

GOVERNANCE OF INTERNAL CONTROL AND RISK MANAGEMENT



Dubai Taxi Company maintains a strong internal control environment and a disciplined approach to risk management as core elements of its governance framework. The Company recognises that effective controls, proactive risk oversight, and a culture of integrity are essential to safeguarding assets, ensuring regulatory compliance, and supporting sustainable long-term performance.

In FY 2025, DTC continued strengthening its governance foundations by reinforcing the independence of its assurance functions, enhancing control processes, and promoting organisation-wide awareness of ethical conduct, compliance responsibilities, and risk-informed decision-making. This culture is supported by the Board, the Audit, Risk and Compliance Committee, and the Company's independent governance functions, which work collectively to ensure sound oversight and continuous improvement.



Enterprise Risk Management (ERM)

Enterprise Risk Management forms a core pillar of Dubai Taxi's internal control and governance framework. The Company adopts a structured and disciplined approach to identifying, assessing, managing, and monitoring risks that may impact the achievement of strategic objectives, operational resilience, financial performance, and regulatory compliance.

During FY 2025, DTC continued strengthening its ERM framework to ensure risk considerations are embedded into strategic planning, decision-making, and oversight processes, supported by clear governance, defined accountability, and regular reporting to the Board and the Audit, Risk and Compliance Committee (ARCC).

ERM Framework and Governance

In 2025, the Enterprise Risk Management framework was formally updated to enhance clarity, consistency, and alignment with international standards and regulatory expectations. The updated ERM Policy and Processes establish a structured methodology for risk identification, assessment, mitigation, monitoring, and reporting across the organisation.

The ERM framework aligns with:

- ISO 31000:2018 Risk Management Guidelines
- COSO ERM Framework (2017)
- Risk management requirements set out in the SCA Governance Guide

Risk Oversight and Reporting

The ERM function provides periodic risk updates to the ARCC and the Board, drawing on the enterprise risk portfolio, updated risk documentation, and assessments of emerging and evolving risks. These updates support informed oversight and enable the Board to evaluate risk exposure in the context of strategy, performance, and sustainability objectives.

Risk assessments conducted during the year considered:

- Strategic and operational risks
- Financial and compliance-related risks
- ESG-related risks
- Emerging risks arising from market dynamics, cyber and technological developments

Key Risk Themes and Emerging Risks

During FY 2025, the ERM function initiated the identification and assessment of a range of evolving risk themes relevant to DTC's operating environment. These included, among others, risks associated with technological disruption, alternative mobility solutions, and increased competition within the broader transportation and last-mile delivery landscape.

Mitigation strategies and management actions were reviewed as part of the ongoing risk portfolio refresh, with oversight maintained through regular reporting to Management and the ARCC.

Risk Incidents and Red Flag Matters

In line with the requirements of the SCA Governance Guide, DTC confirms that **no major risk incidents or red-flag matters requiring escalation to the Board were identified during FY 2025**. Minor operational incidents were managed within established control frameworks and did not have a material impact on the Company's operations or financial position.

Enhancements to ERM Tools and Integration

Enhancements to ERM tools and reporting continued during FY 2025. This included progress towards automating the enterprise risk register to improve data accuracy, consistency, timeliness, and transparency in risk reporting.

Risk integration with strategy, budgeting, ESG, and Internal Control over Financial Reporting (ICFR) has been flagged as a key area of importance to ensure that risks are evaluated and managed as part of strategic planning, financial decision-making, sustainability initiatives, and control design.

Head of Risk Management

Mr. Saeed Mohammed Alkhaja

Date of Appointment: June 2025
Saeed Alkhaja is an experienced Enterprise Risk professional and IRM Certified GRC Professional with more than 15 years of experience across sectors including telecommunications, transportation, infrastructure, logistics, and manufacturing. His expertise supports the continued strengthening of DTC's enterprise risk management practices, governance discipline, and risk-informed decision-making across the organisation.

Compliance

The Compliance function forms a core pillar of DTC’s internal control and risk management framework. It is designed to support ethical conduct, regulatory adherence, and accountability across the organisation, while enabling informed decision-making and sustainable performance.

During FY 2025, DTC continued strengthening its Compliance framework by embedding compliance considerations into business processes, enhancing monitoring mechanisms, and promoting a culture of integrity and transparency across all levels of the organisation.

Whistleblowing and Ethical Reporting

DTC maintains a confidential whistleblowing mechanism (Aman) to encourage the reporting of concerns in a safe and protected manner. During FY 2025, no material whistleblowing cases were reported. Matters received were addressed in coordination with the relevant departments in accordance with established procedures.

As part of its commitment to ethical governance, DTC relaunched the Aman programme during the year and continued work on strengthening its non-retaliation framework.

Policies, Procedures, and Training

- Regular reviews of compliance-related policies and procedures were conducted to ensure ongoing alignment with regulatory requirements and best practices.
- The Compliance function assumed a broader role in overseeing policy governance and lifecycle management at the Company level.
- Targeted awareness sessions were delivered on the Code of Conduct and Conflict of Interest, with additional training initiatives planned for insider trading and other key compliance areas.

