

Board of  
Directors Report  
10<sup>th</sup> Corporate  
Governance Report







Board of  
Directors  
Report

## Chairman's Message

### In the Name of Allah, Most Gracious Most Merciful,

The Board of Directors of Al Meera Consumer Goods Company (Q.P.S.C.) ("the Company") and its consolidated subsidiaries (together "the Group"), is pleased to present the Annual Corporate Governance Report for 2019 as part of the Company's annual report.

The Board of Directors recognises that they are entrusted with overseeing and managing the Al Meera group of companies and so throughout the year the Board of Directors with the assistance of the senior executive management team the Board has sought to ensure, by monitoring and oversight, that Al Meera's corporate governance systems and practices has remained adequate and appropriate for our businesses.

This corporate governance report provides the annual disclosure of these corporate governance systems and practices in accordance with the Governance Code for Companies and Legal Entities Listed on the Main Market, issued by Qatar Financial Markets Authority.

On behalf of The Board of Directors of Al Meera and the senior executive management team, we thank all our shareholders for their continuing trust and confidence.

Abdulla Abdulaziz Abdullah Turki Al-Subaie

Chairman of the Board of Directors

## 10<sup>th</sup> Corporate Governance Report

### 1. Report on Corporate Governance

Corporate Governance entails a collection of systems by which a company is controlled, directed and operated-with specific focus on people, policies and processes, with the aim of meeting our customers', shareholders' and other stakeholders' expectations.

Specifically, we, at Al Meera, are committed to meeting the needs of our customers because we believe it will ensure that the aspirations of our other stakeholders are met. We believe that good Corporate Governance provides an effective way to meeting both customer and stakeholder aspirations and so for us, corporate governance is not merely legal compulsion it is a way of our business life.

In our commitment to serve the interests of customers and our other stakeholders, Al Meera is also committed to maintaining a governance structure that reflects the highest standards of independence, oversight, transparency and integrity. The guiding framework for our governance systems and practices are the provisions of the new Corporate Governance Code for public listed entities, which was issued by the Qatar Financial Market Authority ("QFMA") on 15 May 2017. We also draw general reference from other applicable laws and regulations of the State of Qatar and Qatar Stock Exchange, in addition to internationally regarded good governance practices.

This governance report highlights key components of the governance systems and practices as designed, implemented and maintained in Al Meera for the reporting period from 1 January 2019 to 31 December 2019.

### 2. Management Assessment of Internal Control over Financial Reporting

The Board of Directors of Al Meera Consumer Goods Company (Q.P.S.C.) (the "Company") and its consolidated subsidiaries (together "the Group") is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

### Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group's ICOFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded and account balances are included in the consolidated financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the

fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

#### Organization of the Internal Control System

The Business and Function Heads are responsible for aligning operational activities under their control such that they are aligned with Al Meera strategy and compliant with all internal (at all levels – Group, business, function and country) policies and external regulations and laws that apply to their business and functions

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

#### Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- are preventative or detective in nature;
- have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual

internal controls are those operated by an individual or group of individuals such as authorization of transactions.

**Measuring Design, Implementation and Operating Effectiveness of Internal Control**  
For the financial year 2019, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:

- The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

**Management's assessment included a review of controls related to the following processes:**

- Revenue
- Financial Closing and Reporting
- Treasury and investment
- Payroll
- Fixed assets and Intangible assets
- Procurement and expenses
- Inventory management

The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General Controls, and Disclosure Controls.

#### Conclusion:

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as of 31 December 2019.

### 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 share ownership records, rights of attendance of annual and extraordinary general assemblies. The shareholder rights also include exercise of voting and the right of voting through proxies, rights on taking decisions on the distribution of dividends in the annual general assembly meeting. Shareholder 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.

### 4. Shareholding Information

Al Meera Consumer Goods Company (Q.P.S.C.) was established by the Law 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 Company's conditions were reconciled in accordance with the resolutions of the Extraordinary General Assembly held on 5 October 2016, under Law No. 11 of the year 2015 issuing the Commercial Companies Law and the provisions of the Memorandum of Association and the amended Articles of Association.

