

Corporate Governance Report

**At pace with urban
development,
Al Meera shopping
centers are state of
the art.**

Spacious with intelligent
design; Providing a diverse
retail experience.



His Highness,
Sheikh Tamim Bin Hamad
Al Thani

Emir of the State of Qatar



His Highness,
Sheikh Hamad Bin Khalifa
Al Thani

The Father Emir



Sheikh Thani Bin Thamer Bin Mohammed Al Thani

Chairperson's Message

In the name of Allah, most gracious most merciful, It gives me great pleasure and honor to present you with the eighth Corporate Governance report of Al Meera Consumer Goods Company (Q.S.C.), which covers the fiscal year, ended 31 December 2017.

The report highlights the recent developments in the corporate governance framework of the Company, while taking into considerations the provisions of the newly introduced corporate Governance Code, which was issued by the Board of Directors of Qatar Financial Market Authority (QFMA) number 5 for 2016.

We take pride in remaining committed to issuing this annual report and we ensure it is being shared with the company's shareholders at the General Assembly Meeting of every year.
Thank you.

Sheikh Thani Bin Thamer Al Thani
Chairperson of the Board

1. Report on Corporate Governance

Corporate Governance entails an internal system, which encompasses people, policies and processes. This system is aimed at fulfilling shareholders' interests through effective direction and control of management activities utilizing good business practices, objectivity and above all, integrity. We, at Al Meera, are committed to meeting the aspirations of all of our stakeholders. We also believe that Corporate Governance is a way of life, rather than a mere legal compulsion, as it inspires and strengthens investors' confidence and commitment to the Company.

In our commitment to serve the interests of our stakeholders, Al Meera is committed to creating a governance structure that reflects the highest standards of independence, oversight and transparency. Our guiding framework is the provisions of the newly introduced Corporate Governance Code for public listed entities, which was issued by the Qatar Financial Market Authority ("QFMA") on 15 May 2016. We have also drawn general reference from other applicable laws and regulations of the State of Qatar and Qatar Exchange, in addition to internationally regarded good governance practices.

This governance report highlights key components of the governance framework as designed and implemented in Al Meera for the reporting period from 1 January 2017 to 31 December 2017.

2. Steps taken to achieve compliance with the QFMA Corporate Governance Code

Article two (2) of the QFMA's Board of Directors decision number 5 of 2016 on the Corporate Governance Code, urges all legal entities listed in the main market to comply with the provisions of the Code within the permitted period.

Under the guidance of its Board of Directors, Al Meera has worked to develop an integrated vision of the requirements of the Corporate Governance Code, which included the steps necessary to comply with them. Furthermore, Al Meera contracted an internationally acclaimed consultant to work jointly with the concerned persons in the Company to reconcile the Company with the requirements of the Code.

All concerned stakeholders in the Company have been involved in the efforts to comply with the provisions of the Code based on the principle of transparency and collaborative work.

In addition to the efforts that have been made, the Company will take advantage of the permitted period from the QFMA to ensure compliance with the provisions of the newly introduced Code.

3. Shareholders

Al Meera values and respects the rights of its shareholders, which are established by the Articles of Association (AoA) to ensure that shareholders' rights are respected in a fair and equitable manner.

The established rights of the shareholders specifically include inter alia, a priority in subscription of Al Meera's shares, access to ownership records and attendance of the annual and the extraordinary general assemblies. The rights also include exercise of voting and delegation of voting through proxies, decision and distribution of dividends in the annual and the extraordinary general assemblies. Their rights extend to include calls for general assembly, setting and discussion of meeting agendas and the right to receive feedback on questions asked in addition to the method of voting on Board election, and participation in major decisions through General Assembly and so on.

The annual general assembly was held on 19 March 2017, during which the following resolutions were adopted:

- Heard and approved the Board of Directors' Report on the Company's activities, Financial Results achieved in the year 2016, and the Company's plan.
- Approved External Auditors' Report for the financial year ended 31 December 2016.
- Approved the Balance Sheet and Profit and Loss Accounts for the year ended 31 December 2016.
- Endorsed the seventh Corporate Governance Report for Al Meera, which covers 2016.
- Approved the Board of Directors' recommendation to distribute 90% cash dividends to shareholders amounting to QR 180,000,000 (QR 9 per share).
- Absolved the Directors of the Board from any liabilities for the financial year ended 31 December 2016, and approved their remuneration.

All the Directors of the Board (who are also Board sub-Committee members) and representatives from Ministry of Business and Trade, Internal Audit and External Auditors of the Company attended the Annual General Assembly.

4. Shareholding Information

Al Meera Consumer Goods Company Q.S.C. was established by the Law No. 24 of 2004 regarding transforming Consumer Co-operative Societies into a Qatari shareholding Company. The decision number 40 of 2005 dated 28 February 2005 was issued by the Minister of Economy and Commerce to establish the Company in accordance with the provisions of Article No. 68 of Law No. 5 of 2002 regarding Commercial Companies and their Memorandum and Articles of Association.

The capital of the Company is QR 200,000,000, which is divided into 20,000,000 shares at a nominal value of QR 10 per share.

Al Meera was listed on the Qatar Stock Exchange on 28 October 2009 (Al Meera ticker symbol: MERS). Upon listing, the shareholding composition of the Company remained as it was on its establishment in 2005, as follows:

Shareholders	Shares held	Shareholding Percentage
Qatar Holding L.L.C	5,200,000	26%
Shareholders of Private Sector	14,800,000	74%

The amended Articles of Association states that Qatar Holding owns 26% of the total shares, and the total shares owned by one shareholder shall not exceed 5% of the total shares of the Company. Al Meera continues to rely on Qatar Exchange to obtain valid and up-to-date records of shareholding.

