

9th Corporate  
Governance Report

2018

*Your Favourite Neighbourhood Retailer*



His Highness,  
Sheikh Tamim Bin Hamad  
Al Thani

Amir of the State of Qatar



His Highness,  
Sheikh Hamad Bin Khalifa  
Al Thani

The Father Amir



His Highness,  
Sheikh Abdullah bin Hamad  
Al Thani

Deputy Amir

# Chairman's Message

2



## Sheikh Thani bin Thamer Bin Mohammed Al Thani

In the name of Allah, most gracious most merciful,

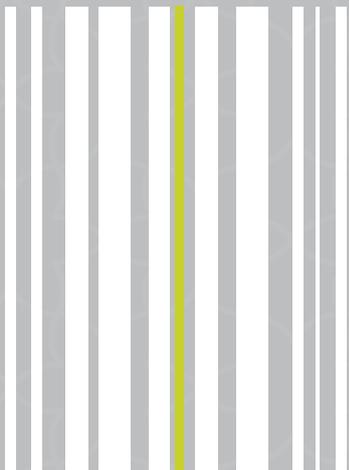
It gives me great pleasure and honor to present you with the ninth Corporate Governance report of Al Meera Consumer Goods Company (Q.S.C.), which covers the fiscal year, ended 31 December 2018.

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 Bin Mohammed Al Thani**  
Chairman of the Board



# Corporate Governance Report

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

## 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 2018 to 31 December 2018.

## 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 continue its efforts 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. The 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 27 March 2018, 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 2017, and the Company's plan.
- Approved External Auditors' Report for the financial year ended 31 December 2017.
- Approved the Balance Sheet and Profit and Loss Accounts for the year ended 31 December 2017.
- Endorsed the eighth Corporate Governance Report for Al Meera, which covers 2017.

- Approved the recommendation of the Board of Directors' to distribute cash dividend of 85% of the par value of the share equivalent to the shareholders (QAR 8.50 per share). Absolved the Directors of the Board from any liabilities for the financial year ended 31 December 2017, and approved their remuneration.
- Approved the extension of services of Ernst and Young for the financial year 2018.

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 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 October 5, 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 20,000,000 shares at a nominal value of QAR 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	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.

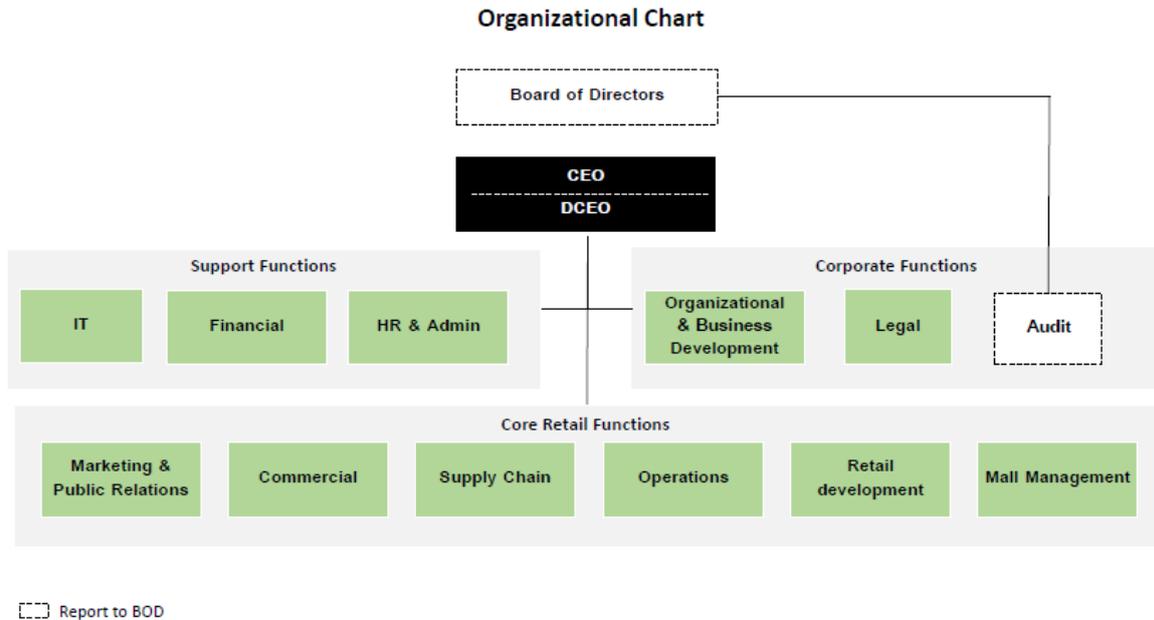
On 31 May 2012, the Board of Al Meera has approved a number of important changes which have been approved by the competent authorities and the shareholders at the Extraordinary General Assembly held on 08 October 2012. The shareholders approved to increase the capital of the Company by 100% through rights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

In addition, the Board of Directors of the Company approved important decisions after the approval of the competent authorities and the shareholders in the Extraordinary General Assembly Meeting held on 05/10/2016, including the amendment of the Articles of Association of the company as per the requirements of the regulatory bodies in accordance with the Articles of the Commercial Companies Law No. 11 of 2015.