The capital of the Company is QAR 200,000,000, which is divided into 200,000,000 shares, after share split, at a nominal value of QAR 1 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, as follows:

Shareholders	Shares held	Shareholding Percentage
Qatar Holding W.L.L.	52,000,000	26%
Shareholders of Private Sector	148,000,000	74%

The amended Articles of Association states that Qatar Holding W.L.L. owns 26% of the total shares, and the total shares owned by individual shareholders shall not exceed 5% of the total shares of the Company. Al Meera continuously update its shareholders register through inquiry from Qatar Stock Exchange and maintains monthly shareholders register.

### 5. The Board of Directors, Board Committees and the Senior Executive Management

The Board is entrusted by the shareholders with the authority to govern the Company, oversee its business activities and operations and to provide effective governance over the Company's key affairs.

The responsibilities of the Board of Directors are set out in the Company's Article of Association, Corporate Governance Framework, and more clearly defined in the Board Charter in compliance with QFMA Corporate Governance Code Article 8, which can be found on the Company's website at [www.almeera.com.qa/investors/corporate-governance/board-charter](http://www.almeera.com.qa/investors/corporate-governance/board-charter).

In order to provide an organised and focused means of achieving the Company's goals and to properly address specific or specialised issues in a timely manner, the Board has set up the following Board Committees in accordance with Governance Code and leading practices.

- Audit Committee
- Nomination and Remuneration Committee

For additional information of Board Committees, please refer to section 7.

In addition, the Board has assigned the day-to-day management of the Company to the Chief

Executive Officer, subject to clear instructions and within the bounds of their delegated authority, while the Board has the ultimate responsibility of the governance of the Company.

The Duties and Responsibilities of the Chief Executive Officer are:

- Develop and implement Board approved strategy reflecting long-term objectives and priorities.
- Implement corporate governance framework established by the Board.
- Assume full accountability to Board for all aspects of Al Meera operations and performance.
- Maintain ongoing dialogue with the Board and Chairman.
- Build and maintain an effective management team.
- Ensure adequate operational planning, risk management and internal control systems are in place.
- Closely monitor operations and financial results in accordance with the plans and budgets.
- Represent Al Meera to major customers, professional associations, service providers and regulators, and maintain effective internal and external public relations and act, in conjunction with the Chairman of the Board, as Al Meera authorised liaison officer with the media for press releases etc.
- Spearhead major Al Meera initiatives.

Executive management profile can be found on Appendix 2.

The Board appointed the Chief Executive Officer as an authorized spokesperson on behalf of the Company to speak on behalf of the Company to disseminate public information or respond to specific queries from the media or to respond to rumours by denying or proving.

## 6. The Delegation of Authority

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 principles 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 continue its efforts to ensure compliance with the provisions of the Code.

### 6.1 Board Charter

In accordance with the provisions of the Code, the Board has amended the Board Charter to reflect the requirements of the Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority pursuant to Decision No. 5 of 2016, the Board charter details the Board's functions, rights duties and responsibilities to assist in the exercise of its powers and fulfilment towards the Company. The amended Board Charter is published on the Company's website for general reference by the stakeholders.

### 6.2. Code of Conduct

The Board of Directors of Al Meera is committed to the highest standards of integrity and business conduct. The Code of Conduct applies to members of the Board and all Al Meera employees. The Board believes that operating with the highest level of honesty and integrity is critical to protecting the interests of the shareholders.

Accordingly, the Board has adopted a Code of Conduct to reflect its commitment to the highest standards of ethical and business conduct. The updated Code of Professional Conduct will be posted on the Company's website to become a general reference for stakeholders, the general investing public and the clients of Al Meera.

### 6.3. Board Composition

In accordance with Articles of Association, Al Meera's Board is currently composed of seven (7) members of whom two (2) members are nominated by Qatar Holding L.L.C., from whom a Chairman is selected. The remaining five (5) Members are elected by way of a secret ballot involving the shareholders at the Annual General Assembly.