On 31 May 2012, the Board of Al Meera has approved a number of important changes which have been approved by the competent authorities and the shareholders at the Extraordinary General Assembly held on 08 October 2012. The shareholders approved to increase the capital of the Company by 100% through

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rights issue of 10,000,000 shares at an offer price of ten Qatari Riyals plus eighty five Qatari Riyals premium per share. The capital structure of the Company has been accordingly changed, and the Company has updated its incorporation documents accordingly.

Additionally, the Board of Directors also approved in the Extraordinary General Assembly meeting held on 5 October 2016, the amendment of the Articles of Association as per the requirements of the regulatory bodies in accordance with the articles of the Commercial Companies Law No. 11 of 2015. The Company is currently in the process of updating its Articles of Association.

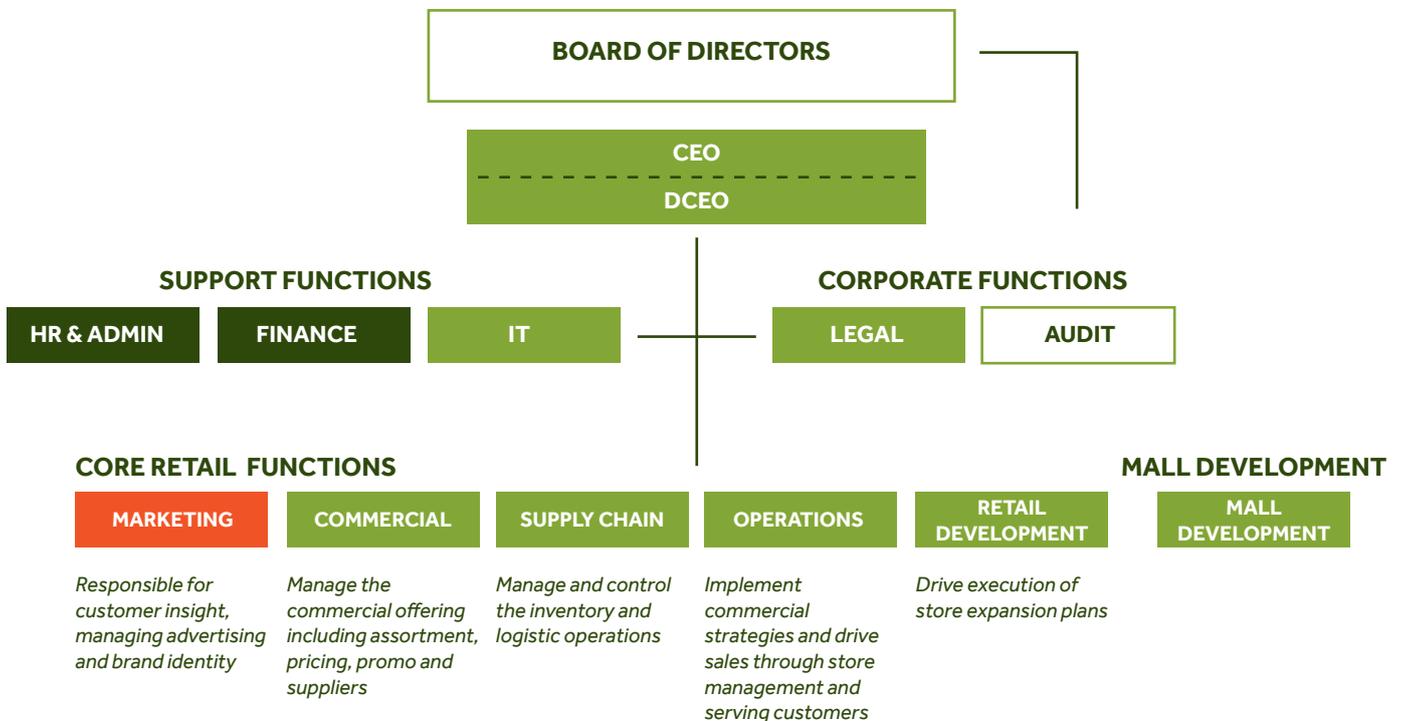
Furthermore, the following decisions were approved in the same Extraordinary General Assembly meeting:

- Amend Article no (6) of the Articles of Association of the Company to transfer the shares of the Government of the State of Qatar amounting to 26% in Al Meera to Qatar Holding.
 - Amend Article no. (26) of the Articles of Association to state "The Board of Directors shall manage the Company and shall consist of seven members two of them shall be appointed by Qatar Holding against its shares, provided that one of them shall be the Chairman of the Board. The remaining members shall be elected by secret ballot and Qatar Holding may not participate in the election of the board members."
 - Amend Article no. (35) of the Articles of Association to state "The General Assembly may dismiss the Chairman of the Board or any of the Board Members according to the suggestion issued by the Board of Directors by absolute majority, or according to the request signed by a number of shareholders holding not less than quarter of the Company's capital subject to the approval of Qatar Holding. If the dismissal is related to the Chairman
- of the Board or the other member who is appointed for the Qatar Holding Company's shares."
 - The sentence "The Government of the State of Qatar "shall be replaced with the sentence " Qatar Holding Company" wherever seen and read in the Company's Articles of Association".

