

**Drake & Scull**

**Drake & Scull**

تقرير الحوكمة  
السنوي للشركة

2020

ANNUAL CORPORATE  
GOVERNANCE REPORT

2020



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## Drake & Scull International PJSC

### Governance Report Form for 2020

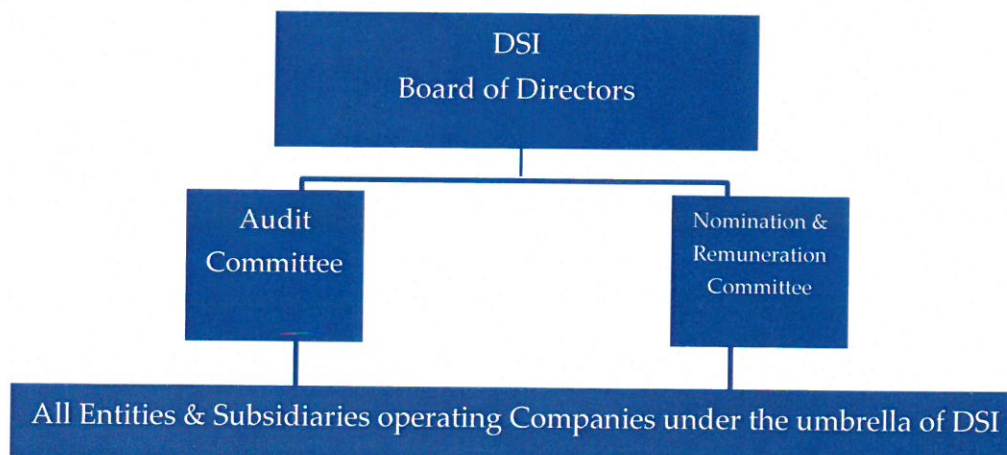
#### 1. Statement of procedures taken to complete the corporate governance system, during 2020, and method of implementing thereof.

Drake & Scull International PJSC [DSI] is committed to the highest level of corporate governance and has derived its values from a system that integrates ethics, corporate integrity, and leading compliant practices. Transparency, fairness, disclosure, and accountability have been central to the working ethos of the company, Board of Directors, senior management, and employees.

The Corporate Governance framework takes into account the principles espoused and standards set by the Securities & Commodities Authority (SCA), Dubai Financial Market (DFM), and Commercial Companies Law Federal Law No (2) of 2015 and its amendments regarding commercial companies in setting the direction and requirements for DSI.

DSI is committed to implementing the decision of the Chairman of the Securities and Commodities Authority No. (3 / RM) of 2020 concerning approving the Corporate Governance Guide for Public Joint Stock Companies and its amendments from time to time to the latest standards.

Depicted below is the Corporate Governance structure developed and implemented by DSI which aims to enhance the good governance practices followed by the Board and the executive management of the company.





\*\* All entities, subsidiaries and operating companies within Drake & Scull International PJSC have independent management for operational delivery but are overseen in terms of strategy, compliance, governance, risk, and audit by a single structure.

#### **Board of Directors (Art. 6, Resolution 3/R.M of 2020)**

The appointment, roles and responsibilities of the Board of Directors of DSI (the “Board” or “Board of Directors”) are outlined in DSI’s Articles of Association (“AoA”).

It was taken into consideration that the chairman and the majority of the Board Directors would hold the UAE nationality during 2020, in order to fulfill the criteria specified by Resolution 3/2020 in relation to executive and non-executive, and independent members of the Board with an appropriate level of skills, experience, and capabilities across the membership.

#### **Board Committees (Art. 53, Resolution 3/R.M of 2020)**

The Board is empowered to establish Board committees and to delegate powers to such committees as deemed necessary or appropriate. The Board also delegates certain functions to these committees but without abdicating its own responsibilities from the activities, tasks and powers that the committee has been delegated to perform. Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of specific matters. All the Board committees are functioning on behalf of the Board and the Board will be responsible for constituting, assigning, selecting and determining the term of membership of such committees.