Al Meera has updated its Articles of Association to ensure compliance with the provisions of the Governance Code. Details of our distinguished Board members are included in Appendix 1:

No.	Name	Role	First Appointment	Representing	Status	Shares Owned upon election	Shares Owned as at 31-Dec-2019
1	H.E. Abdulla Abdulaziz Abdullah Turki Al-Subaie	Chairman	March 2019	Qatar Holding	Non- Independent	Not applicable	Not applicable
2	Mr. Ali Hilal Ali Omran Al-Kuwari	Vice Chairman	March 2019	Qatar Holding	Non- Independent	Not applicable	55,748
3	Mr. Mohammad Abdulla Al Mustafawi Al Hashemi	Member	March 2010	Shareholders	Independent	36,500	41,315
4	Dr. Khalid Ibrahim Mohammed Abu Yaqoub Al-Sulaiti	Member	March 2019	Shareholders	Independent	2,000	221,210
5	Sheikh Nayef Eid Mohammed Thani Al-Thani	Member	March 2019	Shareholders	Independent	69,500	7,060
6	Mr. Hetmi Ali Khalifa Al Hitmi	Member	April 2019	Ali Bin Khalifa Al Hitmi & Co.	Non-Independent	20,000	1,550,000
7	Mr. Eissa Khalid Eissa Al Muslimani	Member	April 2019	Shareholders	Independent	2,000	-

### 6.4 Board Meetings

Board meetings are conducted regularly, given that there should be no less than six (6) Board meetings in the annual financial year. Al Meera's Board of Directors held ten (10) meetings in 2019.

Board meetings	Meeting date	Attendees	Absentees
1	24-Feb-19	7/7	0
2	20-Mar-19	6/7	1
3	24-Mar-19	7/7	0
4	1-Apr-19	5/7	2
5	17-Apr-19	5/7	2
6	30-Apr-19	7/7	0
7	2-Jun-19	7/7	0
8	18-Jun-19	6/7	1
9	22-Sep-19	5/7	2
10	27-Oct-19	7/7	0

### 6.5. Board activities during the year 2019

In 2019, the Board of Directors achieved a number of key governance goals and supervised the implementation of a number of key successful initiatives, including:

- Appointment of Mr. Yousef Ali Al Obaidan as the new Chief Executive Officer of Al Meera.
- Approval of the Corporate Governance Report for 2018.
- Approving the agenda of the Annual General Assembly.

- Adoption of the audited consolidated financial statements and the adoption of the internal control over financial reporting.
- Approval of tenders.
- Discuss the update and development of the Company's operations.
- Discussing the investment initiatives for the Company.
- Discuss legal matters of Al Meera.
- Assessment of the Executive management and the overall performance of the Company.
- Assessment of various Board Committees' activities and their annual reports.
- Approved the compensation of executive management as recommended by the Nomination and Remuneration Committee.

### 6.6. Board Member Induction and Ongoing Educational Development

Al Meera has developed a structured induction and educational programme for new Board Members upon his/her appointment to become familiar with all aspects of Al Meera's business activities, the company structure, management and all other information enabling the said Board Member to assume his/her responsibilities.

During the year 2019, the Company conducted training to the board members on the Governance Code.

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

### 6.7. Prohibition of Combining Positions

The position of the Chairman of the Board has not been combined with any other executive position in the Company. The Chairman is not a member of any Board Committees.

Additionally, the Chairman and all other members of the Board of Directors provide, annually, a written acknowledgment that they will not combine any of the positions prohibited under article (7) of the Governance Code.

### 6.8. 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 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's 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.

### 6.9. Duties of Board Members

Each of the Board members accepts and acknowledges the obligations owed to the Company as set out in the Board Charter and in accordance with Law and under Article 12 of the Governance Code specifically and QFMA Corporate Governance Code.