5. The Board of Directors

The Board of Directors provides overall oversight of Al Meera and is jointly responsible for the delivery of the business plan alongside the Chairperson. The Board is vested with all powers necessary for the management and administration of Al Meera’s business operations.

The Board has the responsibility to oversee management and be informed, investigate and act as necessary to promote Al Meera’s strategic and business objectives. The Board has reviewed the organizational structure of the Company, within the current operation framework and short and long term operational structure taking into consideration expansion and development plans in the local and foreign markets, and adopted the structure depicted below.



6. The Delegation of Authority

The delegation of authorities and roles and responsibilities of each of the functions has been documented in governance documents, with clear authority limits, strict respect for a dual signatory principle and consistent requirements of a 4-eye principle for the authorization of business transactions. The Board also adopted operational policies and procedures in its seventh meeting held on 21 November 2011 as per specialized studies done by an expert consultancy group.

In addition to the efforts that have been made, the Company will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code.

6.1. Board Charter

Al Meera has adopted a Board Charter for its Board to assist in the exercise of its powers and fulfillment of its duties. The Charter details the purpose of the Board, its composition, meetings proceedings and responsibilities of the Board. Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically articles 8 and 9 of the newly introduced code.

Once approved, the amended Board Charter will be published on the corporate website for general reference by the stakeholders.

6.2. Board Code of Conduct

The Board of Directors of Al Meera is committed to the highest standards of integrity and business conduct. The Board believes that operating with the highest level of honesty and integrity is critical to protecting

the interests of the shareholders, the general investing public and the clients of Al Meera.

Accordingly, the Board has adopted a Code of Conduct to reflect its commitment to the highest standards of ethical and business conduct.

In addition to the efforts that have been made, the Company will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code. Once approved, the amended Board Code of Conduct will be published on the corporate website for general reference by the stakeholders.

6.3. Board Composition

In accordance with Articles of Association, Al Meera's Board is currently composed of seven (7) members of whom two members are nominated by Qatar Holding, from whom a Chairman is selected. The remaining five (5) members were elected by way of a secret ballot involving the shareholders in the Annual General Assembly held on 28 March 2016.

The election was conducted under full supervision of representatives from the Ministry of Business and Trade, and the External Auditors, and the one vote principle was followed as per the Article of Association and the Commercial Companies Law no 5 of 2002 and its amendments. Qatar Holding did not participate in this election.

Furthermore, Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically articles 5, 6 and 7 of the newly introduced Code. Further details of our distinguished Board members are included in Board of Directors Profiles to this Report.

6.3. Board Composition (Continued)

Name	Role	First Appointment	Representing	Status	Shares Owned
Sheikh Thani Bin Thamer Bin Mohamed Al Thani	Chairman	March 2016	Qatar Holding	Non-Independent	Not applicable
Dr. Saif Said Al Sowaidi	Vice Chairman	February 2005	Qatar Holding	Non-Independent	Not applicable
Mr. Ahmed Abdullah Al Khulaifi*	Member	May 2007	Shareholders	Non-Independent	2,000
H. E. Dr. Saleh Mohammed Al Nabit	Member	February 2005	Shareholders	Independent	36,500
Mr. Mohammed Ibrahim Al Sulaiti	Member	June 2007	Shareholders	Independent	69,500
Mr. Mohammad Abdulla Al Mustafawi Al Hashemi	Member	March 2010	Shareholders	Independent	2,514
Mr. Hassan Abdullah Al Asmakh	Member	March 2013	Shareholders	Independent	2,000

* Has on going commercial dealings with the Company as per Article 1 of the Corporate Governance Code (Independent Board Members definition)

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6.4. Board Meetings

The Board met 6 times during the reporting period with the following attendance.

Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically article 14 that is related to the frequency of the meetings and the permitted elapsed period between the meetings.

Board meetings	Meeting date	Attendees	Absentees	Votes by proxy	Date of Inviting the Board
1	20 February 2017	7	-	-	8 February 2017
2	18 July 2017	6	1	-	5 July 2017
3	9 August 2017	4	3	-	31 July 2017
4	14 October 2017	5	2	-	2 October 2017
5	21 November 2017	6	1	1	9 November 2017
6	21 December 2017	4	3	-	7 December 2017

6.5. Board Member Induction and Ongoing Educational Development

Every newly Board Member shall upon his/her appointment become familiar with the Company structure, management and all other information enabling the said Board Member to assume his/her responsibilities.

The Board Training Policy of the Company provides Board Members guidance on the induction and ongoing educational support that they can draw upon.

6.6. Segregation of Duties of Board Chairman and Chief Executive Officer

The Company has ensured separation of roles of the Board Chairman, H.E. Sheikh Thani Bin Thamer Al Thani and the Acting Chief Executive Officer, Mr. Cobus Lombard. Their respective functions are governed by clearly documented terms of reference.

6.7. Duties of the Chairman of the Board

The Chairman is responsible for ensuring the proper functioning of the Board in an appropriate and effective manner, including timely receipt of complete and accurate information by the Board Members.

The Chairman is not a member of any of the Board Committee, and his duties and responsibilities include, but are not limited to, chairing the Board and general meetings ensuring efficient conduct of meetings, encouraging effective participation of Board members. The Chairman role also mandates the approval of Board meeting agenda, facilitating effective communication with shareholders and communication of their opinions to the Board of Directors, and annual evaluation of Board performance.

Furthermore, Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically article 11 of the newly introduced Code.

6.8. Fiduciary Duties of Board Members

Board members should consider that their primary role is to provide leadership for the Company, to identify long-term strategic objectives, and to develop a strong corporate governance and risk management practices.

Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically article 12 of the newly introduced Code.

6.9. Performance Assessment of the Board of Directors

The Board of Directors has successfully discharged its roles and responsibilities and accordingly was absolved from any liabilities for the financial year ended 31 December 2017. Additionally, the Board proposed remuneration was approved by the General Assembly.

7. Board Committees

The Board has established the following Committees as per the requirements of the Corporate Governance Code, which are the Audit Committee and the Nomination and Remuneration Committee. The board has also established the following Committees, which are the Investment Committee and, Tenders, and Auctions Committee to facilitate and assist in the execution of the Board's responsibilities.

7.1 Audit Committee

The Audit Committee was established in 2005 by and reports to the Board and its mandate is to review the effectiveness of the systems of internal control for the accounting year and the period to the date of approval of the financial statements.

Overall, the Audit Committee seeks to ensure that the whole management process provides adequate control over major risks to Al Meera, through consideration of regular reports from internal and external audit, alongside discussions with senior managers.

Furthermore, Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically articles 18 and 19 of the newly introduced Code.

The Committee comprises of five (5) members:

Name	Role	Status
Mr. Ahmed Abdullah Al Khulaifi	Chairman	Board Member, Non – Executive
Dr. Saif Said Al Sowaidi	Member	Board Member, Non – Executive
Mr. Hassan Abdallah Al Asmakh	Member	Board Member, Non – Executive
Mr. El Sayed Mohammed Salem	Member	Executive – Internal Audit
Mr. Hisham Walid Dally	Member & Secretary	Executive – Internal Audit

The Audit Committee has met 5 times in 2017, and the majority of the members have financial and accounting experience. The responsibilities of the Committee as documented in the Audit Committee Charter are to:

- Review the charters of the Audit Committee, Internal Audit and Compliance annually and recommend changes or updates to the Board.
- Recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors, and review the scope and results of the audit, and its effectiveness.
- Approve any non-audit work to be performed by the external auditors
- Review and concur in the appointment, replacement, reassignment, or dismissal of the Head(s) of Internal Audit and Compliance. Also, review the performance and recommend the remuneration of the Head(s) of Internal Audit and Compliance.
- Confirm and assure the independence of the Head(s) of Internal Audit and Compliance and the external auditors, including a review of management consulting services and related fees provided by the external auditors annually.
- Review with other Committees, management, the Head(s) of Internal Audit and Compliance and external auditors, the significant risks or exposures that exist and assess the steps Management has taken to minimize such risk to the Company.
- Consider, in consultation with the external auditors and the Head of Internal Audit, the audit scope and plans of the internal auditors and external auditors.
- Review with the Head of Internal Audit and the external auditors the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

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- Review the following with the Director of Finance and External Auditors upon completion of the quarterly reviews and annual examination:
 - The quarterly and audited annual financial statements and related footnotes, integrity of financial reporting of the Company in accordance with accounting principles applied in the Company. The Audit Committee shall approve, on behalf of the Board, each of the quarterly financial statements and the corresponding announcements for the first 3 quarters of each financial year.
 - The Audit Committee shall recommend to the Board, for approval, the annual financial results and the related announcements:
 - The external auditors' audit of the annual financial statements and reports thereon;
 - The adequacy of the Company's system of accounting controls;
 - The assistance given by Management to external auditors;
 - Any related significant findings and recommendations of the external auditors and internal auditors together with Management's responses thereto; and
 - Any significant changes required in the external auditors' audit plan, any serious difficulties or disputes with Management encountered during the course of the audit and their resolution, and other matters related to the conduct of the audit.
 - Consider and review with Management and the Head(s) of Internal Audit and Compliance annually:
 - Significant internal audit and compliance observations during the year and Management's responses thereto;
 - The effectiveness of the Company's internal controls over management, business and technology systems and practices and compliance risks;
 - Any changes required in the planned scope of the Head(s) of Internal Audit and Compliance's audit plans; and
 - The Internal Audit and Compliance Department's budget and staffing.
 - Review self-interested person's transactions, and improper activities of the Company (if any).
 - Review with the Head(s) of Internal Audit and Compliance or Management, the results of their review of the Company's compliance with the external regulations and Company's Code of Conduct.
 - Review legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies, and programs and reports received from regulators.
 - Oversee business continuity management and business continuity planning for the Company.
 - Meet with the Head(s) of Internal Audit and Compliance, the external auditors, other Committees, and Management in separate executive sessions, to discuss any matters that these groups believe should be discussed privately with the Audit Committee.
 - Consider and prepare a letter for inclusion in the annual report that describes the Audit Committee's composition and responsibilities, and how they were discharged.
 - Report actions and minutes of the Audit Committee to the Board with such recommendations, as the Audit Committee considers appropriate.

7.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established in 2012 and has the following terms of reference:

- To study and submit nomination for Board of Directors vacancies.
- To make periodic review of the Board of Directors and its Committees to ensure that the members have the required expertise.
- To make sure that complete policies for rotation and replacement of the Board of Directors are in place.
- To issue the letter of appointment of the members of the Board of Directors.
- To submit proposals for comprehensive policy of financial compensation.
- To consult with the CEO regarding the proposed financial compensation for top management jobs.

