Chairman of Authority's Board of Directors' Resolution No. (3 R.M) of 2020 Concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies (the Corporate Governance Code), issued by the Securities and Commodities Authority (SCA).

To achieve these aims and to ensure compliance with the specific requirements of the Corporate Governance Code relating to accountability, equity (fair treatment of shareholders), transparency and disclosure and responsibility, the Company has adopted a corporate governance policy and certain other related policies and practices which act as the core framework for our corporate governance system.



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**Mr. Waleed Al Mokarrab Al Muhairi**  
Chairman of the Board of Directors



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**Mr. Carlos Obeid**  
Chairman of the  
Audit Committee



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**Mr. Rasheed Al Omaira**  
Chairman of the Nomination and  
Remuneration Committee



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**Mr. Paul Myers**  
General Counsel &  
Company Secretary



Waha Capital PJSC's Official Company Seal

# Our Corporate Governance System

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The Company is committed to strong corporate governance principles and accordingly, we have implemented and maintain a corporate governance framework that meets the requirements applicable to public joint stock companies incorporated in the United Arab Emirates (the UAE) and that is consistent with international best practice.

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

## **Corporate Governance Policy**

Our Corporate Governance Policy provides clear and detailed 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 promotes the Company's commitment to high standards of professional and equitable behavior in everything that it does. Principally, the code sets out: (a) the minimum standard of personal conduct that the Company expects from anyone working for or on behalf of the Company; and (b) a clear and concise suite of rules and standards that have been developed to cater for a business environment that is

ethical, non-discriminatory, compliant and in adherence with the Company's principal values.

## **Insider Dealing**

The necessity to have fair and transparent dealings in the Company's securities is of fundamental importance to us and, accordingly, the Company maintains a zero-tolerance approach to any activities that may prevent or hinder the safeguarding of these principles.

Consequently, we have adopted and maintain a Share Dealing Policy that is designed to ensure that the obligations and responsibilities of the members of our board of directors (the Directors and the Board), officers and employees (and their connected persons) are clearly defined and which will prevent persons from trading or otherwise dealing in the Company's securities based on undisclosed market sensitive information. We have an Insider Trading Committee that administers and oversees our Share Dealing Policy and which regularly monitors the trading in the Company's shares.

## **Disclosure Practices**

We are committed to maintaining an environment that

promotes disclosure and transparency and, accordingly, ensures that the Company remains in compliance with the rules and regulations relating to disclosure and transparency and its obligations to the SCA and the Abu Dhabi Securities Exchange (the ADX). By maintaining this commitment, we are able to ensure that the Company's securities are traded in a fully informed marketplace. Accordingly, the Company's policy is to make regular disclosures to SCA and the ADX, including but not limited to in relation to its quarterly and annual financial statements, its upcoming Board meetings and decisions, any applicable dividends, its key investor relations materials and key transactions entered into by the Company.

#### **Related Party Transactions Policy**

Our Related Party Transaction policy has been developed to ensure that: (a) transactions with related parties are conducted on arms' length terms and are fair, reasonable and in favour of the shareholders of the Company; (b) 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 transaction. Accordingly, the Company may not enter into a related party transaction unless it has been properly authorised and approved (i.e. by the Board or by its shareholders at a general assembly (the **General Assembly**) - depending on the nature and value of the transaction).

#### **Conflicts of Interest Policy**

We expect all of our Directors, officers and employees to act with honesty and integrity and to avoid any actual or apparent conflicts of interest in their personal and professional relationships. A conflict of interest exists when a person's private interest interferes, or appears to interfere, in any way with the interests of the Company. Accordingly, our Conflicts of Interests policy sets forth requirements for the avoidance and

management of such conflicts and the appropriate disclosure procedures to follow to the extent that a conflict does arise.

#### **Anti-bribery and Corruption Policy**

Our anti-bribery and corruption policy is designed to ensure that the Company and its Directors, officers and employees comply with the laws and regulations of the UAE and other relevant international bodies, and prohibits any improper payment, promise of payment or offer of employment, or the improper provision of anything of value to government officials or to any person employed by or representing a government, officials of a political party, officials of public international organisations, candidates for office and employees of state-owned enterprises, or to any other person for the purpose of obtaining or retaining business or influencing official action.

#### **Whistleblowing Policy**

We expect all of our Directors, officers and employees to exercise due care, honesty, transparency and integrity in fulfilling their responsibilities, and to comply with all applicable laws and regulations.

Our whistleblowing policy encourages our employees to report concerns about unethical or unlawful behavior in connection with our business by assuring confidentiality and by protecting good faith whistle-blowers from retaliation, even if they are mistaken.

#### **Corporate Governance Framework**

Our corporate governance framework sets the tone for how corporate governance should be addressed and conducted throughout our group companies pursuant to a group corporate governance structure. Through this framework, the Company is able to ensure that, among other things, its corporate governance standards are also adhered to by all of its group companies.

# Share Dealings

Acquisitions and sales of the Company's shares and other transactions involving the Company's securities by Directors, officers and employees are governed by our Share Dealing Policy.

It is our policy that "inside information" must not be used by anyone for personal gain. Accordingly, under our Share Dealing Policy we expect that our Directors, officers and employees abide by the terms of our policy and adhere to the applicable laws that apply to the use of inside information and dealings in the Company's securities.