No.	Board Membership	Board Role	Audit Committee	Nomination & Remuneration Committee	Classification
1	H.E. Abdulla Abdulaziz Abdullah Turki Al-Subaie	Chairman			Non-Executive
2	Mr. Ali Hilal Ali Omran Al-Kuwari	Vice Chairman			Non-Executive
3	Mr. Mohammad Abdulla Al Mustafawi Al Hashemi	Member	Committee Member	Committee Member	Non-Executive
4	Dr. Khalid Ibrahim Mohammed Abu Yaqoub Al-Sulaiti	Member		Committee- Chair	Non-Executive
5	Sheikh Nayef Eid Mohammed Thani Al-Thani	Member	Committee- Chair		Non-Executive
6	Mr. Hetmi Ali Khalifa Al Hitmi	Member		Committee Member	Non-Executive
7	Mr. Eissa Khalid Eissa Al Muslimani	Member	Committee Member		Non-Executive

### 6.10. Performance Assessment of the Board of Directors

Al Meera has developed a structured Board and Committees Performance Assessment in accordance with the Governance Code.

The Chairman of the Board has carried out a performance assessment of Board as whole and Board Committees, to determine that the Board are optimally active, and their involvement are in the best interest of the Company, the result of the assessment are as follows:

No.		Excellent
1	Board of Directors	✓
2	Audit Committee	✓
3	Nomination and Remuneration Committee	✓

Furthermore, the Chairman through Nomination and Remuneration Committee has carried out a performance assessment of the Board members, self-assessment and peer assessment.

### 7. Board Committees

The Board has established two standing committees as per the requirements of the Corporate Governance Code, which are the Audit Committee and the Nomination and Remuneration Committee. The composition of the Board Committees are as follows:

### 7.1. Audit Committee

The Audit Committee was established in 2005 by and reports to the Board and has a mandate as set out in the Board Charter which includes 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. The members of the Audit Committee have the necessary experience to carry out the duties and mandate of the Audit Committee.

No.	Name	Role	Status
1	Sheikh Nayef Eid Mohammed Thani Al-Thani	Chairman	Board Member, Non – Executive
2	Mr. Mohammad Abdulla Al Mustafawi Al Hashemi	Member	Board Member, Non – Executive
3	Mr. Eissa Khalid Eissa Al Muslimani	Member	Board Member, Non – Executive
4	Mr. Khalid Ismail Aly Soliman	Secretary	Internal Audit, Executive

The Audit Committee has met nine (9) times in 2019, and 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 of Internal Audit and Compliance. Also, review the performance and recommend the remuneration of the Head of Internal Audit and Compliance.
- Confirm and assure the independence of the Head 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 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.

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.

The current Committee comprises of three (3) members and a secretary:

- 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 coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- 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 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 of Internal Audit and Compliance's audit plans; and
  - Budget and staffing of Internal Audit and Compliance Department.
- Review self-interested person's transactions, and improper activities of the Company (if any).
- Review with the Head 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 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.

The Committee completed several of its tasks, the most prominent of which were the following:

- Prepared and presented to the board the internal control systems.
- Reviewed the proposal from external audit firms for the provision of audit of financial statements for year 2019 and verify that controls are appropriate to choose the most suitable offer.
- Discussed internal audit reports issued by the Internal Audit Department.
- Discussion of the Internal Auditor's Report on the Financial Statements for year ended 31 December 2019.
- Approved the annual audit plan for 2019 with the timetable for auditing departments
- Reviewed and approved the financial statements in addition to making recommendations to the executive management.

#### 7.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established in 16 December 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 current Committee comprises of Three (3) members and a secretary, and has met four (4) times during 2019:

No.	Name	Role	Status
1	Dr. Khalid Ibrahim Mohammed Abu Yaqoub Al- Sulaiti	Chairman	Board Member, Non – Executive
2	Mr. Mohammad Abdulla Al Mustafawi Al Hashemi	Member	Board Member, Non – Executive
3	Mr. Hetmi Ali Khalifa Al Hitmi	Member	Board Member, Non – Executive
4	Mr. Mohammed Jumah Al Mohannadi	Secretary	Legal and Compliance, Executive

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

- The Committee reviewed the annual appraisal of some of the employees who appealed to the Committee and made its recommendation to the management.
- The Committee discussed and approved the new Succession plan of the key positions.
- The Committee reviewed the Board Candidates application and recommended the Board of Director to address the list of applicants along with a copy of the applications to QFMA for further processing, in accordance with the article 5 of QFMA Corporate Governance Code.
- The Committee's discussion on remuneration of Board committees and Board members.
- The Committee conducted a Board and Board committees performance assessment.