#### **Nomination and Remuneration Committee (Art. 59, Resolution 3/R.M of 2020)**

The Board of Directors forms a permanent committee called the Nominations and Remuneration Committee, which holds a meeting once a year or whenever needed. The Nomination and Remuneration Committee assists the Board in discharging its responsibilities in relation to qualifications, compensation, appointment and succession of the Company’s Directors and key management personnel. The Committee oversees the Company’s nomination process for the Board of Directors and its policy in line with the Federal Law No. (2) of 2015 and its amendments, and implementing the decisions of the Chairman of the Securities & Communities Authority No. (3/t.m) for the year 2020 concerning approving the Corporate Governance Guide for Public Joint Stock Companies and the articles of the associated companies and its amendments from time

to time. In addition, the Committee works continuously to monitor the independency of the independent members of the Board

#### **Audit Committee (Art. 60 & 61, Resolution 3/ R.M of 2020)**

The Board of Directors has formed a permanent committee called the Audit Committee. All members of the Committee must have the knowledge and expertise in financial and accounting matters and shall monitor the integrity of the Company's financial statements, moreover, make recommendations regarding the changes in the accounting policies and practices required for the Company's control and financial system, in addition to appointing external auditors, and ensuring that they meet the conditions stipulated by the laws and the articles of association of the Company. Furthermore, the Committee is responsible to meet with the auditors to discuss the nature and scope of the audit process and its effectiveness in accordance with the approved auditing, and to ensure establishing a good relationship with them. The Committee also supervises internal control matters and are responsible for adopting recommendations that would improve the performance of it.

2. Statement of ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2020, according to the following schedule:

<i>Ser.</i>	<i>Name</i>	<i>Position / Kinship</i>	<i>Owned shares as on 31/12/2020</i>	<i>Total sale</i>	<i>Total purchase</i>
1	Shafiq Abdelhamid	Chairman	0	0	0
2	Khalifa Al Remeithi	Vice-Chairman	826,019	0	0
3	Abdulla Atatreh	Board Member	0	0	0
4	Ahmad Kilani	Board Member	0	0	0
5	Rashid Al Falasi	Board Member	0	0	0

6	Ahmed Saeed Al Hamiri	Board Member	0	0	0
7	Abdulla Matrooshi	Board Member	0		0

The company's trading was suspended on 14/11/2018 after the company announced losses that exceeded 75% of its capital, and accordingly, the company's shares have been suspended from trading throughout this period and to date. (Attached is a declaration from the members of the BOD regarding their ownership of the company's shares).

### 3. Board Formation:

A. Statement of the current Board formation (along with the names of both the resigned and appointed Board members) according to the following schedule:

Ser.	Name	Category (executive, non-executive, and independent )	Experiences and qualifications	The period they spent as a Board member from the date of his first election	Their membership and positions at any other joint-stock companies	Their positions in any other important regulatory, government or commercial positions.
1	Shafiq Abdelhamid	Independent	- 31 years - BSc and MSc in Civil Engineering	1 year and 9 months from 24/03/2019	-	Founding President & CEO of "City Engineering & Contracting LTD". Chairman of "City Plaza Real Estate & City Living Property".



2	Khalifa Al Remeithi	Independent	- 21 years	10 months from 20/02/2020	-	Formerly, Director of Account at the Ministry of the Presidential Affairs, and Chairman of the Technical for Investors Debt. Treatment Fund – Ministry of the Presidential Affairs
3	Ahmed Saeed Al Hamiri	Independent	- 17 years - Bachelor of Political Science	3 years and 3 months from 09/09/2017	Member of Board of Directors of Takaful Emarat	Member of the Board of Trustees Al Falah University
4	Abdulla Atatreh	Independent	- 21 years - Bachelor of Civil Engineering, MBA	3 years and 3 months from 09/09/2017	Board Member in Wahat Al Zaweya PJSC And a board member Gulf Navigation Holding PJSC	Member of the Board of Trustees Al Ain University of Science & Technology
5	Ahmad Kilani	Independent	- 18 years - Bachelor of Finance and Banking, Business Administration in Finance	3 years and 3 months from 09/09/2017	Board Member in Gulf Navigation Holding	CEO of Tabarak Investment and Vice President of Finance and Investments at Prime Holding

6	Rashid Al Falasi	Independent	- 20 years - Bachelor of Information Technology & Networks	10 months since 20/02/2020	-	Projects Director at Abu Dhabi General Services Musanada, and he also held the position of Director of Heavy Tanker Control at RTA
7	Abdulla Al Matrooshi	Independent	- 14 years	1 year and 7 months from 25/12/2018 till 02/07/2020	-	Lawyer and Managing Partner of Aloweis & Al Matrooshi Advocates and legal consultants

**B. Statement of the percentage of female representation in the Board for 2020 (In case of non-representation, please state that there is no representation).**

There is no women representation in the Board of Directors in 2020.