## 5. The Board of Directors & the Executive Management

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 Monday 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 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 took advantage of the permitted period from the QFMA to ensure compliance with the provisions of the newly introduced Code.

In addition, the amended Board Charter has been 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. The updated Code of Professional conduct will be posted on the company's website to become a general reference for 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. The principle of "one share for one vote" was followed in accordance with the Company's Articles of Association and Article 96 of the Commercial Companies Law No. 11 of 2015. Qatar Holding did not participate in these elections.

Furthermore, Al Meera has updated its Articles of Association to ensure compliance with the provisions of the newly introduced Code of the QFMA, specifically articles 5, 6 and 7 of the Governance Code for Companies & Legal Entities Listed on the Main Market. Further details of our distinguished Board members are included in Annex 1:

No.	Name	Role	First Appointment	Representing	Status	Shares Owned
1	Sheikh Thani Bin Thamer Al Thani	Chairman	March 2016	Qatar Holding	Non Independent	Not applicable
2	Dr. Saif Said Al Sowaidi	Vice Chairman	February 2005	Qatar Holding	Non Independent	Not applicable
3	Dr. Saleh Mohammed Al Nabit	Member	February 2005	Shareholders	Independent	36,500
4	Mr. Ahmed Abdullah Al Khulaifi*	Member	May 2007	Shareholders	Non Independent	2,000
5	Mr. Mohammed Ibrahim Al Sulaiti	Member	June 2007	Shareholders	Independent	69,500
6	Mr. Mohammad Abdullah Al Mustafawi Al Hashemi	Member	March 2010	Shareholders	Independent	2,514
7	Mr. Hassan Abdullah Al Asmakh	Member	March 2013	Shareholders	Independent	2,000

\*Has ongoing commercial dealings with the company as per article 1 of the Corporate Governance Code (Independent Board Members definition)

#### 6.4 Board Meetings

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

Al Meera took advantage of the permitted period from the QFMA to ensure compliance of 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	# of days between meetings	Date of Inviting the Board
1	26 February 2018	7	-	-	-	13 February 2018
2	26 April 2018	5	2	2	59	12 April 2018
3	27 June 2018	7	-	-	62	17 June 2018
4	29 August 2018	7	-	-	63	16 August 2018
5	16 October 2018	4	3	-	48	4 October 2018
6	20 November 2018	6	1	-	35	11 November 2018
7	16 December 2018	3	4	4	26	4 December 2018

#### 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.

In addition to updating the policy in the charter, the company will continue its efforts to align the current procedures with the requirement of the new corporate governance code.

#### 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 Chief Executive Officer, Mr. Didier Castaing. 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, the Company took advantage of the permitted period from the QFMA to ensure compliance with 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.

The Company took advantage of the permitted period from the QFMA to ensure compliance with the provisions of the newly introduced Code, specifically article 12 of the newly introduced code.

### 6.9 Board activities

- Adopting the minutes of the meeting for the year 2018.
- Approved the Corporate Governance Report for 2018.
- Approving the agenda of the Annual General Assembly.
- Approved the audited consolidated financial statements for the year 2018.
- Approval of tenders.
- Discussing update and development of the Company's operations.
- Discussing investment initiatives of Al Meera.
- Discussing legal matters of Al Meera.
- Approved the compensation of senior management based on performance appraisal and the financial results of the company, as recommended by the Remuneration and Nomination Committee.

### 6.10 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 proposed Board remuneration was approved by the shareholders at the Annual General Assembly.

## 7. Board Committees

The Board has established the two committees as per the requirements of the CG 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, Leasing 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 has a mandate 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.

The Company has taken advantage of the time limit provided by the Qatar Financial Market Authority (QFMA) to update the charter of the current audit committee.

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

No.	Name	Role	Status
1	Mr. Ahmed Abdullah Al Khulaifi	Chairman	Board Member, Non – Executive
2	Dr. Saif Said Al Sowaidi	Member	Board Member, Non – Executive
3	Mr. Hassan Abdallah Al Asmakh	Member	Board Member, Non – Executive
4	Mr. Hisham Walid Dally	Secretary	Internal Audit, Executive

The Audit Committee has met 8 times in 2018, 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 hiring, termination, and compensation of members of internal audit department and 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 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(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 is 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.
- The Committee has completed several of its tasks, the most prominent of which were the following:
- Reviewed proposal from external audit firms for the provision of audit of the financial statements for the year 2018.
  - Approved the annual internal audit plan for 2018.
  - Discussed internal audit reports issued by the Internal Audit Department.
  - Reviewed of the annual and quarterly financial statements and recommend the financial results to the Board of Directors, for approval.