#### 8. Board Secretary

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

The Board Secretary provides administrative support to the Chairman, Board members and the Board committees to ensure the compliance to the law and to facilitate the execution of their functions.

The Board Secretary is also responsible for ensuring that the correct Board procedures are followed and advising the Board on all legal and Corporate Governance matters.

#### 9. Internal Stakeholders' Rights

The Company's employees have equal rights as set out in the Company's Human Resources 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.

#### 10. 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 and control including, policies, procedures and processes to provide reasonable assurance that financial, reporting and operational objectives of the Company are met. By way of example, Board has ensured, through the appropriate delegations of authority, that no individual has unfettered powers.

Al Meera also 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 fulfil its auditing responsibilities.

#### 11. Related Party Transactions

For information on the related party transactions, please refer to Note [24] "Related Party Disclosures" of Al Meera's audited consolidated financial statements for the year ended 31 December 2019.

Any proposed Related Party transactions will be set out in the agenda of the Annual General Assembly for approval of the shareholders.

#### 12. External Auditors

The Annual General Assembly held on March 2019, appointed "Deloitte" as Al Meera's external auditor for Year 2019 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 with the provisions of the newly introduced code, specifically to ensure the mandate of the external auditor meets the requirement of Articles 23 and 24.

### 13. Dividend Policy

The payment of dividend is subject to recommendation by the Board of Directors which is then approved by the Shareholders in the Annual General Assembly meeting. For the year 2019, the Board of Directors recommended cash dividend is 85% of the paid-up capital.

### 14. 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, in accordance to Article 42 of the Company's Articles of Association.

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.

### 15. Compliance

The Company's Legal and Compliance Department continuously updates its Board and senior management for new or changed laws and regulations. The Board and senior management consistently seeks to ensure compliance by the relevant business units and operations of all 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 2019, Al Meera has complied with the listing and disclosure requirements.

### 16. Legal and Judicial Dispute

In 2019, there were no major legal disputes that would have a significant impact on the Company, however, Al Meera does have some ongoing legal disputes that are minor in nature, both on an individual and collective basis.

### 17. Risk Management

The Board has the overall responsibility for Risk Management and to encourage adequate risk

management practices within the Company. Al Meera has successfully established a framework and independent risk management function for identifying, evaluating, managing and reporting the risks (internal and external) on a periodic basis, to ensure that corrective actions are taken to manage any unexpected market changes, in line with the risk management policies and procedures for Al Meera. Further, there are initiatives in progress to facilitate and support the risk management culture in Al Meera.

### 18. 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. There was no conflict of interest case during the year.

### 19. Insider Trading

Al Meera has formulated clear guidelines and policies to prevent insider trading in the Company's shares. In this context, a declaration process for Board members and senior management has been implemented.

For the year 2019, the Board members and senior management has declared all transactions involving Company shares.

### 20. Internal Audit

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

In addition to the efforts that have been made, the Company will continue its efforts to ensure compliance with the provisions of the newly introduced Code.

### 21. Whistle blowing

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

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

### 22. Investor Relations

In support of management's commitment to establish transparent and close communication with the shareholders, all shareholders and stakeholders can access information relating to the Company and its Board members and their qualifications. The Company also updates its website with all Company news continuously, in addition to including this information in the Annual Report presented to the General Assembly.