The table opposite sets forth the details of all purchases and sales of our shares undertaken by members of the Board, their spouses and their children in 2020:

Director	Position	Shares held as at 31 December 2020	Total sale Transactions	Total Purchase Transactions
<b>Mr. Waleed Al Mokarrab Al Muhairi</b>	Chairman	Director: Nil Spouse: Nil / Children: Nil	Nil	Nil
<b>Mr. Ahmed Al Dhaheri</b>	Vice-Chairman	Director: 60,000,000 Spouse: Nil / Children: Nil	Nil	Nil
<b>Mr. Rashed Al Ketbi</b>	Director	Director: 7,228,008 Spouse: Nil / Children: Nil	Nil	Nil
<b>Mr. Mohamed Al Nowais</b>	Director	Director: Nil Spouse: Nil / Children: Nil	Nil	Nil
<b>Mr. Rasheed Al Omaira</b>	Director	Director: 50,000 Spouse: Nil / Children: Nil	Nil	Nil
<b>Mr. Nadar Al Hammadi</b>	Director	Director: Nil Spouse: Nil / Children: Nil	Nil	Nil
<b>Mr. Carlos Obeid</b>	Director	Director: 561,187 Spouse: Nil / Children: Nil	Nil	Nil



# Board Formation

Our Board comprises seven Directors. All Directors are non-executive Directors, with four being independent within the meaning of the Corporate Governance Code. Each Director has the requisite knowledge, skills and expertise required to enable our Board to efficiently and effectively perform its functions.

Pursuant to our Articles of Association, each Director serves for a term of three years and may be re-elected to serve successive terms at the end of each three-year term.

## Composition of the Board of Directors

We have set out below details of the composition of our Board and have included details of each Director's experience, qualifications and their membership and positions in other positions.

Mr. Waleed Al Mokarrab Al Muhairi  
**Independent Non-executive Chairman**  
 Since March 2019

Mr. Rasheed Al Omaira  
**Independent Non-executive Director**  
 Since March 2018

Mr. Ahmed Al Dhaheri  
**Non-executive Vice Chairman (1)**  
 Since April 2012

Mr. Nader Al Hammadi  
**Independent Non-executive Director**  
 Since March 2019

Mr. Rashed Al Ketbi  
**Independent Non-executive Director**  
 Since March 2018

Mr. Carlos Obeid  
**Non-executive Director (1)**  
 Since April 2006

Mr. Mohamed Al Nowais  
**Non-executive Director (2)**  
 Since March 2018

(1) Under the Corporate Governance Code, these Directors are no longer considered independent as they have served more than 3 consecutive terms as a Director

(2) Under the Corporate Governance Code, Mr. Al Nowais is currently not considered independent as he served in an executive position of the Company in the last 2 years (having held the role as Acting Chief Executive Officer from June 2019 to September 2019)

# Our Board of Directors

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*Mr. Waleed Al Mokarrab Al Muhairi*  
**Independent Non-executive Chairman**

Mr. Al Muhairi is the Deputy Group Chief Executive Officer of Mubadala Investment Company, where he has strategic oversight of the company's broad investment portfolio and special projects at the group level.

Mr. Al Muhairi is also a member of Mubadala's Investment Committee, which is mandated to develop the company's investment policies, establish investment guidelines, and review proposed projects and investments to ensure they are in line with business objectives. He is also the Chairman of Mubadala's new investment and business planning committee, which approves deals within a certain financial threshold in addition to the responsibility of annual and multi-year business planning. Furthermore, he has oversight of the Real Estate & Infrastructure and Disruptive platforms.

He currently serves as Chairman of Cleveland Clinic Abu Dhabi, Waha Capital, Global Institute for Disease Elimination (GLIDE), the US-UAE Business Council, and Mubadala Health. In addition, Mr Al Muhairi is a member of the Board of Trustees of Cleveland Clinic in the United States. He is also a board member of Aldar, Abu Dhabi Global Market, Noon.com, First Abu Dhabi Bank (FAB), Hub71, Ellipses Pharma Limited, and Investcorp.

Mr. Al Muhairi was one of the principal architects behind the Abu Dhabi 2030 Economic Vision. Prior to joining Mubadala, he worked with the UAE Offsets Program Bureau as a Senior Project Manager. Past roles include working with McKinsey & Company as a commercial and governmental consultant.

**Qualifications**

Mr. Al Muhairi holds a Master's Degree in Public Policy from Harvard University, and a Bachelor of Science Degree in Foreign Service in Economics and Finance from Georgetown University, USA.

*Mr. Ahmed Al Dhaheri*  
**Non-executive Vice Chairman**

Mr. Al Dhaheri is the Chairman of Ali & Sons LLC and Foodco Holdings PJSC. He is also a board member of Al Wathba National Insurance Company Co PJSC, Abu Dhabi Aviation PJSC and Al Ramz Corporation Investment & Development PJSC.

**Qualifications**

Mr. Al Dhaheri is a Certified Public Accountant in California and holds a Bachelor's degree in accounting from Seattle Pacific University Washington, USA. Mr Al Dhaheri also holds a Higher Diploma in Business Administration (specialising in accounting) from the Higher Colleges of Technology, Abu Dhabi UAE.

*Mr. Carlos Obeid*  
**Non-executive Director**

As Mubadala's Chief Financial Officer, Mr. Obeid is responsible for managing the organization's Business Finance including Treasury and Investor Relations, Financial Planning and Business Performance, and Financial Governance and Reporting.

He is a member of the Board of Directors of several Mubadala Group companies and other operational businesses. He currently serves as the Chairman of the Board of Directors of Mubadala Infrastructure Partners Ltd, and is also a board member of Cleveland Clinic Abu Dhabi LLC, GLOBALFOUNDRIES, Waha Capital, and Abu Dhabi Commercial Bank PJSC.

Before joining Mubadala, Mr. Obeid worked with the UAE Offset Program Bureau where he led a wide range of initiatives including privatization, utilities and financial services.

**Qualifications**

Mr. Obeid holds a Bachelor of Science in Electrical Engineering from American University of Beirut, Lebanon, and a Master of Business Administration from INSEAD in Fontainebleau, France.

# Our Board of Directors

*continued*

*Mr. Rashed Al Ketbi*

**Independent Non-executive Director**

Mr. Al Ketbi is the current Chairman of the Board of the RDK Group. He is also Vice Chairman and Managing Director of Al Wathba National Insurance Company PJSC and Foodco Holding PJSC. He currently serves on the board of Darwish Bin Ahmed & Sons Co LLC.