The Committee comprises of four (4) members, and has met twice during 2017:

Name	Role	Status
Mohammed Abdullah Al Mustafawi Al Hashemi	Chairman	Board Member, Non – Executive
Mr. Hassan Abdullah Al Asmakh	Member	Board Member, Non – Executive
Mr. Ahmed Abdullah Al Khulaifi	Member	Board Member, Non – Executive
Mr. Elamin Mastour Elfaig	Secretary	Legal and Compliance, Executive

The Committee has successfully achieved several of its tasks, the most prominent of which were the following:

- The Committee recommended that the personnel regulations of the Company be amended to include the right of Qatari employees working in the Company to be paid end of service benefits for their period of service.

- The Committee agreed to amending the remuneration policy of the members of the Board so that it shall not exceed 5% of the net profit after deduction of reserves and deductions in accordance with the provisions of the new Companies Law. The Committee also decided to reward the Secretary of the Board of Directors in accordance with the ongoing practices of the listed companies.
- The Committee discussed the annual remuneration of the employees of the Company and decided that it is calculated based on the performance assessment for 2017.
- The Committee discussed the proposed annual salary increments for 2017.
- The Committee discussed the Draft Policy on Remuneration and Nominations issued by the Advisory Office, which is guided by local and regional practices and determinants that do not conflict with the regulations of the State of Qatar.

7.3 Investment Committee

In order to assist the Board of Directors with more detailed assessments of investment opportunities, an Investment Committee was established by the Board of Directors through its decision dated 19 April 2005.

The terms of reference for the Investment Committee sets out the provisions for Committee composition, its meeting, resolution and recommendations, roles and responsibilities, and the investment policy to help in investment decisions.

The Committee comprises of six (6) members, and has met four (4) times during 2017. The Committee members are:

Name	Role	Status
Mr. Mohammed Ibrahim Al Sulaiti	Chairman	Board Member, Non – Executive
He. Dr. Saleh Mohamed Al Nabit	Member	Board Member, Non – Executive
Mr. Hassan Abdullah Al Asmakh	Member	Board Member, Non – Executive
Abdulahdi Al Hajjiri	Member	Independent Advisor Non – Executive
Mr. Cobus Lombard	Member	Acting CEO, Executive
Mr. Teck Boo Chow	Member & Secretary	Director of Finance, Executive

The responsibilities of the Committee are to:

- Study, review and approve all the different investment proposals forwarded from the Board, and any other matters referred to the Committee.
- The Committee can make investment decisions up to QR 10 Million for one investment, and anything exceeding the same will be referred to the Board.
- The investments of the Company will be in the activities as stated in the formation document and, according to the Laws of The State of Qatar.

7.4 Tenders and Auctions

The Tenders and Auctions Committee was established by the Board in 2006 to ensure that the Company has an efficient and effective purchasing decisions. Additionally, the implementation of business works and acquired services is realized through the best means and conditions with the least possible cost. The Tenders and Auctions regulation sets out the terms of reference for the Committee.

The Committee comprises of the six (6) following members, and it has met 25 times during 2017:

Name	Role	Status
Dr. Saif Said Al Sowaidi	Chairman	Board Member, Non – Executive
Mr. Mohammed Abdullah Al Mustafawi Al Hashemi	Member	Board Member, Non – Executive
Mr. Teck Boo Chow	Member	Director of Finance, Executive
Mr. Elamin Mastour Elfaig	Member	Legal and Compliance, Executive
Mr. Hisham Walid Dally	Member	Internal Audit, Executive
Mr. Mohammed Alaaeldin Mansour	Secretary	Secretary

The responsibilities of the Committee are to:

- Issue tenders and receive bids.
- Study and evaluate technical and financial evaluation reports in light of what the applicant (bidder) has proposed.
- Issue decisions concerning the tenders or provide recommendations on the most appropriate bid, in accordance with the provision and procedures set out in the “Tender and Auction Regulation”.
- Prepare minutes of each Meeting, which are signed by the Committee Chairman and the attending members at the end of each meeting, for record purposes as to the works and recommendations of the Committee.

8. Board Secretary

Al Meera has recruited a Board Secretary, who also holds the additional responsibility as the Company's Director of Legal and Compliance.

The Board Secretary works closely with the Chairman of the Board to arrange meetings and, plays a vital role in facilitating communication between the Board Members and Senior Management. Minutes of all Board meetings are maintained and Board resolutions are documented.

Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically articles 16 and 17 of the newly introduced Code.

9. Shareholding Information

All financial information is disclosed in the annual report of the Company that is also available on the corporate website.

The shares of each Board Member in addition to the board composition in various Committees may be found in the annual report of the Company in addition to the corporate website. The Information on controlling and significant shareholders is as follows:

9.1 Shares held by Controlling Shareholders

Shareholder Name	Number of Shares
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Qatar Holding L.L.C.	5,200,000
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9.2 Disclosure of Shares held by Significant Shareholders

The Articles of Association (as amended) stipulate that the total shares owned by one shareholder shall not exceed 5% of total shares of the Company hence the only major shareholder is Qatar Holding.

10. Stakeholders' Rights

The Company's employees have equal rights as set out in the Company's HR policies and procedures.

The Board has approved a remuneration policy and packages that provide incentive for the employees and management of the Company to always perform in the best interests of the Company.

11. Internal Control System

The Board is responsible for the internal control system (ICS) in the Company. The Board has adopted a comprehensive set of governance documents including inter alia organizational structure, employees' grades and salary structure, job descriptions, policies and procedures and a financial and operational delegation of authority to govern the Company's operations. The Board has ensured, through the existing delegations of authority, that no individual has unfettered powers.