**C. Statement of the reasons for the absence of any female candidate for the Board membership. (Explanatory example: No female candidate is nominated in the Board elections).**

None of the female candidates who nominated themselves for membership in the company's board of directors received a vote percentage that would qualify them for membership in the Board of Directors.

**D. Statement of the following:**

**1- The total remunerations paid to the Board members for 2019.**

The Board of Directors did not receive any allowances for attending Board Meetings for the year 2019.



- 2- The total remunerations of the Board members, which are proposed for 2020, and will be presented in the annual general assembly meeting for approval.

No member of the Board of Directors has received any allowances for attending Board meetings for the year 2020.

- 3- Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for 2020 fiscal year, according to the following schedule:

None of the members of the Board of Directors received any additional allowances, salaries, or fees for attending sessions of the committees.

Ser.	Name	Allowances for attending sessions of the committees emanating from the Board		
		Committee name	Allowance value	Meetings Nos.
1	Rashid Al Falasi	Nomination & Remuneration Committee	-	1
2	Khalifa Al Remeithi	Nomination & Remuneration Committee	-	1
3	Ahmad Kilani	Nomination & Remuneration Committee	-	1
4	Khalifa Al Remeithi	Audit Committee	-	4
5	Ahmad Bin Brook	Audit Committee	-	4
6	Ahmad Kilani	Audit Committee	-	4



4- Details of the additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees and their reasons.

No additional allowances, salaries or fees were received by the Board.

E. Number of the Board meetings held during 2020 fiscal year along with their convention dates, personal attendance times of all members, and members attending by proxy (The Board members names must match what is stated in the above-mentioned Clause (3A)).

Ser.	Date of meeting	Number of attendees	Names of the Attending Members	Number of attendees by proxy	Names of absent members
1	10 March 2020	7	Shafiq Abdelhamid – Ahmad Bin Brook - Abdulla Atatreh - Ahmad Kilani - Abdulla Al Matrooshi - Rashid Al Falasi - Khalifa Al Remeithi	-	-
2	8 June 2020	7	Shafiq Abdelhamid – Ahmad Bin Brook - Abdulla Atatreh - Ahmad Kilani - Abdulla Al Matrooshi - Rashid Al Falasi - Khalifa Al Remeithi	--	-
3	12 Oct 2020	6	Shafiq Abdelhamid – Ahmad Bin Brook - Abdulla Atatreh - Ahmad Kilani - Rashid Al Falasi - Khalifa Al Remeithi	-	-
4	12 Nov 2020		Shafiq Abdelhamid – Ahmad Bin Brook - Abdulla Atatreh - Ahmad Kilani - Rashid Al Falasi - Khalifa Al Remeithi	-	-

F. Number of the Board resolutions passed during the 2020 fiscal year, along with its meeting convention dates.

The Board of Directors passed one resolution by circulation on 07/22/2020, during the fiscal year ending 31/12/2020.

G. Statement of Board duties and powers exercised by Board members or the executive management members during 2020 based on the an authorization from the Board, specifying the duration and validity of the authorization according to the following schedule:

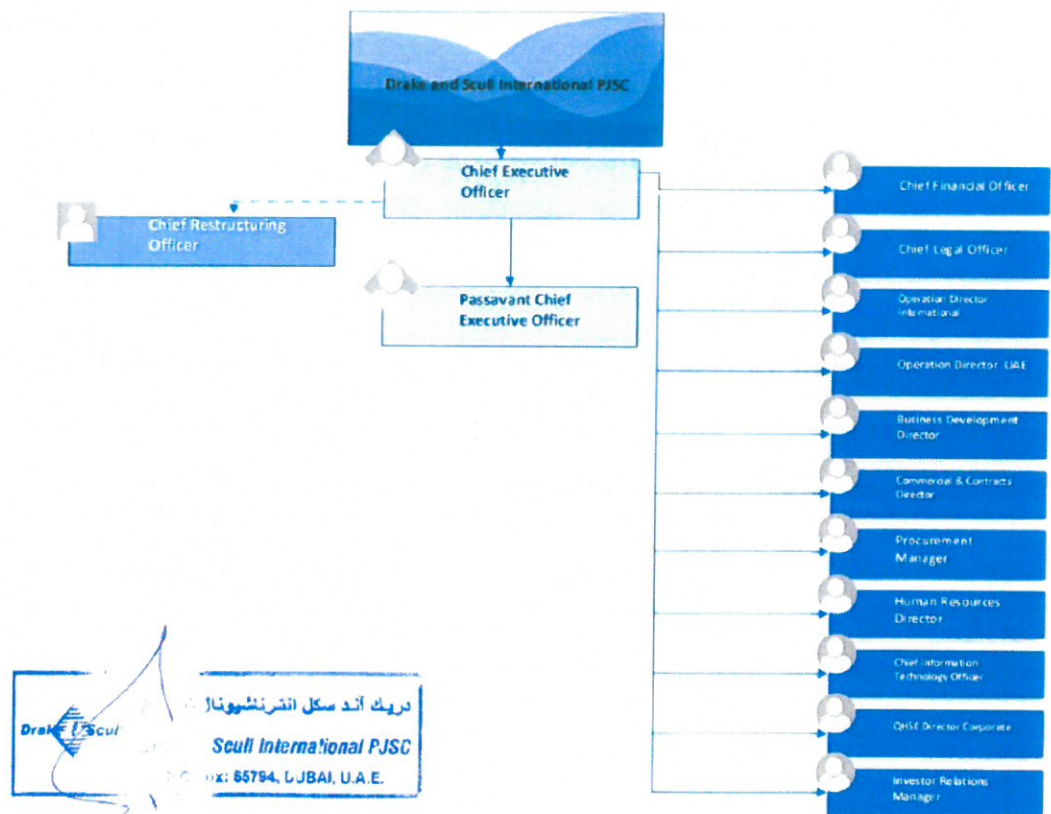
Ser.	Name of the authorized person	Power of authorization	Duration of authorization
1	Shafiq Abdelhamid	Chairman of the board, representing the company and acting on its behalf in all financial, administrative, legal and operational matters.	Expires on 31/07/2021
2	Saed Saabneh	Financial, administrative, legal, and operational powers to represent Drake & Scull PJSC and its subsidiaries.	Cancelled on 21/07/2020
3	Muneer Mansoor	Financial, administrative, legal, and operational powers to represent Drake & Scull PJSC and its subsidiaries.	Expires on 31/07/2021



H. Statement of the details of transactions made with the related parties (Stakeholders) during 2020, provided that it shall include the following:

Due from related parties:		
	2020	2019 (Restated)
	AED'000	AED'000
Joint Arrangement Affiliations	889	405
Affiliates	19,096	51,788
	<u>19,985</u>	<u>52,193</u>
<b>Due to Related Parties:</b>		
	2020	2019 (Restated)
	AED'000	AED'000
Joint arrangements	24,674	15,876
Affiliates	43,597	45,789
Related to assets held as discontinued operations (Note 33)	(27,282)	(27,289)
	<u>40,989</u>	<u>34,376</u>

- I. The complete organizational structure of the company, which shall clarify managing director, the general manager and / or CEO, the deputy general manager and the managers working in the company such as the financial manager.



J. detailed statement of the senior executives in the first and second grade according to the company organizational structure (according to 3-I), their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:

Ser.	Position	Appointment date	Total salaries and allowances paid for 2020 (AED)	Total bonuses paid for 2020 (AED)	Any other cash / in-kind bonuses for 2020 or due in the future
1	Group CEO	03/09/2020	461,613	-	-
2	CEO Passavant	21/05/2012	900,000	-	-
3	CFO	11/07/2019 next 06/09/2020	789,220	-	-
4	Chief Legal Officer	12/08/2010	746,841	-	-
5	International Operations Director	13/05/2018	875,250	-	-
6	UAE Operations Director	15/02/2003	723,630	-	-
7	Business Development Manager	16/09/2020	105,000	-	-
8	Commercial Contracts Director	The first 08/07/2019 2nd 01/03/2020 Third 05/02/2020	496,861	-	-
9	Director of Human Resource	10/07/2017	341,000	-	-
10	Quality, Health & Environment Safety Director.	01/10/2009	296,530	-	-
11	Investor Relation Manager	09/09/2019 next 27/10/2020	258,573	-	-



#### 4. External Auditor:

- A. Submit an overview of the company auditor to shareholders.

Ernst & Young; a multinational professional services firm headquartered in London, England, United Kingdom. EY is one of the largest professional services firms in the world and is one of the "Big Four" accounting firms.