**Qualifications**

Mr. Al Ketbi holds a Bachelor's degree in Commerce from Indiana University and a Master of Business Administration from the St Louis University of Management, USA.

*Mr. Mohamed Al Nowais*

**Non-executive Director**

Mr. Al Nowais is the Managing Director of AMEA Power, a developer, owner, and operator of renewable and thermal power projects in Africa, the Middle East and Asia. He is also an Executive Director at AlNowais Investments Company. Previously, Mr Al Nowais worked as an Investment Associate at the Abu Dhabi Investment Authority (ADIA), as well as an Investment Banking Analyst with J.P. Morgan in New York, USA. Following his graduation, he completed multiple internships with international financial institutions including HSBC in Abu Dhabi and Citi Bank in London, UK.

**Qualifications**

Mr. Al Nowais holds a Bachelor's Degree with joint honours in Economics and Business Finance from Brunel University in London, UK.

*H.E. Nader Al Hammadi*  
**Independent Non-executive Director**

H.E. Nader Al Hammadi is an established member of the Abu Dhabi business community. He is the current chairman of Abu Dhabi Aviation, Vision Group and Emirates Reem Investment Company (ERC). He also holds board positions at several private companies including Royal Jet, Abu Dhabi Airports and Emirates Driving Company.

In 2017, he was announced as a member of the Aviation Sector Development Committee. H.E. Al Hammadi has previously held senior positions at Abu Dhabi Aircraft Technologies (ADAT), the largest third party provider of Commercial Aviation Services in the Middle East. In 1996, he joined Presidential Flight and held several Key Management positions and was appointed Managing Director and CEO in 2014.

**Qualifications**

He graduated from Embry Riddle Aeronautical University in Florida, USA in 1990 and holds a Bachelor of Science in Aviation Electronics (Avionics). In 2002 he obtained a post graduate degree in Engineering Business Management from Warwick University in London UK and participated in “The Advanced Management Programme” held at INSEAD in Fontainebleau, France in March 2007.

*Mr. Rasheed Al Omaira*  
**Independent Non-executive Director**

Mr. Al Omaira holds board positions on the Al Wathba National Insurance Company and Abu Dhabi National Company for Building Materials (Bildco) and he was the chairman of Vision Capital Brokerage Company. Mr. Al Omaira is the Chief Executive Officer of Abu Dhabi National Company for Building Materials (Bildco), an Abu Dhabi Securities Exchange listed company and which has three subsidiaries (Bildco Reinforcing Steel Services Est., Bildco Aerated Concrete Products LLC, and Bildco Cement Products LLC). Bildco Steel Industries provides and manufactures building products for residential and commercial construction projects.

Mr. Al Omaira has over 24 years of experience in leading businesses. He has led his family business Omaira Group of Companies and manages the daily business and assets, ensuring it maintains profitability and revenue growth. Mr. Al Omaira was also the CEO of Vision Capital Brokerage Company between 2006 and 2010.

### Women's representation on our Board of Directors

In 2020, we did not have any female members on the Board. However, in keeping with our commitment to gender diversity, we continue to actively seek out opportunities to cater for female representation on our Board and equally we are actively seeking to recruit more female employees across all areas of the Company's operations.

Furthermore, we are committed to providing a working environment that caters for diversity and provides equal opportunities for all, irrespective of ethnicity (subject to the Company's Emiratisation policy), religion, gender, or age. The principles and practices associated with maintaining an equal opportunities environment apply to all aspects of employment with the Company, namely recruitment, promotion, remuneration, training, work assignments, and disciplinary actions.

### Directors' Remuneration

In 2020, our Directors were not paid any

remuneration in respect of the 2019 financial year. The Directors' remuneration for the 2020 financial year will be decided at the Company's annual General Assembly for 2021. For the 2020 financial year, the Board has recommended that the Directors receive a total of AED 9,000,000 as remuneration for the services performed by them in 2020.

For 2020, a sitting fee of AED 3,500 will be paid to members of the Audit Committee and the Nomination and Remuneration Committee for each committee meeting attended. No additional allowances, salaries or fees have been paid to the Board members in 2020.

### Board Meeting – attendance records

The Company's Articles of Association require that the Board meet a minimum of four times each year. The quorum for meetings is a majority of Directors and resolutions of the Board are adopted by a majority of the votes of the Directors present and represented.

In 2020, the Board met eight times. Details of those meetings (including attendance records of those meetings) are set out in the table below:

Director	Position	27 January	24 February	13 May	23 June	7 September	17 September	11 November	14 December
Mr. Waleed Al Mokarrab Al Muhairi	Chairman	P	P	P	P	P	P	P	P
Mr. Ahmed Al Dhaheri	Vice-Chairman	P	P	P	P	P	P	A	P
Mr. Rashed Al Ketbi	Director	A	P	P	P	P	P	P	P
Mr. Mohamed Al Nowais	Director	P	P	P	P	P	P	P	P
Mr. Rasheed Al Omaira	Director	P	A	A	P	P	P	A	P
Mr. Nadar Al Hammadi	Director	P	P	P	P	P	P	P	P
Mr. Carlos Obeid	Director	P	P	P	P	P	P	P	P

P – Present/ A – Absent

Note that, in addition to the Board meetings evidenced opposite, 4 circular resolutions were passed by the Board, 3 being general business matters and 1, passed on 3 August 2020, being for the approval by circulation of the Company's financial statements for Q1 and Q2 of 2020.

A total of 21 resolutions were approved by the Board of Directors in 2020 each of which was passed on a date referred to in the table opposite.

#### **Matters reserved to the Board of Directors and delegated to management**

The Board has issued a delegation of authority to the Chief Executive Officer of the Company. Under this delegation, our Chief Executive Officer is given authority to conduct the day-to day management of the Company (subject to appropriate limits that are imposed by the Board of Directors from time to time).