### 23. Fair treatment of shareholders and voting rights

According to the provisions of Article 8 of the Company's Articles of Association, which states that "Shareholders have equal rights and have all rights arising from the ownership of the share as per the provisions of the Law and relevant regulations and resolutions", all the shareholders are equal and they have the right of equality, in particular the right to dispose of shares and obtain the share of the dividends, the attendance of the General Assembly, the participation in the deliberations and voting on its decisions. The shareholder also has the right to access and request information in a manner that does not harm the interests of the Company. Non-Qataris may purchase shares of the Company, provided that the total of Non-Qataris shares do not exceed 49% of the Company's shares.

### 24. Corporate Social Responsibility

The Company has committed to contributing 2.5% of its annual profit to Corporate Social Responsibility fund as required by Qatar Government law. During the year, Al Meera has made a payment QAR 4.3m being 2.5% of Al Meera profit for 2018.

### 25. Subsidiaries and Associates

The Company is the ultimate parent of the following Companies:

- Al Meera Holding Company W.L.L.
- Al Meera Supermarkets Company W.L.L.
- Al Meera Development Company W.L.L.
- Qatar Markets Company W.L.L.
- Al Meera Bookstore Company W.L.L.
- Al Meera Logistics Services Company W.L.L.

- Maar Trading and Servicing Company W.L.L. Qatari Associate

- Al Oumara Bakeries Company W.L.L. Overseas Subsidiaries

- Al Meera Oman S.A.O.C.
- Al Meera Markets S.A.O.C.

During the year, the Group sold its shares in ALGE Retail Corporation SARL. The sale has been approved by the shareholders of the subsidiary.

### 26. Board of Directors' Report on compliance of the Company with the applicable QFMA Laws and relevant legislations including the Governance Code for Companies and Legal Entities Listed on the Main Market (the "Code") as at 31 December 2019

Based on the Company's Board of Directors and executive management's review, with exception of the 2 points below related to risk management and other legislations and regulations of QFMA, which the Company is in process of completing, Al Meera Consumer Goods Company (Q.P.S.C) has complied with Code requirements as at 31 December 2019.

- The Company is in the process of documenting its policies, procedures, and related controls in respect of the compliance with the relevant regulations of QFMA, knowing that within the limits of information available to the Board of Directors, there were no violations on these regulations during the year.
- Although the Company has a risk management framework with related policies in place, the Company is currently in the process of implementing the reporting requirements and reassessing the resource requirement for the risk management department.

## Board of Directors Profiles



### H.E. Abdulla Abdulaziz Abdullah Turki Al-Subaie

Chairman of the Board of Directors  
Nominated by Qatar Holding L.L.C.

His Excellency Abdulla bin Abdulaziz bin Turki Al-Subaie was appointed Minister of Municipality and Environment in November 2018.

His Excellency Al-Subaie also continues as Managing Director and Chief Executive Officer of the Qatar Railways Company, having held these positions since March 2011 and January 2017, respectively.

Under His Excellency Al-Subaie's exceptional leadership, the Qatar Railways Company has set the benchmark for project delivery, transparency and governance, and successfully started revenue service on the Doha Metro a year early in May 2019.

His Excellency was the Group Chief Executive Officer of Barwa, Qatar's leading Real Estate Development and Investment Holding Group from April 2011 until May 2014. Prior to joining Barwa, His Excellency was the Chief Executive Officer of SMEET, an affiliate of Qatari Diar Group, serving the company since its formation in 2008 until March 2011. His Excellency held various leadership and senior project management positions from 1996 to 2008 with The Qatar General Electricity & Water Corporation (KAHRAMAA), where he has managed multibillion dollar infrastructure projects.

His Excellency is Board Member and Chairman of Executive Committee of Qatar Railways Company and Chairman of Al Meera Consumer Goods Company (Q.P.S.C.). His Excellency served on the Boards of many high profile organizations like Qatari Diar Group, Barwa, HOCHTEIF and Qatar National Broadband Network Company and Barwa Bank Group.

Born in Qatar in 1975, His Excellency holds a Masters degree in Business Administration (MBA) in 2006 and Bachelors in Electrical Engineering (BSc) in 1996 from Qatar University.



### Mr. Ali Hilal Ali Omran Al-Kuwari

Vice-Chairman of the Board of Directors  
Nominated by Qatar Holding L.L.C.