- B. Statement of fees and costs for the audit or services provided by the external auditor, according to the following schedule:

Name of the audit office and partner auditor	Ernst & Young Partner: Ashraf Abu-Sharkh
Number of years he served as the company external auditor	3
The number of years that the partner auditor spent auditing the company's accounts	3
Total audit fees for 2020 in (AED)	AED 1,522,500
Fees and costs of other private services other than auditing the financial statements for 2020 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	N/A
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	N/A
Statement of other services that <u>an external auditor</u> other than the company accounts auditor provided during 2020 (if any). In the absence of another external auditor, this matter is explicitly stated.	Auditor name: Deloitte  Details of provided services: Review the Company Business Plan for the Next 5 Years  Fees: AED 633,786



C. Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2020 and in case of the absence of any reservations, this matter must be mentioned explicitly.

- Opening balances
- Exclusion of the stake in Drake & Scull International Qatar L.L.C
- Bank confirmations
- Confirmation by some lawyers
- Evaluate the principle of continuity

5. Audit Committee:

A. The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Name of the Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness."

"Khalifa Al Remeithi, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness." Attached is the declaration of the Chairman of the Audit Committee.

B. Names of the Audit Committee members and clarifying their competences and tasks assigned to them.

- Khalifa Al Remeithi (Audit Committee Chairman)
- Ahmed Saeed Bin Brouk Al Hamiri (Member)
- Ahmad Al Kilani (Member)

C. Number of meetings held by the Audit Committee during 2020 and their dates to discuss the matters related to financial statements and any other matters, and demonstrating the members' personal attendance times in the held meetings.

Name	Title	1 <sup>st</sup> AC 07/06/20 20	2 <sup>nd</sup> AC 22/06/2 020	3 <sup>rd</sup> AC 08/10/2 020	4 <sup>th</sup> AC 11/11/2 020
Khalifa Al Remeithi	Audit Committee Chairman	Attended	Attended	Attended	Attended
Ahmad Bin Brook	Member	Attended	Attended	Attended	Attended
Ahmad Kilani	Member	Attended	Attended	Attended	Attended

### Responsibilities of the Audit Committee:

The Audit Committee undertakes that it is responsible for the following tasks and duties:

- 1- Reviewing the company's financial and accounting policies and procedures.
- 2- Monitoring the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly) and its control systems, and reviewing them as part of its normal operation throughout the year, and shall, in particular, focus on:
  - a. Any changes in accounting policies and practices.
  - b. Highlighting matters that are subject to the Management's judgment.
  - c. Ensuring that the company updates its policies, procedures, and systems on an annual basis.
  - d. Material amendments resulting from the audit process.
  - e. Assumption of the Company's going concern.
  - f. Adherence to the accounting criteria set by the SCA.
  - g. Adherence to the listing and disclosure rules as well as other legal requirements related to the preparation of financial reports.
- 3- Coordinating with the board of directors, the Executive Management, and the Financial Manager or the manager assuming the same duties in the company, in order to duly fulfill its duties.
- 4- Considering any outstanding unconventional issues that are or have to be reflected in these reports and accounts, and paying the necessary attention to any issues raised by the Company's Financial Manager, the manager assuming the same duties, the Compliance Officer, or the External Auditor.
- 5- Submitting a recommendation to the Board of Directors regarding the selection, resignation, or removal of the auditor, and in the event of the absence of the Board of



Directors' approval of the recommendations of the audit committee, the Board of Directors must include a statement in the governance report explaining the recommendations of the audit committee and the reasons that led the Board of Directors to not taking them into account.

- 6- Establishing and implementing the contracting policy with the auditor, and submitting a report to the Board of Directors identifying the matters of importance that require immediate action, and recommending the steps to be taken in this regard.
- 7- Ensuring that the auditor fulfills the conditions stipulated in the laws, regulations, and decisions in force, and the Company's Articles of Association, and following up and monitoring his independence.
- 8- Meeting the company's auditor without the presence of any of the senior executive management or its representative, to discuss the scope of the audit process and its effectiveness in accordance with the approved auditing standards.
- 9- Approving any additional work carried out by the external auditor for the benefit of the company and the fees charged for such work.
- 10- Discussing all matters related to the auditor's job, work plan, correspondence with the company, notes, proposals and reservations, and any fundamental inquiries that the auditor raises to the higher executive management regarding accounting records, financial accounts or control systems, and following up on the company's management response to it and providing them with the necessary facilities to carry out his work.
- 11- Ensuring that the Board of Directors responds promptly to the inquiries and essential issues raised in the auditor's letter.
- 12- Reviewing and evaluating the company's internal audit and risk management systems.
- 13- Discussing the internal audit system with the Board of Directors and making sure that it fulfills its duty to develop an effective internal control system.
- 14- Considering findings of the main investigations into internal control issues to be assigned thereto by the Board of Directors or at the initiative of the Committee upon the approval of the Board of Directors.
- 15- Reviewing the auditor's evaluation of the internal audit procedures and ensuring the coordination between the internal auditor and the external auditor.
- 16- Ensuring the availability of the necessary resources for the internal audit process, and reviewing and monitoring the effectiveness of that department.
- 17- Studying the internal audit reports and following up on the implementation of corrective actions for the observations contained therein.
- 18- Setting the regulations upon which the company's employees may confidentially report any potential violations in financial reports, internal audits, or other issues in confidence, as well as the steps required to ensure independent and fair investigations of these violations.
- 19- Monitoring the company's compliance with the rules of professional conduct.