From 18 October 2020 onwards, Mr. Ahmed Al Mehairi has filled that position. During the earlier part of 2020,

the position was filled by Mr. Amr AlMenhali.

#### **Related Party Transactions**

Certain Directors and employees of the Company (which persons would constitute Related Parties for the purposes of the Corporate Governance Code) have historically:

- (a) entered into co-investment arrangements with the Company whereby such individuals personally co-invested (directly or indirectly) alongside the Company where the Company (or its applicable group company) concluded an applicable investment; and
- (b) invested into the funds managed by our subsidiary Waha Investments.

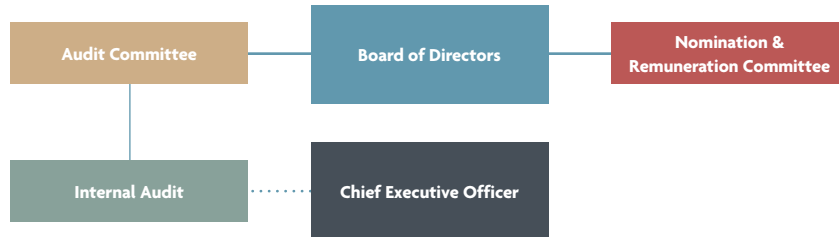
As at the end of 2020, a number of such arrangements remain in place, details of which are set out below:

<i>Type of Transaction</i>	<i>Value of Transactions</i>
Co-investments in our private investment portfolio companies	AED 26.5M
Investments into the funds managed by our subsidiary Waha Investments	AED 1.5M

# Executive Management

Under the Chief Executive Officer's delegation of authority (described above), and in consultation with the Board, the Chief Executive Officer, has sub-delegated some of the powers given to him to members of the executive management team.

Our executive management team carries out the day-to day activities of the Company pursuant to this authority and in line with international best practice and the relevant governance rules and regulations. Below is the current organisation structure of the Company:



Capital Markets	Private Investments	Business Development	Legal & Compliance	Investor Relations and Corporate Communications	Finance, Risk, Treasury, Operations & Information Tech	Human Capital & Support Services
CEEMEA Fixed Income	Core Investments		Legal		Finance	Human Capital
MENA Equities	Specialist Situations		Compliance		Technology	Internal Communications
Islamic Income					Operations & Fund Analysis	Administration
					Risk Management	



## Key Executive Management – Governance:

### *Ahmed Khalifa Al Mehairi* **Chief Executive Officer**

Mr. Ahmed Al Mehairi was appointed as the Company's Chief Executive Officer on 18 October 2020 (in succession to our former CEO Mr. Amr Al Menhali). Mr. Al Mehairi joins the Company from the Abu Dhabi Investment Council, where he was a Principal of the Global Special Situations Department. He previously worked in the field of equities investment at Abu Dhabi Investment Authority (ADIA). He is also currently a board member at Abu Dhabi National Hotels Company.

Mr. Al Mehairi holds a Bachelor of Commerce in Finance from The John Molson School of Business at Concordia University in Montreal, Canada. He has also completed the General Management Program at Harvard Business School.

### *Simon Reeves* **Chief Financial Officer**

Mr. Simon Reeves joined the Company in March 2020 from J.P. Morgan in London, where as CFO, he had led the firm's financial function and was instrumental in improving performance across a number of the company's business divisions including private banking and investment management in Hong Kong, Japan and Brazil.

Mr. Reeves brings close to 20 years of financial management experience and an extensive background in financial management, strategic planning and budget control.

Mr. Reeves is a Chartered Global Management Accountant and holds a Master of Science in Strategic Business Management from Manchester Metropolitan University in the UK.

### *Paul Myers* **General Counsel and Company Secretary**

Mr. Paul Myers joined the Company in August 2020 and is responsible for the Company's legal and regulatory affairs, corporate governance, compliance and company secretarial functions.

Prior to joining the Company, Mr. Myers held senior legal roles in AFK Sistema, one of Russia's largest public investment companies and in Redline Capital, a Luxembourg regulated funds management group. Prior to this, Mr. Myers worked for Allen & Overy where he advised both private enterprises and listed companies on high value global transactions across a number of industry sectors.

Mr. Myers brings close to 20 years of experience including complex public and private mergers and acquisitions, joint ventures and private equity, fund structuring and compliance and corporate governance.

Mr. Myers holds a Bachelor of Arts Degree from the University of New South Wales and a Bachelor of Laws Degree from the University of New England.

### *Bhaskar Mehta* **Head of Risk Management**

Mr. Bhaskar Mehta joined the Company in July 2015 and is the head of the Company's Risk Management function.

Prior to joining the Company, Mr Mehta worked with the structured product team for UBS where he was involved in building the pricing and risk models for derivative products covering the APAC region. He was involved in designing bespoke structuring solutions for clients in coordination with sales.

Mr. Mehta has more than 12 years of experience in the financial service industry with expertise in enterprise risk management. He is part of the Company's internal risk committee and manages the overall risk and risk controls for the business. Mr. Mehta is a certified Financial Risk Manager (FRM) and holds an MBA in International business & finance from IMT Ghaziabad.

### Key Executive Management Remuneration

Details of the total salaries and benefits paid to the relevant members of our executive management team in 2020 are provided in the table below:

Position	Appointment Date	Total salary and allowances paid in 2020	Total Bonuses paid in 2020	Other benefits for 2020(1)
Chief Executive Officer (3)	18 October 2020	AED 400,000	-	-
Former Chief Executive Officer (2)	9 September 2019	AED 2,400,000	AED 2,800,000	-
Chief Financial Officer (3)	1 March 2020	AED 1,400,000	AED 340,000	-
Acting Chief Investments Officer – Private Investments	20 January 2020	AED 1,260,000	AED 790,000	-
General Counsel & Company Secretary (3)	30 August 2020	AED 410,000	-	-

(1) Bonuses for 2020 that are payable in 2021 are yet to be awarded

(2) Former Chief Executive Officer resigned on 18 October 2020

(3) These individuals commenced their employment during 2020. Accordingly, the figures provided are their annual salary pro rata for the requisite period of time in employment.