Since 2016, Mr. Al-Kuwari took over the position of Vice President at Hassad.

Previously, Mr. Al-Kuwari held a number of leading positions in Hassad, such as the Director of "Project Management" Department.

Moreover, he spent around 10 years at Qatar General Electricity & Water Corporation (KAHRAMAA), where he worked in different senior positions like Director of Engineering Contracts Department.

Mr. Al-Kuwari holds an Engineering degree from Qatar University and an MBA from Northampton University in the United Kingdom.



### Mr. Mohammad Abdulla Al Mustafawi Al Hashemi

Member of the Board of Directors  
Elected by the shareholders

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.

## Board of Directors Profiles



### Dr. Khalid Ibrahim Mohammed Abu Yaqoub Al-Sulaiti

Member of the Board of Directors  
Elected by the shareholders

Khalid Ibrahim Al-Sulaiti, Ph.D., is currently the General Manager of Katara Cultural Village Foundation and brings 20+ years of progressive experience in academia, marketing, and management positions spanning several sectors. His expertise and insights are utilized on several committees and boards.

He embarked on his career path as Director of Information and Market Relations at Qatar Exchange (1998-2000) while concurrently serving as Acting Dean of College of Business and Economic at Qatar University (1998-2001) and as Dean of Student Affairs at Qatar University (2000-2001).

Between 2001 and 2006, Dr Al-Sulaiti served as the General Manager of the Institute of Administrative Development and as Dean of Academic Affairs at the Ahmed Bin Mohamed Military College between 2005 and 2007.

From 2007 to 2009, he accepted to lead Barwa Bank as CEO of its Steering Committee, a period during which he also briefly served as General Manager of First Investment Company (2008). Further, Dr Al-Sulaiti drove the growth of First Finance Company as its CEO (2007-2012). He continues to be a Senior Consultant to Barwa Real Estate Company since 2006.

Since 2014, he has been associated with the Katara initiative; first as Manager of Katara Restaurants Company (2014-present), then as Manager Katara Hills Company (2016-present) and as General Manager Katara Cultural Village Foundation (2012-present).

A thought-leader and an innovator, Dr Al-Sulaiti graduated with a BA in International Business from University of Bridgeport, US (1992) and obtained an MBA with concentration in Finance from the same alma mater (1994). He was awarded the Doctor of Philosophy in Marketing by Strathclyde University, Scotland in 1997. He was made an Associate Professor of Marketing in 2004.

Dr Al-Sulaiti's activism and contribution to nearly a dozen local entities as committee or board member reaches beyond Qatar with his involvement in international fora. He is the President of Global Public Diplomacy Network and a Member of Beta Gamma Sigma at his former university in the United States. He has authored several papers on the banking and securities market.

Among his accolades, Dr Al-Sulaiti was named among the 500 Strongest Personalities in the Middle East by Arabian Business in 2011 and was recognized again at the Arab Tourism Oscar Award most recently in 2017.



### Sheikh Nayef Eid Mohammed Thani Al-Thani

Member of the Board of Directors  
Elected by the shareholders

Sheikh Nayef Eid Mohammed Thani Al-Thani

Sheikh Nayef Bin Eid Bin Mohammed Thani Al-Thani is currently Manager – Public Relations and Communications at Qatar News Agency, the multi-lingual state-run news agency established in 1975.

He is represented in several company boards, including, as President at Widam Food Company, as member at Retaj Real Estate Company, and as President Tamim Trading and Contracting Company.

Sheikh Nayef holds a Master's degree.



### Mr. Hetmi Ali Khalifa Al Hitmi

Member of the Board of Directors  
Elected by the shareholders

Academic background in business and administration has enabled Mr. Hitmi Ali Khalifa Al-Khalifa to lead the change at several of Qatar's iconic brands and companies.

He is the founder of Ali Bin Khalifa Al Hitmi & Co, an eponymous business that has consistently seen growth since its inception in 1963. Between 1972 and 1995 he was the Head of the Consultative Council of Qatar, an important period in the history of Qatar which saw the country register impressive social and economic changes. He was eventually made the President of the Council.