Al Meera has an independent Internal Audit function that reports to the Audit Committee and the Board of Directors. An Annual Internal Audit Plan is approved by the Audit Committee, which covers specific areas of Al Meera's operation. It has access at all times to all accounts, books, records, systems, property and personnel in order to fulfill its auditing responsibilities.

Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically with increasing the reporting frequency to be quarterly .

12. Related Party Transactions

For information on the related party transactions, please refer to Note 25 "Related Party Disclosures" of Al Meera's audited consolidated financial statements for the year 2017.

13. External Auditors

The Annual General Assembly held on 19 March 2017 appointed "Ernest & Young" as Al Meera's external auditor for Year 2017 based upon recommendations of the Audit Committee and Board of Directors, to provide half-yearly reviews and year-end audits.

The external auditor is independent from the Company and its Board, and the Company will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code, specifically to ensure the mandate of the external auditor meets the requirement of articles 23 and 24.

14. Dividend Policy

The payment of dividend is subject to recommendation by the Board of Directors and is subject to approval by the Shareholders. For the Year 2016, cash dividend of QR 180,000,000 Million, i.e., QR 9 per share was approved by the Annual General Assembly held on 19 March 2017.

15. Remuneration Policy

The Articles of Association governs the remuneration of Board members. Board remuneration is subject to approval of the General Assembly with a maximum limit of 5% of the net profit to be attributed to bonus distribution. For the year 2016, the Shareholders approved the Board remuneration in the amount of QR 6,156,000.

The Board determines senior management compensation. The senior management compensation is composed of a salary and a performance related bonus. The Board determines the limits for fixed salary components.

The Board approves performance related bonus for CEO, senior management and staff subject to Company's performance. At present, Al Meera practices

annual and semi-annual performance review of each member of the senior management team.

16. Compliance

The Company's Legal Department continuously updates its Board and Senior Management for new or changed laws and regulations. Al Meera consistently seeks to comply with all new or changed laws and regulations. Al Meera was successful in abiding by all the applicable laws and regulations and was not subject to any fines or penalties in 2017.

17. Legal and Judicial Dispute

There are four cases being looked at by the courts for the judicial year 2017 for the period from 1 January 2017 to 31 December 2017 and have not yet been adjudicated.

18. Risk Management

The Board has the overall responsibility for the management of the Company and to enhance risk management practices further, Al Meera has successfully established an independent risk management function.

Al Meera has documented clear systems, policies, and procedures with regard to risk management to ensure a comprehensive risk assessment is performed, including defining and implementing risk appetite and risk reporting. The role of the Risk Management function shall fall under the purview of the Audit Committee.

The Company will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code.

19. Related Party Policy and Conflicts of Interest

Whilst existing related party transactions are disclosed, Al Meera has prepared a formal related party policy to govern commercial transactions with related parties and potential conflicts of interest as well as the related practices and disclosures. The policy has been disclosed once adopted.

In light of the disclosure requirements of the QFMA Code, Al Meera has enhanced its existing annual declarations by Board members and Senior Management on their interests, shareholding, trading in Company shares, other Board mandates, significant transactions with the Company, employment and shareholdings of relatives, qualifications, experience and other interests.

20. Insider Trading

Al Meera has formulated clear guidelines for insider trading to prohibit its Board members and employees from trading in the Company's shares that might be subject to insider trading, and disclosed information where relevant and as made available. In this context, a declaration process for Board members and senior management has been implemented.

21. Internal Audit

In addition to its existing scope, the internal audit provided the board with a documented assessment of the internal control system on an annual basis.

Al Meera will take advantage of the permitted period from the QFMA to ensure compliance to the provisions of the newly introduced Code.

22. Whistle blowing

A mechanism has been designed and implemented to enable employees to report behavior that is suspicious, illicit, unethical or detrimental to the Company, whilst ensuring the confidentiality of the information received and the protection of the whistleblower.

The oversight for the same has been formally assigned to the Audit Committee.

23. Investor Relations

In support of management's commitment to establish transparent and close communication with the shareholders, clear and comprehensive access to information procedures for shareholders has been provided.

24. Policies and Procedures

The existing and comprehensive set of governance documents and administration and finance policies has been improved. In this context, the existing documents have been reviewed by specialized consultant and enhanced by incorporating existing practices in the documentation and ensuring that the document covers all areas of Al Meera's operations.

25. Subsidiaries

The Company is the ultimate parent of the following Companies:

- Al Meera Holding Company L.L.C.
- Al Meera Central Markets S.P.C.
- Al Meera Development Company L.L.C.
- Qatar Markets Company W.L.L.
- Al Oumara Bakeries Company W.L.L.
- Al Meera Bookstore Company S.P.C.
- Aramex Logistics Services Company. L.L.C.