Compliance Framework and Activities in 2025 and beyond

Continued integration of compliance requirements into employee onboarding and awareness programmes for both operational and office-based staff.	Ongoing compliance monitoring through inspections, risk assessments, and coordination with business units to address emerging compliance risks.	Continued alignment of data privacy practices with applicable regulatory and international standards.
Active involvement of the Compliance function in key committees and business discussions, providing timely advice on regulatory and ethical considerations.	Strengthened vendor due diligence processes and oversight of licensing and permit requirements.	Initiated preparations for the implementation of a Governance, Risk, and Compliance (GRC) system to enhance monitoring, reporting, and policy management.

Head of Compliance

Joan Manuel Carrillo Barrera

Date of Joining: December 2024

Joan Carrillo Barrera brings vast experience in compliance, regulatory oversight, and data protection, and holds a Bachelor’s degree in Industrial Engineering, an MBA in International Business Management, a Compliance Certification, and a General Data Protection Officer Certificate for the European Union.

Internal Control over Financial Reporting (ICFR)

DTC recognises the importance of a robust Internal Control over Financial Reporting (ICFR) framework in ensuring the integrity, accuracy, and reliability of its financial statements. In line with the requirements of the SCA Governance Guide and international best practices, DTC initiated the formal design and implementation of its ICFR framework as part of its broader internal control and risk management architecture.



ICFR Framework Design and Implementation

During FY 2025, DTC appointed EY to support the design and implementation of the ICFR framework. The programme was executed through a structured, phased approach covering governance design, process scoping, control identification, testing, and remediation planning.

As part of the ICFR assessment, a comprehensive set of pre-existing controls was identified, further aligned, enhanced and documented in a structured manner across financial, operational, and IT-related processes. Design and operating effectiveness testing was conducted, and identified gaps were categorised based on criticality and risk impact.

A structured remediation plan was developed to address identified gaps, with progress tracked on a quarterly basis. The remediation roadmap reflects a progressive reduction of gaps over the financial year, supported by management action plans and ongoing oversight.

Key focus areas included strengthening IT general controls, enhancing process-level controls, and addressing control dependencies within core systems supporting financial reporting.

This phased approach ensured that ICFR readiness requirements were embedded systematically across key financial and operational processes, while building internal capability and awareness for planned Control Self-Assessment (CSA) framework requirements.

Oversight and Governance

Oversight of the ICFR programme is exercised through the Audit, Risk and Compliance Committee, which receives regular updates on implementation progress, testing outcomes, and remediation status. Management remains responsible for implementing corrective actions and embedding sustainable control improvements across the organisation.

The ICFR framework forms an integral part of DTC's internal control environment and supports the Board's oversight responsibilities relating to financial integrity, transparency, and regulatory compliance.

Internal Audit

Internal Audit is a key component of DTC’s internal control and risk management framework, providing independent and objective assurance to the Board and the Audit, Risk and Compliance Committee (ARCC) on the effectiveness of governance, risk management, and internal controls.

During FY 2025, the Internal Audit function continued to operate as the third line of defence, supporting the Board and Executive Management through a risk-based audit approach, broad audit coverage, and structured follow-up mechanisms.

Mandate, Independence, and Reporting Lines

Internal Audit operates in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) and the Global Internal Audit Standards.

The function maintains full independence through:

- A functional reporting line to the Audit, Risk and Compliance Committee.
- An administrative reporting line to the Chief Executive Officer.
- An ARCC-approved Internal Audit Charter, policies, manual, and procedures.

The independence of the Internal Audit function was formally confirmed to the ARCC during FY 2025.

Audit Coverage and Activities in 2025

Internal Audit executed the ARCC-approved risk-based audit plan for FY 2025, covering key operational, financial, IT, compliance, and governance areas. Engagements included assurance reviews, advisory assignments, and targeted reviews requested by Management and the ARCC.

Audit coverage during the year included, among others:

- Core operational and commercial activities.
- Procurement, contract management, and asset-related processes.
- Information technology and cybersecurity controls.
- Internal Control over Financial Reporting (ICFR).
- Compliance and risk management practices.
- Business continuity and organisational resilience.

Red Flag Matters and Escalation

In line with SCA governance requirements, Internal Audit confirms that **no major red-flag issues requiring immediate escalation to the Board were identified during FY 2025.**

Internal Audit maintains a structured escalation framework whereby significant matters, should they arise, are promptly reported to senior management, the ARCC, and the Board, as appropriate.

Follow-up and Continuous Improvement

Internal Audit applies a formal follow-up process to monitor the implementation of management action plans arising from audit engagements. Progress is tracked and reported periodically to the ARCC to ensure accountability and timely remediation.

Enhancements to the Internal Audit Function in 2025

During FY 2025, Internal Audit continued to enhance its effectiveness through:

- Increased use of audit automation, data analytics, and permitted AI tools.
- Preparation of a multi-year Internal Audit strategy aligned with DTC’s risk profile and strategic priorities.
- Updates to audit methodologies and procedures in line with evolving professional standards.

Reporting to the ARCC and the Board

The Head of Internal Audit provides regular reports to the ARCC covering audit plan execution, key observations, and the status of corrective actions, supporting effective oversight of the Company’s internal control environment.

Head of Internal Audit

Mr. Khalid Al Hammadi

Date of Joining: September 2024
Khalid Al Hammadi brings extensive experience in audit, risk, and assurance with more than 16 years of experience across sectors, including Government, transportation, infrastructure, logistics, and aviation. He holds a Bachelor of Science in Accounting, a Master’s degree in Finance and Banking, and professional certifications including CPA, CIA, CISA, GRCP, and Fellowship of the UAE Accountants and Auditors Association.