- 20- Reviewing the transactions of the relevant parties with the company and ensuring that there are no conflicts of interest, and recommending those transactions to the Board of Directors before concluding them.
- 21- Ensuring the implementation of business rules related to its duties and the powers entrusted to it by the Board of Directors.
- 22- Submitting reports and recommendations to the Board of Directors on the aforementioned issues in this article.
- 23- Considering any other issues determined by the Board of Directors.

## 6. Nomination and Remuneration Committee:

- A. The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, his review of its work mechanism and ensuring its effectiveness.

The name of Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness."

"Rashid Al Falasi Nomination and Remuneration Committee Chairman acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness."

- B. Names of the Nomination and Remuneration Committee members and clarifying their competences and tasks assigned to them.

- Mr. Rashid Al Falasi (Chairman of the Committee)
- Mr. Khalifa Al-Rumaithi (Member)
- Mr. Ahmed Al-Kilani (Member)





C. Statement of number of meetings held by the Committee during 2020 and their dates, and statement of all Committee members' personal attendance of times.

Name	Title	1st NRC - July 21, 2020
Mr. Rashid Al Falasi	Chairman	Attended
Mr. Khalifa Al-Rumaithi	Member	Attended
Mr. Ahmed Al-Kilani	Member	Attended

**Responsibilities of the Remuneration Committee:**

- 1- Establishing the membership policy of the Board of Directors and executive management, aiming at taking into account the diversification of the genders within the formation and encouraging women through benefits and incentive and training programs, and providing the SCA with a copy of this policy and any amendments thereto.
- 2- Organizing and following up the procedures for the membership nomination of the Board of Directors in accordance with the laws and regulations in force and the provisions of this resolution.
- 3- Ensuring the continued availability of membership conditions for members of the Board of Directors on an annual basis.
- 4- Ensure the independence of independent members on an ongoing basis
- 5- If it appears to the committee that one of the members has lost the conditions of independence, it must present the matter to the board to notify the member, by means of a registered letter at his fixed address in the Company, of the justifications for losing the status of independence, and the member must respond to the Board of Directors within fifteen days from the date of his notification, and the Board of Directors shall issue a decision considering the member as independent or not independent at the first meeting following the response of the member or the expiration of the period referred to in the previous paragraph without a response.
- 6- Subject to Article 145 of the Companies Law, should the Board decision affirming the absence of reasons or justifications for independence of the member affect the minimum percentage required for independent members, the Board of Directors shall appoint an independent member to replace this member if the latter submits his resignation due to the lack of Independence status in him, and in the event that a member refuses to resign, the board of directors must present the matter to the General Assembly to take a decision approving the appointment of another member to replace him or to call for elections to a new member.



- 7- Preparing the policy for granting rewards, benefits, incentives and salaries for Board of Directors and the Company's employees, and reviewing it annually. The Committee must ensure that the rewards and benefits granted to the senior executive management are reasonable and in proportion with the company's performance.
- 8- Ensuring that rewards and bonuses, including options and other deferred bonuses, and benefits offered to senior executive management are linked to the company's performance in the medium and long term.
- 9- Annual review of the required needs of appropriate skills for membership of the Board of Directors and the preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time required to be allocated by each member to perform his duties in the Board of Directors.
- 10- Reviewing the structure of the Board of Directors and making recommendations regarding the changes that can be made.
- 11- Determining the company's needs for competencies at the level of senior executive management and the staff and the basis of their choice.
- 12- Preparing the Human Resources and Training Policy, monitoring its implementation, and reviewing it on an annual basis.
- 13- Any other topics determined by the Board of Directors.

## 7. The Supervision and Follow-up Committee of insiders' transactions.

A. Acknowledgment by the Committee Chairman or the authorized person of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

"(The name) acknowledges his responsibility for the follow-up and supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness.