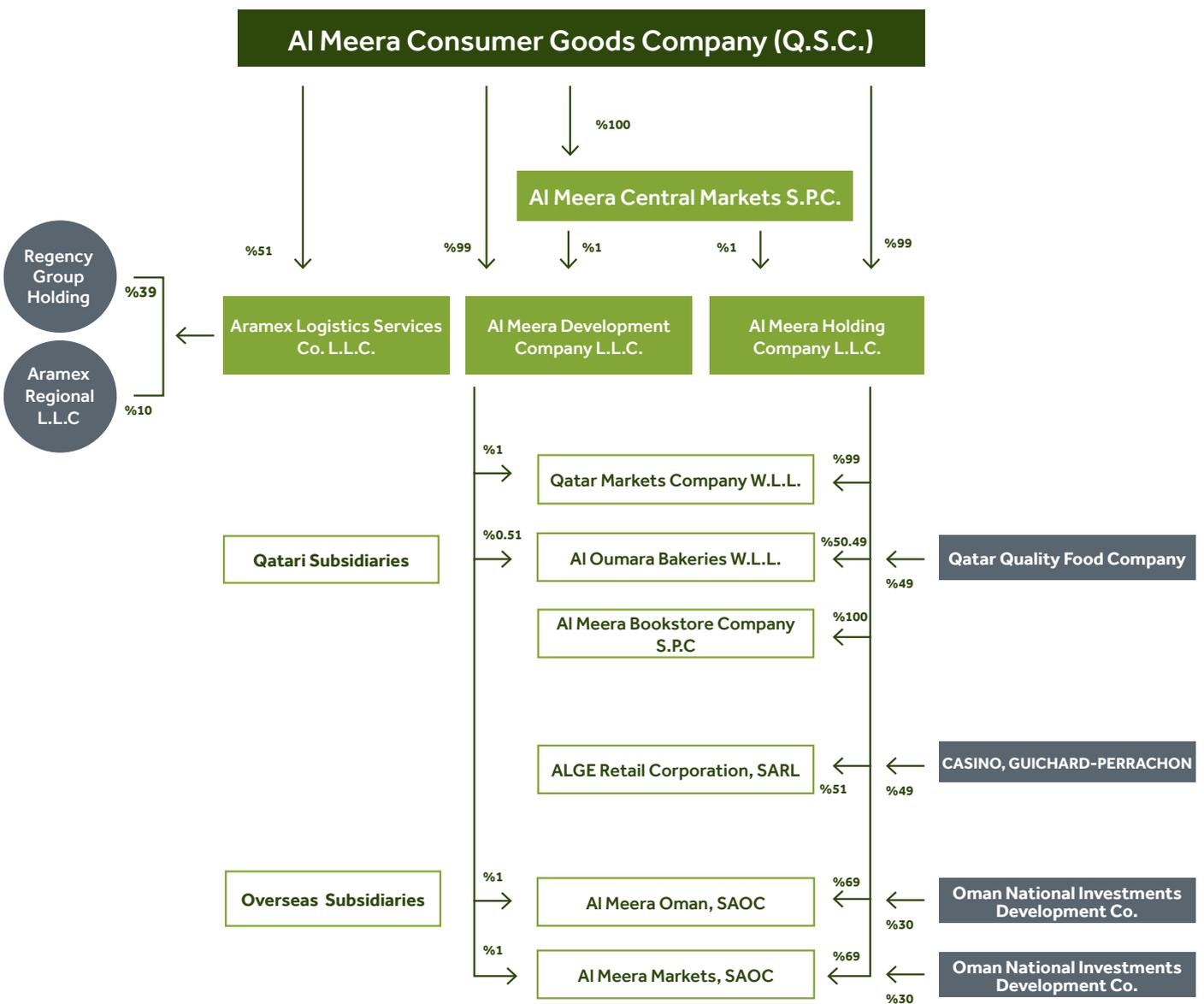
Overseas Subsidiaries

- ALGE Retail Corporation SARL
- Al Meera Oman SAOC
- Al Meera Markets SAOC

The board of Directors made a resolution at its seventh meeting dated 7 December 2016 to liquidate ALGE Corporation SARL registered in Switzerland as a Joint Venture between Al Meera Holding and Casino Group in 2012 to acquire, manage and establish Companies in Egypt, Jordan, Libya & Tunisia. The liquidation of ALGE is proceeding according the Swiss laws and regulations.

Al Meera Group Legal Structure

Al Meera Consumer Goods Company (Q.S.C.) is the ultimate parent of the following Companies:



Al Meera Annual Report 2017

Board of Directors

Leading calmly through the blockade

Providing alternatives for
supply shortages;
Stabilizing prices despite the
acquired costs of emergency
logistics.

Board of Directors Profiles



Sheikh Thani Bin Thamer Bin Mohammed Al Thani

(Chairman Nominated by Qatar Holding)

Sheikh Thani Holds a Post-graduate Diploma in Management from the University of Hull in the UK, and a Bachelor of Science in Petroleum Engineering from the University of Tulsa in the US.

Sheikh Thani has administrative and practical experience in the Oil & Gas sector and currently serves as Vice Chairman in Qatar Petrochemical Company (QAPCO), Qatar Vinyl Company Ltd, Qatofin Company Limited and member of the board in Qatar Solar Tech in addition to his position in Oryx GTL Limited as Vice Chairman of the Board of Directors and Chief Executive Officer.

The previous experience of H.E. Sheikh Thani bin Thamer bin Mohammed Al Thani includes holding the position of Deputy General Manager of Shell-Qatar from 2003 to 2015, where his duties included supporting the project's General Manager, managing a number of other projects and responsibilities, and actively participating in attracting many competent Oil & Gas industry institutions and securing investment opportunities for them in order to implement projects for the benefit of Qatar Petroleum and Shell-Qatar.

In the period from 1998 to 2003, he served as the Lead Petroleum Engineer at Qatar Petroleum where he managed a variety of responsibilities including setting up programmes, managing the North Field, monitoring development schemes, assessing the results of Oil & Gas Studies, preparing for studies on fields and new discoveries, participating in the development of oil fields schemes and coordinating with consultants for project preparation.

Sheikh Thani worked as a Petroleum engineer from 1997 to 1998 and participated in a training mission for a year at the "Mobil Oil" Company in the United States about the North Field in Qatar and the evaluative studies for future projects in the State of Qatar.