# Audit Committee

Our Audit Committee assists the Board in discharging its responsibilities with regards to financial reporting and external and internal audits and controls namely by overseeing the integrity of and reviewing the Company's annual and interim financial statements; developing and applying the policy for contracting with external auditors; overseeing the relationship with our external auditors; reviewing and monitoring the extent of any non-audit work undertaken by the external auditors; overseeing the qualifications and performance of the Company's internal audit and compliance staff; and reviewing the Company's financial control, internal control and risk management systems.

The Audit Committee makes recommendations to the Board, which retains ultimate responsibility for reviewing and approving our annual report and financial statements. The Audit Committee gives due consideration to the applicable laws and regulations of the UAE, SCA and the ADX (including, without limitation,

the Corporate Governance Rules).

The Audit Committee's terms of reference (reflective of the Corporate Governance Code) requires that the Audit Committee comprises of at least three members who are non-executive Directors, two of whom must be independent with one having relevant work experience in the field of accounting or financial matters.

The current members are Mr. Carlos Obeid, Mr. Rasheed Al Omaira and Mr. Mohamed Al Nowais. Mr. Carlos Obeid sat as the Chairman of the Audit Committee for 2020.

As Chairman of the Audit Committee for 2020, Mr. Obeid acknowledges his responsibility for the Audit Committee, the review of its working mechanisms and ensuring its overall effectiveness.

In 2020, the Audit Committee met five times. Details of those meetings (including attendance records of those meetings) are set out in the table below:

Committee Member	Position in Committee	27 January	24 February	13 May	3 August	11 November
Mr. Carlos Obeid	Chairman	P	P	P	P	P
Mr. Rasheed Al Omaira	Member	A*	A*	A*	A*	A*
Mr. Mohamed Al Nowais	Member	P	P	P	P	P

P – Present/ A – Absent

\* Mr. Al Omaira provided a written proxy to Mr. Obeid for each of the Audit Committee meetings for which he was absent.

# External Auditor

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Our external audit function has been entrusted to Ernst & Young (EY). EY was re-appointed as auditor of the Company at the Company's 2020 annual General Assembly that took place on 22 March 2020. EY has been engaged as the Company's external auditor since its initial appointment in 2019.

EY has maintained a presence in the MENA region since 1923 and is among the region's top professional services firms, providing audit, tax, consulting and financial services advice through 21 offices in 16 countries in the region with more than 7,500 Directors, partners and staff.

The Company adopts a policy on its external auditor's 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.



Details of the fees paid to EY for the 2020 auditing services are catered for in the below table:

<b>Number of years served as external auditor for the Company</b>	<i>Two years</i>
<b>Responsible Partners</b>	<i>Mr. Ashraf Erdahum and Mr Ahmad Al Dali – served for two years as audit partners</i>
<b>Total fees for auditing the financial statements in 2020 (in AED)</b>	<i>AED 540,000 for the audit and the quarterly reviews of the Company's annual financial statements made up as follows:</i>  <i>AED 270,000 for the quarterly reviews</i>  <i>AED 270,000 for the annual financial statements</i>
<b>Fees and costs for other private services other than auditing the financial statements for 2020 (in AED)</b>	<i>AED 455,275 for the audit and quarterly review of the financial statements of certain subsidiaries of the Company and other related expenses (including translation and XBRL portal sign-off).</i>
<b>Details and nature of other services provided (if any)</b>	<i>None</i>
<b>Statement of other services performed by an external auditor other than Waha's auditor in 2020.</b>	<i>None</i>

No qualified opinions or reservations were made by the Company's external auditor in the interim and annual financial statements for 2020.

# Nomination and Remuneration Committee

Our Nomination and Remuneration Committee assists the Board in discharging its responsibilities relating to the composition and formation of the Board of Directors (and any Committees of the Board of Directors in effect from time to time). Principally, it is responsible for evaluating the range of skillsets, experience and knowledge of the Board (and committees) and its size, structure and composition and, notably, assessing and monitoring the independent status of those non-executive Directors classified as independent. In addition, it assists the Board in determining the Company's needs for qualified staff at the level of senior management and the basis of their selection.

Furthermore, Our Nomination and Remuneration Committee reviews and recommends (in consultation with the Chief Executive Officer or the Chairman of the Board), the terms and conditions of the service contracts of any executive Directors and senior management employees and reviews at least annually, the remuneration (comprising basic salary, other allowances, and any performance related element of

salary or bonus) of the Company's employees including the senior management team and the remuneration proposed to be paid to the Board.

In accordance with this committee's terms of reference (which reflect the Corporate Governance Rules) the committee has three members, all of which are non-executive Directors.

The current members of the Nomination and Remuneration Committee are Mr. Rasheed Al Omaira (Chairman), Mr. Ahmed Al Dhaheri, and Mr. Carlos Obeid.

As part of his role as Chairman, Mr. Al Omaira acknowledges his responsibility for the Nomination and Remuneration Committee, the review of its working mechanisms and ensuring its effectiveness.

In 2020, the Nominations and Remuneration Committee met three times. Details of those meetings (including attendance records for those meetings) are contained in the table below:

Committee Member	Position in Committee	27 January	23 February	14 October
Mr. Rasheed Al Omaira	Chairman	P	P	P
Mr. Ahmed Al Dhaheri	Member	P	P	P
Mr. Carlos Obeid	Member	P	P	P

*P – Present/ A – Absent*

# Insider Trading Committee

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Our Insider Trading Committee oversees compliance with and administers the Company's Share Dealing Policy and regularly monitors trading in the Company's shares to reduce the risk of any unauthorised trading by the Company's Directors, officers and employees.

