



أبوظبي لبناء السفن  
ABU DHABI SHIP BUILDING  
ش.م.ع. PJSC



ABU DHABI SHIP BUILDING PJSC  
CORPORATE GOVERNANCE REPORT  
FOR THE YEAR 2010

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## 1. Introduction

This report sets out a detailed status of the Company's compliance with the requirements for corporate governance, as set out in the UAE Ministry of Economy Ministerial Resolution No. 518 of 2009, as amended (the 'Code').

### 1.1 Governance Philosophy

The Company recognizes that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance.

### 1.2 Corporate Governance Practices

- a) *Statement of the company's method for the implementation of the principles mentioned in this Resolution, providing an explanation enabling the shareholders to evaluate the manner in which such principles shall be applied*

The Board members provide an effective and well informed Board, which fully complies with the Code's requirement of Board composition in terms of the mix of executive, non executive and independent directors. The Board is assisted by Sub-Committees of the Board with well defined charters. The company is governed by the Articles of Association embedded with strong corporate governance principles and standards with clearly defined roles and responsibilities to the Board, its members and executives. Personnel are abided by Code of Professional Conduct and guided by Insider Trading Policy. There is an effective internal Control System in place. The company complies with the rules and regulations and disclosures requirements of ESCA and ADX and other relevant regulators and bodies

- b) *Statement showing whether the company implements the provisions of this Code*

ADSB complies with governance requirement of the Code as envisaged in the Ministerial Resolution no; 518 of 2009. And in its endeavor to implement corporate governance principles and standards ADSB had appointed a Compliance Officer and Head of Internal Control with a Corporate Governance Framework in place.

An annual Corporate Governance Report is filed with the ESCA and published on the Company's website for review and reference.

## 2. Board of Directors

### 2.1 Role & Function

The Directors collectively exercise independent and objective judgment in setting and directing the business strategies; overseeing the management and control of the company; initiating and implementing corporate policies, procedures and control as necessary; overseeing the adequacy and effectiveness of internal controls and corporate governance; approving investments, business plans, budgets and financial statements; overseeing the adequacy of managerial resources to ensure the availability of adequate and appropriate resources; ensuring the shareholders get accurate and relevant information in a timely manner. The Chairman is responsible for leadership of the Board, ensuring its effectiveness in all aspects of

its role, setting its agenda, ensuring the provision of information to directors, and leading communication with the shareholders.

## 2.2 Appointment of Directors

The Articles of Association of the Company provide for ten Directors, six of whom shall be from time to time appointed by a resolution of the Executive Council of the Emirate of Abu Dhabi or by any person authorized by the Council to make such appointment. The General Assembly of the Shareholders shall elect the remaining four members by Cumulative secret ballot provided that the Executive Council shall not participate in voting for their election. The present Board was elected by the Shareholders of the Company at the Annual General Meeting (AGM) held in April 2009 for a period of three years.

## 2.3 Composition of the Board

The Board comprises of 10 directors of which 9 are non-executive directors (90% of the Board strength) and 8 are independent directors (80% of the Board strength). The Board of Directors of the Company meets at least every 2 months.

Directors	Title	Category	Board Meetings	
			Available	Attended
Homaid Abdulla Al Shemmari	Chairman	NED & I	5	5
Jassem Mohamed Al Zaabi	Vice Chairman	NED & I	5	4
Major General (ret) Suhail Shaheen Al Marar	Member	NED	3	1
Staff Major General Obaid Al Ketbi	Member	NED & I	2	2
Suhail M. F. Al Mazrouei	Member	NED & I	5	5
William Saltzer	Member, CEO	ED	5	5
Salem Rashid Al Noaimi	Member	NED & I	5	4
Hamad Khalifa Al Neyadi	Member	NED & I	5	3
Hussain Ibrahim Al Hammadi	Member	NED & I	5	1
Abdullah Saeed Al Darmaki	Member	NED & I	5	5

Notes:

- NED - Non-executive Director; NED & I - Non-executive & Independent Director; ED - Executive Director.
- Major General (ret) Suhail Shaheen Al Marar resigned from the Board on 31 August 2010
- Staff Major General Obaid Al Ketbi resigned from the Board on 29 April 2010
- William Saltzer stepped down as CEO on 31 December 2010

## 2.4 Directors' Business and Management Experience and External Appointments

Name of Directors	Qualification	Business & Management Experience	Experience as a director	Area of expertise	External Appointments / Positions
Homaid Abdulla Al Shemmari	BSc - Aeronautical Engineering	4 years	4 years	Aerospace Industry	-Executive Director of Mubadala Aerospace Unit, Mubadala Development Company -STRATA/Chairman -Abu Dhabi Aircraft Technologies/Chairman -Advanced Military Maintenance Repair Overhaul Center (AMMROC)/ Chairman -Horizon International Flight Academy/ Chairman -Abu Dhabi Autonomous-Systems Investment (ADASI)/ Chairman -Piaggio Aero/Board Member -Yahsat/ Board Member