He serves as Honorary Chairman of Qatar Navigation Q.P.S.C., where he also previously held the position of a Director; at Milaha, an integrated transport and supply-chain entity, as a Board Member; at Al Hitmi Property Development, a group specializing in urban regeneration, as Chairman; at Ali Bin Khalifa Al-Hitmi & Co, one of the largest property developers in Qatar, as Board Member; at Al-Hitmi Facility Management, a premium property management firm, as Board Member.

His previous affiliations include chairmanship of Barwa Real Estate Company Q.P.S.C., as a Board Member of Nakilat, as a Board Member of Doha Insurance, as Chairman of Al Arabi Sports Club, as Board Member of Qatar National Bank, and as Board Member of Qatar Electricity & Water Company.

In 2012, prestigious Middle East-based publication, Arabian Business, named Hitmi Ali Khalifa Al-Khalifa as the World's Most Influential Arabs in its Arabian Business Power 500 rankings.

## Board of Directors Profiles



### Mr. Eissa Khalid Eissa Al Muslimani

Member of the Board of Directors  
Elected by the shareholders

Mr. Eissa Khalid Eissa Al Muslimani, holds a graduate degree in engineering, along with a bachelor's degree in business administration, and diploma in project management.

Currently, Mr. Al Muslimani has been working at Qtel, now better known as Ooredoo since 1983, building up his professional career gradually from joining initially as an Engineer, to Northern Local Manager, National Manager, and to Network Manager.

He serves as a member of the Permeant Committee as a telecommunications expert, and has taken an active role in contributing to the drafting of emergency law on more than one occasion. He has chaired and represented Ooredoo in multiple high-level regional and international conferences, forums, and local seminars, while participating in many local events, forums and seminars. Additionally, he served as a board member of Qatar German Medical Supplies.

Currently, Mr. Al Muslimani manages various companies in the field of contracting, trade, retail services, and the food and beverage sector.

He carries expertise and knowledge in areas such as procurement, management, consulting within companies at risk, as well as managing large-scale complex projects, problem solving and the negotiation and development on complex contracts.

Similarly, Mr. Al Muslimani made a large contribution to the development of Ooredoo's telecommunications and management, and quality systems, overall enhancing the capacity for project management. These achievements were most noticeably displaced in the shift to utilizing 7 digit phone numbers in 2000 to 2001. The management of the 2006 Asian games equally served as a testament to the development and growth of Ooredoo.

## Executive Management Profile



### Mr. Yousef Ali Al Obaidan

Chief Executive Officer

Mr. Yousef Ali Al Obaidan is the CEO of Al Meera Group. As an established business leader, Mr. Yousef has held a number of senior executive roles and high-profile remits across Qatar's largest establishments, having spearheaded the operations and business growth of one of the most prominent investment banking firms in Qatar, and served on the board of several prestigious local and regional organizations.

Mr. Yousef's career boasts a spate of landmark transactions and large-scale assignments in Qatar's business and investment sector. Prior to joining Al Meera, he was the Acting Chief Executive Officer at The First Investor (TFI), Barwa Bank's investment banking firm, and one of the leading firms in this sector in Qatar. During his tenure at TFI, he was central to the group's operational efficiency and effectiveness, investment product innovation, portfolio diversification and expansion into new markets, among many other achievements. Under his leadership and management, the group completed a major restructuring operation, several landmark transactions, and the best-performing exit from the firm's largest investment project.

Mr. Yousef was also on the board of several prestigious organizations in Qatar. He serves as the Chairman of the Board at Tanween and at Emaded Equipment Leasing Company, as Vice Chairman of the Board at SMEET, and as board member at Qatari Diar – Saudi Bin Laden Group JV and Nuzul Holding and Barwa Real Estate Company, Waseef. He graduated from California State University, where he obtained his bachelor's degree in finance, and later pursued his Master of Arts in Integrated Marketing & Communications.