Pursuant to our Share Dealing Policy, all Directors, officers and employees who are in possession of inside information are prohibited from dealing in the Company's securities during certain periods and must seek approval from the Insider Trading Committee to purchase, dispose or otherwise deal in our shares outside of those periods. In order to grant any such approval, the Insider Trading Committee must be satisfied that the individual seeking to deal in the Company's securities is not at that time in possession of inside information. The Insider Trading Committee met twice in 2020 to discuss the Share Dealing Policy, its

effectiveness and its application.

Our Insider Trading Committee is currently comprised of three members including Mr. Paul Myers (our General Counsel and Company Secretary) (the Chairman of the Insider Trading Committee), Ms. Danielle Penton (our Compliance Officer) and Mr. Simon Reeves (our Chief Financial Officer).

Mr. Paul Myers acknowledges his responsibility for the Insider Trading Committee, review of its working mechanisms and ensuring its effectiveness.



# Internal Control System

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Our internal control system has been established to ensure that (a) our Board and management are able to achieve their business objectives in a prudent manner; and (b) we are able to effectively and efficiently safeguard the interests of the Company's shareholders and other stakeholders, in each case, while minimising key risks such as fraud, unauthorised business activity, misleading financial statements, uninformed risk-taking, or breaches of legal or contractual obligations.

As per our Corporate Governance Policy, the Board is responsible for ensuring that the Company applies adequate internal control systems. The Board is also responsible for performing an annual review of the effectiveness of the Company's internal control system and the scope of the Company's compliance with that system. Under delegated authority, our senior management is also responsible for ensuring that adequate internal controls (both financial and operational) are in place and applied.





In order to properly safeguard and manage the assets of the Company in an effective and efficient manner, the Board has developed and implemented an internal control system that:

- (a) ensures efficient business processes;
- (b) ensures that the Company's objectives are implemented in accordance with all applicable laws and requirements of the relevant regulators (including ADX and SCA);
- (c) ensures the safety of the Company's assets and efficient use of its resources;
- (d) protects the interests of the Company's shareholders;
- (e) prevents and resolves any conflicts of interest;
- (f) creates conditions for timely preparation and submission of reliable reports and other information that is legally required to be publicly disclosed; and
- (g) ensures the Company's overall compliance with applicable laws and requirements of regulators.

To ensure that our internal control system is properly imbedded into the Company and its operations, we have sought to implement the internationally recognized 3 lines of defense model consisting of:

**Level 1:** the heads of the various departments and divisions within the Company are responsible for assessing and managing risks and building efficient control systems for their own functions;

**Level 2:** appropriate internal departments and committees (including our compliance and risk management functions) are responsible for developing, communicating and monitoring the appropriate policies, processes and procedures for the Company; and

**Level 3:** the Company's internal audit function conducts independent assessments of the efficiency of the internal control system.

#### Internal Audit

The Board has approved an internal audit function (constituted by our internal audit department) that is independent of our management and reports directly to the Company's Audit Committee. The department's key objectives are to provide assurance and advice on the

adequacy of the Company's internal control environment and risk management processes. This is accomplished through the execution of an annual risk based audit plan.

During 2020, our internal audit department carried out eight (8) assurance reviews with all findings being presented to the Audit Committee. All necessary items for remediation have been flagged for implementation by the respective departments with continued oversight from our internal audit department.

Our internal audit department is led by Mr. Khalid Meah who was appointed as the Head of Internal Audit in November 2019. Mr. Meah is an audit and risk professional with over 16 years' experience in top-tier institutions in the UK and the UAE. Mr. Meah holds a Bachelor's degree in History and Politics from the University of London and a Masters in Management from Loughborough University. Additionally, he holds professional certifications including the International Diploma in Governance, Risk and Compliance (Int.Dip GRC).

#### Compliance and control

We have established and maintain a compliance and control framework that provides our Board and executive management with reliable assurances on the health of our internal controls.

Our compliance function is responsible for ensuring that the Company and its Directors, officers and employees operate in full compliance with all applicable legal and regulatory requirements (including but not limited to resolutions issued by SCA and ADX). To underpin this function, the Company has adopted a suite of internal policies and procedures (as further described above).

Our compliance and control function performs a number of key tasks that help us to ensure that the Company maintains an effective and efficient compliance and control system. These key tasks include:

- (a) establishing policies, procedures, rules and guidelines for the Company, its Board and employees that are designed to ensure that the Company operates in full compliance with its applicable legal and regulatory requirements;
- (b) monitoring the Company's internal controls and identifying any breaches or weaknesses;
- (c) reporting on the health and effectiveness of our control system; and

- (d) recommending and implementing corrective measures of any deficiencies or weaknesses that are identified in our control system.

Mr. Paul Myers, our General Counsel is responsible for our compliance and control function and the daily activities of our compliance and control function are managed by our Compliance Officer (Danielle Penton) who was appointed in November 2019.

### **Risk Management**

Risk management is an integral part of our operations and permeates through every level of our organisation, in order to support and sustain the primary objective of creating long-term shareholder value by leveraging our expertise in managing investments, which necessarily involves undertaking financial risk.

The Company has implemented an integrated enterprise risk management system that establishes a control environment, sets the risk appetite, approves policies and delegates responsibilities under the Company's risk management framework.

Our risk management framework is managed by our risk management team (which sits independently from our investment activities) and constantly monitors and highlights the various types of risk that the Company may be exposed to. Periodic risk reporting is provided to both

the senior management of the Company and the Board.

Our risk management framework:

- (a) facilitates risk informed strategic planning to achieve business objectives and identify potential business opportunities;
- (b) supports the Company in identifying and managing key strategic, functional, investment and project risks (including, the use of an objective driven process);
- (c) assesses the identified risks and the potential impact of such risks on the Company and its key objectives;
- (d) enhances corporate performance as processes become more risk aware and control focused; and
- (e) strengthens the Company's resilience to market disruption and evolving business practices.