The company has not appointed any follow-up and supervision committees due to the difficult financial conditions the company is going through.

- B. Names of members of the Supervision and Follow-up Committee of insiders' transactions and clarifying their competences and tasks assigned to them.

N/A please refer to Clause 7/A

- C. A summary of the committee's work report during 2020. (In case the committee was not formed, the reasons should be explained).

Due to the suspension of stock trading on November 14, 2018. The company has not appointed follow-up and supervision committees. In addition to the fact that the company is currently under the process of restructuring and therefore, the company intends to appoint a follow-up and supervision committee once the restructuring process is completed.

8. Any other committee (s) approved by the Board.

- A. The Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Not applicable

NAME OF Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Not Applicable.

- B. Name of Committee (s).

Not Applicable.

- C. Names of each committee members, clarifying its competences and tasks assigned thereto.

Not Applicable.

D. Statement of number of meetings held by the Committee during 2020 and their dates, and all Committee members' personal attendance times.

Not Applicable.

9. Internal Control System:

A. Acknowledgment by the Board of its responsibility for the Company internal control system, review of its work mechanism and ensuring its effectiveness.

The Board of Directors acknowledges its responsibility towards the application, review and efficiency of the Company's internal control system by maintaining an effective and robust Internal Control mechanism. The Board has committed itself to promote and deploy the best risk management practices, sound application of governance rules, verification of compliance by the Company and its employees with applicable laws, regulations and resolutions that govern its operations, as well as internal procedures and policies and review of financial information that is forwarded to the Company's senior management, investors and all stakeholders at large.

B. Name of the department director, his qualifications and date of appointment.

Due to the financial difficulties and the restructuring process the company is undergoing, and for cost-cutting reasons the company did not hire a department director during 2020, provided that the company will activate this position after the restructuring plan is completed.

C. Name of compliance officer, his qualifications and date of appointment.

Due to the financial difficulties and the restructuring process the company is undergoing, and for cost-cutting reasons the role of the compliance officer position has been put on hold until the restructuring is completed. The board anticipates filling this position during 2021.



D. How the Internal Control Department dealt with any major problems at the Company or those that were disclosed in the annual reports and accounts (in case of the absence of major problems, it must be mentioned that the Company did not face any problems).

Kindly refer to Clause A-B above.

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

Due to the financial difficulties and the restructuring process that the company is going through, and for cost-cutting reasons, the role of an internal control department manager has been put on hold during 2020, therefore, there are no reports.

10. Details of the violations committed during 2020, explaining their causes, how to address them and avoid their recurrence in the future.

According to our records, the company was notified of **only one penalty** during the year 2020 pertaining to the company's failure to disclose all the points required by the Dubai Financial Market, whereas the company's disclosure as a press release concerning the Financial results for the first half of the year 09/06/2020 was not clear in terms of net profits and losses incurred by the company for the first half of the fiscal year 2020.

(In any case, if there were any other penalties imposed on the company and we did not have knowledge about them, please let us know).

11. Statement of the cash and in-kind contributions made by the Company during 2020 in developing the local community and preserving the environment. (In case of the absence of contributions, it must be mentioned that the Company has not made any contributions.)

Due to the difficult financial conditions that the company is going through, it did not make any cash or in-kind contributions during the year 2020 to contribute to the development of the local community and the preservation of the environment.

## 12. General Information:

### A. Statement of the company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2020.

Not Applicable - The stock has been suspended from trading at the closing price of (0.37 Dirhams) since November 14, 2018.

### B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2020.

Not Applicable - The stock has been suspended at the closing price of (0.37 Dirhams) since November 14, 2018.

Ser.	Shareholder s classification	Percentage of owned shares						Percent age
		Individuals	Companies	Banks	Governmen t	institution	Total	
1	Local	583,896,207	199,579,193	6,017,590	518,442	1,191,189	791,202,621	74,93%
2	Gulf	19,207,922	23,728,978	404,951	-	-	43,341,851	4.04%
3	Arab	128,514,212	12,033,364	133,324	-	175,869	140,856,769	13.14%
4	Foreign	66,758,425	28,267,313	469,338	-	-	95,495,076	8.91%
	Total	798,438,097	263,638,947	7,025,203	518,442	1,367,058	1,070,987,747	100%
	Percentage	74.57%	24.61%	0.65%	0.5%	0.12%	100%	

A. Statement of the shareholders ownership distribution as on 31/12/2020 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.

\*\* 71,056 shares are classified under "Non-UAE Nationality."

B. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2020 according to the following schedule:

Ser.	Name	Number of owned shares	Percentage of owned shares of the company's capital
1	Ajman Bank	139,900,000	%13.0627

C. Statement of how shareholders are distributed according to the volume of property as on 31/12/2020 according to the following schedule:

Ser.	Share ownership (s)	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	16,710	45,977,287	4,58%
2	From 50,000 to less than 500,000	1,406	238,077,924	22,23%
3	From 500,000 to less than 5,000,000	326	412,693,506	38,53%
4	More than 5,000,000	22	374,239,030	34,94%



**D. Statement of measures taken regarding the controls of investor relationships and an indication of the following:-**

- Name of the investor relationships officer.
  - As per Article 51 of the Resolution (3/R.M 2020) the company appointed Mr. Nader Muqbel as an Investor Relations & Communication manager.
  - Upon terminating Mr. Nader's services, the company appointed Ms. Dalia Zaher as an Investor Relations & Communication Manager.
- Data of communication with the investor relationships (e-mail- phone- mobile- fax).
  - Email: [dalia.zaher@drakescull.com](mailto:dalia.zaher@drakescull.com)
  - Phone No.: +971 4 528 3444
  - Fax: +971 4 320 0558
- The link of investor relationships page on the Company's website.

<http://www.drakescull.com/internethome/irteam>

**E. Statement of the special decisions presented in the General assembly held during 2020 and the procedures taken in their regard.**

Amendment of Article (41) and text of Article No. (65) of the Company's Articles of Association, and the decisions were approved by the majority of those present.

**F. Rapporteur of the Board meetings.**

- Name of the rapporteur of the Board meetings.

Mr. Fadi Saba / Chief Legal Officer and Board Secretary.

- His appointment Date.

Appointed as a Board Secretary in April 29, 2019



- His qualifications and experiences.
  - Bachelor of Law – University of Jordan (2001)
  - Masters in International Commercial Law, Sydney University, Australia
  - Specialized in Company Law
- Statement of his duties during the year.
  - Chief Legal Officer
  - Following up on Legal Cases
  - Providing Legal Counsel to the company in various issues
  - Following up and defining the internal management policies and monitoring the compliance of the law regularly.
  - Maintaining records of cases and internal and external investigation committees and ensure their confidentiality.

**G. Detailed statement of major events and important disclosures that the Company encountered during 2020.**

Date	Event
22 July 2020	Appointment of Mr. Munir Mansour as SEO of the company.
20 Feb 2020	Appointing two new members as the company's Board of Directors after the election and voting on their behalf by the majority at the General Assembly Meeting.

**H. Statement of Emiratisation percentage in the Company at the end of 2018, 2019, 2020 (workers are excluded for companies working in the field of contracting).**

2018: 11 employees (1.28%)

2019: 7 employees (2.51%)

2020: 2 employees (2.53%)

I. Statement of innovative projects and initiatives carried out by the company or being developed during 2020.

Due to the company's situation, and the ongoing restructuring process in its advanced stages, where the available resources have been directed to implementing its ongoing projects and maintaining business continuity, in the hope that the Company's efforts shall succeed, paving the way to carry out innovative projects and initiative in the near future that will serve the local communities.





## Drake & Scull

لبيان استراتيجيات والعمليات الابتكارية التي قامت بها الشركة أو جاري تطويرها خلال العام 2020

نظراً لتوسع الشركة وعملية إعادة الهيكلة الجارية في مراحلها المتقدمة حيث تم توجيه الموارد المتاحة لتحقيق ما هو قائم والحفاظ على استمرارية الشركة وتأمين أن نكمل الجهود بالحاج بحسب الخطة الموسومة لتبني إعادة هيكلة الشركة والحصول على مشاريع جديدة لاستغلال العمالة والموارد.



دريك آند سكل انترناشيونال ش.م.ع

Drake & Scull International PJSC

P.O Box: 65794, DUBAI, U.A.E.

ختم الشركة الرسمي

السيد / شفيق عبد الحميد

توقيع رئيس مجلس الإدارة

التاريخ: 2021/...../.....



دريك آند سكل انترناشيونال ش.م.ع

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ختم الشركة الرسمي

السيد خليفة الرميثي

توقيع رئيس لجنة التدقيق

التاريخ: 2021/...../.....



دريك آند سكل انترناشيونال ش.م.ع

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ختم الشركة الرسمي

السيد أشد الفلاسي

توقيع رئيس لجنة الترشيدات والمكافآت

التاريخ: 2021/...../.....