Between 1994 and 1996, he served the function of Well Site Engineer, where the focus of his work was at the onshore and offshore sites for oil and gas fields, supervising the digging of wells and the establishment of production plants.

Board of Directors



Dr. Saif Said Al Sowaidi

(Vice Chairman Nominated by Qatar Holding)

Dr. Saif has a PhD in Economics from Durham University, UK, has a Master's Degree from Ball State University, USA. and a Bachelor's Degree in Economics from Oregon University, USA.

He also has a vast and dynamic professional career. Currently, Dr. Saif is the Vice President of Planning since November 2008 to present. Previous experience includes being the Executive Director of Rawafed project and the Executive Director of Serdal project at Qatar University. He served in many Committees and task force teams both in Qatar and outside the country. Dr. Saif's academic record includes a list of published researches in his field of specialty. He is the Board Member of Al Meera Consumer Goods, Co. from 2005 till now. He is the Vice Chairman and Board of Directors of Al Meera Consumer Goods, Co. from 2007 till now. He was the Board Member of Doha Securities Market (presently Qatar Exchange) from 1995 to 2002.

Dr. Saif has rich experience in the education sector; where he started his career at the GCC Development Studies Centre at Qatar University in 1983, then became a Demonstrator at the Faculty of Administration & Economics in 1985 and was later promoted as a Professor. In addition, he was the Deputy Chairman and Executive Director of Oracle System Installation and Operations, Qatar University from 2003 to 2006. He was the head of the Follow-up Committee for the Nomination of Teaching Staff at Qatar University 2003-2005 and member of Qatar University Senate from 1995 to 2003. At the present Dr. Saif is the managing lead for two very ambitious projects at Qatar Universities: Strategic Planning and Institutional Accreditation.

He is the Chairman of Al Meera's Tenders & Auctions Committee, and a Member of the Audit Committee.



H. E. Dr. Saleh Mohammed Al Nabit

(Elected Board Member)

On June 2013, H.E. Dr. Saleh Mohammed Al-Nabit was appointed as the Minister of Development Planning and Statistics. Since June 2011, H.E. was the Secretary-General for the General Secretariat for Development Planning (GSDP), where H.E. contributed to the development of Qatar National Vision (QNV) 2030 and the National Development Strategy (NDS) 2011-2016.

Academically, H.E. Dr. Saleh Mohammed Al-Nabit received his Ph.D. in Economics from the University of Bradford, England, and his Master's degree in Business Administration and Economics from University of St. Louis, USA. H.E. received his Bachelor's degree in Economics (Cum Laude) from Qatar University. Having graduated from the university, H.E. worked for a brief period for Qatar Central Bank. In 1993, H.E. worked in the Department of Economics at Qatar University, where H.E. taught many economic curricula and was named as board member in the department and the college. In addition, H.E. chaired many academic and scientific Committees in Qatar University.

He is a Member of Al Meera's Investment Committee.

Board of Directors Profiles



Mr. Ahmed Abdullah Al Khulaifi

(Elected Board Member)

Mr. Khulaifi is a PhD Student in Marketing Service at Warwick University, UK. He holds M.S. in Business Administration from Oklahoma City University, USA.

He has been involved as the Ministry Assistant for Administration in Supreme Council of Health from 2009 till 2016. He was the Deputy Chairman and Managing Director of Al Jazeera Network from 2007 to 2009. He also has held the position of the Deputy Director General of Corporate Support, DAGOC from 2003 to 2007. In addition, Mr. Khulaifi has held several positions in various information institutions and government departments; including teaching experience in the field of Business Administration at Qatar University.

He is the Chairman of Al Meera's Audit Committee, and a Member of Nomination & Remuneration Committee.



Mr. Mohammed Ibrahim Al Sulaiti

(Elected Board Member)

Mr. Sulaiti received his B.Sc. in Business Administration degree from USA in 1989.

He was the Deputy CEO of Finance and Administrative Affairs, Qatar Navigation Company from 1998 till 2015. He is the member of the Board of Directors of various companies such as Halul Offshore Services Company, Al Meera Consumer Goods, Co. and Beema Insurance Company, Barwa Real Estate and Barwa Bank.

He is the Chairman of Al Meera's Investment Committee.



Mr. Mohammad Abdulla Al Mustafawi Al Hashemi

(Elected Board Member)

Mr. Hashemi has a degree in Bachelor of Science — Business Administration Marketing from University of Denver, Colorado, U.S.A

He is the Managing Director of the Private Business Sector since 2007.

Mr. Hashemi has other experience as the Senior Marketing Analyst/Director of Marketing Development of Qatar Industrial Development Bank from 1997 to 2005. He was the Business Development Director of Gulf Warehousing Company from 2005 to 2007 and has held Board Membership of Al Ahli Club from 2000 to 2007.

He is a member of Al Meera's Tenders & Auctions Committee and the Chairman of the Nomination & Remuneration Committee.



Mr. Hassan Abdallah Al Asmakh

(Elected Board Member)

Mr. Al Asmakh received his B.Sc. in Business Administration degree from the University of Miami, Florida in 2000.

He is the Head of Private Banking, Qatar National Bank since 2011.

He worked in the Corporate Banking, Commercial Bank of Qatar from 2005 till 2011.

He also worked in the Corporate Banking, HSBC Bank from 2001 till 2005.

He is a member of Al Meera's Audit Committee, a member of the Investment Committee and Nomination & Remuneration Committee.