### **Identified issues and recent developments**

For 2020, no significant issues were identified with respect to our internal control system.

### **Violations committed during 2020**

No violations were committed by the Company in 2020.

The Board acknowledges its responsibility for the internal control system, reviewing its working mechanisms and ensuring its effectiveness.



# Corporate Social Responsibility

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The Company has an ongoing commitment to supporting the socio-economic development of communities where the Company primarily operates, namely in its home market of Abu Dhabi. A key aim of our CSR program is to contribute to the Emirate's economic diversification strategy however we can, so as to create value for key stakeholders, including investors, employees, and partners.

We recognise that one of the things we can do in this respect is to nurture UAE national talent, either directly by employing promising young Emirati graduates or to help their development more generally. Over the years we have therefore made generous donations to the Sandooq Al Watan fund, which invests in education and development. But closer to home we are working hard to attract and retain the most promising young nationals to become leaders in our company or elsewhere in Abu Dhabi in years to come. In 2020 we made contributions to the Emirates Foundation and the Ma'an Social Investment Fund.

We have also been a frequent contributor of humanitarian aid, including through the Red Crescent, and will continue to do so to both support and reflect

Abu Dhabi's over-arching sustainability aims.

Furthermore, our real estate investment subsidiary, Waha Land, donated more than sixty used IT and Audio/Visual devices to the Rashid Center for People of Determination in Dubai. These will be used for the "Smart Room" at the Center to aid in the learning process for the children.

With the exceptional challenges caused by the COVID-19 pandemic, we were also able to contribute tangibly to the UAE's response by providing treatment of infected residents through our investment in AAH. In this context additional capacity at the Group's own expense was provided to extend treatment at Amina Hospital in Ajman by leasing a nearby hotel in its entirety.

# General Information

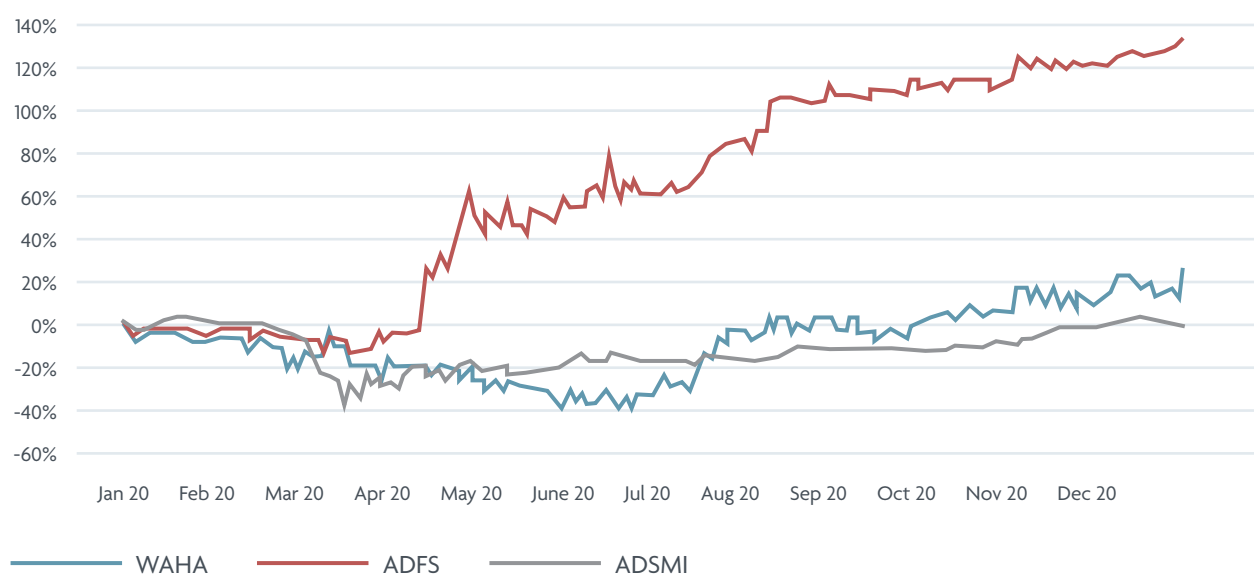
## *Our 2020 Share Performance*

The Company's shares commenced trading on the ADX on 15 November 2000 under the symbol WAHA. The share price as at 31 December 2020 was AED 1.20. Waha's market capitalisation at 31 December 2020 was AED 2,333,417,624. Its paid up share capital is AED 1,944,514,687 divided into 1,944,514, 687 shares of AED 1 each. 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 2020.

2020	HIGH (AED)	LOW (AED)	CLOSE (AED)
January	0.96	0.90	0.917
February	0.94	0.80	0.82
March	0.94	0.757	0.815
April	0.80	0.741	0.749
May	0.75	0.628	0.628
June	0.68	0.629	0.68
July	0.94	0.67	0.94
August	0.997	0.918	0.99
September	0.989	0.91	0.97
October	1.04	0.975	1.02
November	1.12	1.02	1.05
December	1.20	1.08	1.20

### Our 2020 performance compared with our sector index

The following diagram illustrates the movement of Waha's share price during 2020 when compared against the ADX Investment and Financial Services Index (ADFS) and the ADX General Index (ADSMI):



### Break down of shareholdings as at 31 December 2020

The table below shows the number of shares held by different categories of shareholders as at the end of 2020.

Nationality	Individuals %	Companies %	Government %	Total %
UAE	47.21	51.20	1.72	96.68
GCC (excluding UAE)	59.20	40.8	0	3.92
Arab (excluding UAE)	97.56	2.44	0	1.13
All other nationalities	23.64	76.35	0	0.01
<b>Total</b>	<b>47.73</b>	<b>50.60</b>	<b>1.67</b>	<b>100</b>

**Statement of shareholding distribution by size as at 31 December 2020**

The following classifies the shareholders of Waha as at 31 December 2020 according to the number of shares then held by each shareholder.

Shares	Number of shareholders	Numbers of shares	Percentage of shares
Less than 50,000	20,058	113,916,321	5.86%
From 50,000 to less than 500,000	705	98,414,875	5.06%
From 500,000 to less than 5,000,000	179	250,991,770	12.91%
5,000,000 or more	43	1,481,191,721	76.17%
<b>Total</b>	<b>21,212</b>	<b>1,944,514,687</b>	<b>100.00%</b>

**Statement of shareholders who owned more than 5% of the Company's capital as at 31 December 2020**

The following table lists the shareholders who held more than 5% of the Company's shares as at 31 December 2020.

Name of shareholder	Number of shares held	Percentage of share capital
Mamoura Diversified Global Holding PJSC	278,325,571	14.31
H.E. Hussain Jasim Al Nowais	147,084,428	7.56
Al Wathba National Insurance	111,311,050	5.72
Waha Capital PJSC	106,038,341	5.45

**Procedures taken with respect to the controls of investor relations**

During 2020, Waha's investor relations department has published news and insights on its website to ensure that its investors are regularly updated in relation to the Company's performance. Our investor relations officer is Ms. Basma al Mehairi. Ms. Mehairi and the Chief Executive Officer regularly meet and make presentations to investors.

The investor relations officer's details are as follows:

Tel: +971 2 403 9384

Fax: +971 2 667 7383

Email: [basma.almehairi@wahacapital.ae](mailto:basma.almehairi@wahacapital.ae)

Address: Floor 42-43, Etihad Towers, Tower 3,  
PO Box 28922, Abu Dhabi, UAE.

Additional investor relations information can be found at

the investor relations section of the website at [www.wahacapital.com/investor-relations](http://www.wahacapital.com/investor-relations)

**General Assembly and Special Resolution presented at 2020 General Assembly.**

The Company held its annual general assembly on Sunday 22 March 2020. At such meeting of the Company the following special resolutions were approved (being resolutions passed by shareholders owning not less than three quarters of the shares represented in that General Assembly):

- Amending article 31 of the Articles of Association of the Company to read as follows: "Notice to the shareholders to attend meetings of the general assembly shall, after obtaining the Authority's approval, be published in two daily newspapers published in the United Arab Emirates and at least one of which must be in the Arabic language and shall be sent by

registered mail or by SMS and email (where available), at least 15 (fifteen) days prior to the meeting. The notice shall include the agenda for such meeting. Copies of the invitation documents must be provided to the Authority and the Competent Authority”

- Amending article 33 of the Articles of Association of the Company by adding the following paragraph at the end of the article: “Registration for attending the general assembly will be closed when the chairman of the meeting announces whether the meeting is quorate or not. Any registration of a shareholder or a proxy of a shareholder will not be acceptable thereafter and the vote and opinion of such shareholder on the matters discussed during the meeting will not be taken into account”
- Insertion of the following paragraph at the end of article 36 of the Articles of Association of the Company: “Subject to Article (183) of the Companies Law, a shareholder may vote electronically at the general assembly in accordance with the process applicable at the financial market on which the Company is listed and as approved or issued by the Authority.”

#### **The Secretary to the Board of Directors**

Mr. Paul Myers, our General Counsel, is the Board secretary. Mr. Myers was appointed to this role by the Board on 7 September 2020. The Board Secretary attends all Board meetings and is directly answerable to the Board. The Board Secretary provides advice and support to the Board on legal and regulatory matters and is responsible for ensuring that the Company’s governing bodies operate effectively and in compliance with all relevant laws and regulations.

Mr. Myers’s background and qualifications are provided on page 20 of this report.

#### **Statement of significant events**

The following is a summary of the key events that took place in 2020:

- On 30 August 2020, the Company (via its funds management arm) launched a new income generating Islamic fund. The fund is Sharia compliant and aimed at attracting more than USD 500m of investment.
- On 21 September 2020, the Company closed its AED 184m Series B equity investment in Despegar.

com Inc, a leading NYSE listed company in the online travel sector.

- On 18 October 2020, Mr. Ahmed Al Mehairi was appointed as the Company’s new Chief Executive Officer in succession to Mr. Amr AlMenhali.
- On 12 November 2020, the Company announced a strong Q3 result with Net profit (attributable to owners of the company) of AED 86 million in 3Q20, against net loss for same period in 2019.

#### **Statement of major transactions**

On 21 September 2020, the Company closed its AED 184m Series B equity investment in Despegar.com Inc, a leading NYSE listed company in the online travel sector. Other than this transaction, the Company has not been involved in any transaction that was equal to or exceeding 5% of the Company’s share capital.

#### **Emiratisation percentage in Waha as at 31 December 2020**

Waha works in cooperation with local educational institutions and relevant government organisations like Abu Dhabi Tawteen Council in order to create long term employment opportunities for UAE Nationals. In 2019, 9% of the Company’s employees were UAE nationals and in 2020 this rose to 11% (and the Company aims to progressively increase the percentage over the coming years).

The Company offers 4-8 week summer internships to UAE university students, and runs a UAE National graduate program under which three graduates have now been hired. The program provides UAE national graduates with tailored 18 months’ worth of training and development through on-the-job rotations, professional qualifications and external training before they are hired on a permanent basis. The Company also offers sponsorship to other UAE national employees to continue their education while working.

#### **Projects and Innovation Initiatives in 2020**

The Company’s key initiative in 2020 was the opening of its Islamic fund referred to above. The new fund, called “Waha Islamic Income Fund SP”; will invest in Sharia compliant assets across the Sukuk and equity markets, and will have a global outreach for investments. The fund is to be open-ended, and is expected to have a capacity in excess of USD 500m.



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