## 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 Committee comprises of four (4) following members including the secretary, and has met twice during 2018:

No.	Name	Role	Status	First Meeting (4/2/2018)	Second Meeting (25/10/2018)
1	Mohammed Abdullah Al Mustafawi Al Hashemi	Chairman	Board Member, Non – Executive	Attended	Attended
2	Mr. Hassan Abdullah Al Asmakh	Member	Board Member, Non – Executive	Attended	Attended
3	Mr. Ahmed Abdullah Al Khulaifi	Member	Board Member, Non – Executive	Attended	Absent
4	Mr. Elamin Mastour Elfaig	Secretary	Legal and Compliance, Executive	Attended	Attended

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

- The committee reviewed the proposed implementation of new incentive scheme that will promote sales growth and improve profitability of the company.
- The committee discussed the report on grading and compensation structure prepared by external consultant.
- The Committee discussed the compensation of the senior management based on performance appraisal and the financial results of the company.

## 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 seven (7) members, and has met five (5) times during 2018. The Committee members are:

No.	Name	Role	Status
1	Mr. Mohammed Ibrahim Al Sulaiti	Chairman	Board Member, Non – Executive
2	He. Dr. Saleh Mohamed Al Nabit	Member	Board Member, Non – Executive
3	Mr. Hassan Abdullah Al Asmakh	Member	Board Member, Non – Executive
4	Abdulhadi Al Hajjiri	Member	Independent Advisor, Non – Executive
5	Mr. Didier Castaing	Member	CEO, Executive
6	Mr. Salah Al Hammadi	Member	Deputy CEO, Executive
7	Mr. Teck Boo Chow	Member & Secretary	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 QAR 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 seven (7) following members including the secretary:

No.	Name	Role	Status
1	Dr. Saif Said Al Sowaidi	Chairman	Board Member, Non – Executive
2	Mr. Mohammed Abdullah Al Mustafawi Al Hashemi	Member	Board Member, Non – Executive
3	Dr. Saleh Mohammed Al Nabit	Member	Board Member, Non – Executive
4	Mr. Teck Boo Chow	Member	Finance, Executive
5	Mr. Elamin Mastour Elfaig	Member	Legal and Compliance, Executive
6	Mr. Hisham Walid Dally	Member	Internal Audit, Executive
7	Mr. Mohammed Alaaeldin Mansour	Secretary	Secretary, Executive

The committee has met 24 times during 2018 and 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 appointed 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.

The Company took advantage of the permitted period from the QFMA to ensure compliance with 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 Members and their roles in various committees is reported in the annual report of the Company which can be found in corporate website. The Information on controlling and significant shareholders is as follows:

### 9.1 Shares held by Controlling Shareholders

Shareholder Name	Number of Shares
Qatar Holding Company	5,200,000

### 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.

The company started to take the appropriate steps to comply with the new requirements by implementing a periodic review and assessment of internal control system on quarterly basis.

## 12. Related Party Transactions

For information on the related party transactions, please refer to Note 19 "Related Party Disclosures" of Al Meera's audited consolidated financial statements for the year 2018.

### 13. External Auditors

The Annual General Assembly held on 27 March 2018 extended the contract of “Ernst & Young” as Al Meera’s external auditor for Year 2018 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 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. The board of directors have proposed 85% cash dividend of QAR 8.5 per share for the year 2018 subject to the approval of the shareholders at the Annual General Assembly.

During the Annual General Assembly held on 27 March 2018, the shareholders approved the distribution dividend of QAR 8.5 per share relating to financial year 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 fiscal year 2018, the Board of Directors proposed the Board remuneration in the amount of QAR 6,329,800, subject to approval of the shareholders at the Annual General Assembly.

During the Annual General Assembly held on 27 March 2018, the shareholders approved the Board remuneration amounting to QAR 6,235,802 relating to financial year 2017.

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 approved the new performance related bonus for CEO and the Deputy 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 2018.

### 17. Legal and Judicial Dispute

There are six cases being looked at by the courts for the judicial year 2018 for the period from 1/1/2018 to 31/12/2018 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 internal audit planning process will be enhanced by aligning the risk-based internal audit plan with the company’s risk profile when it is created. 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.

## 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 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.

## 22. Whistle blowing

A mechanism has been designed and implemented to enable employees or the public 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 Supermarkets Company S.P.C.
- Al Meera Development Company L.L.C.
- Qatar Markets Company W.L.L.
- Al Meera Bookstore S.P.C.
- Maar Trading and Servicing Company. L.L.C.

### Qatari Associates

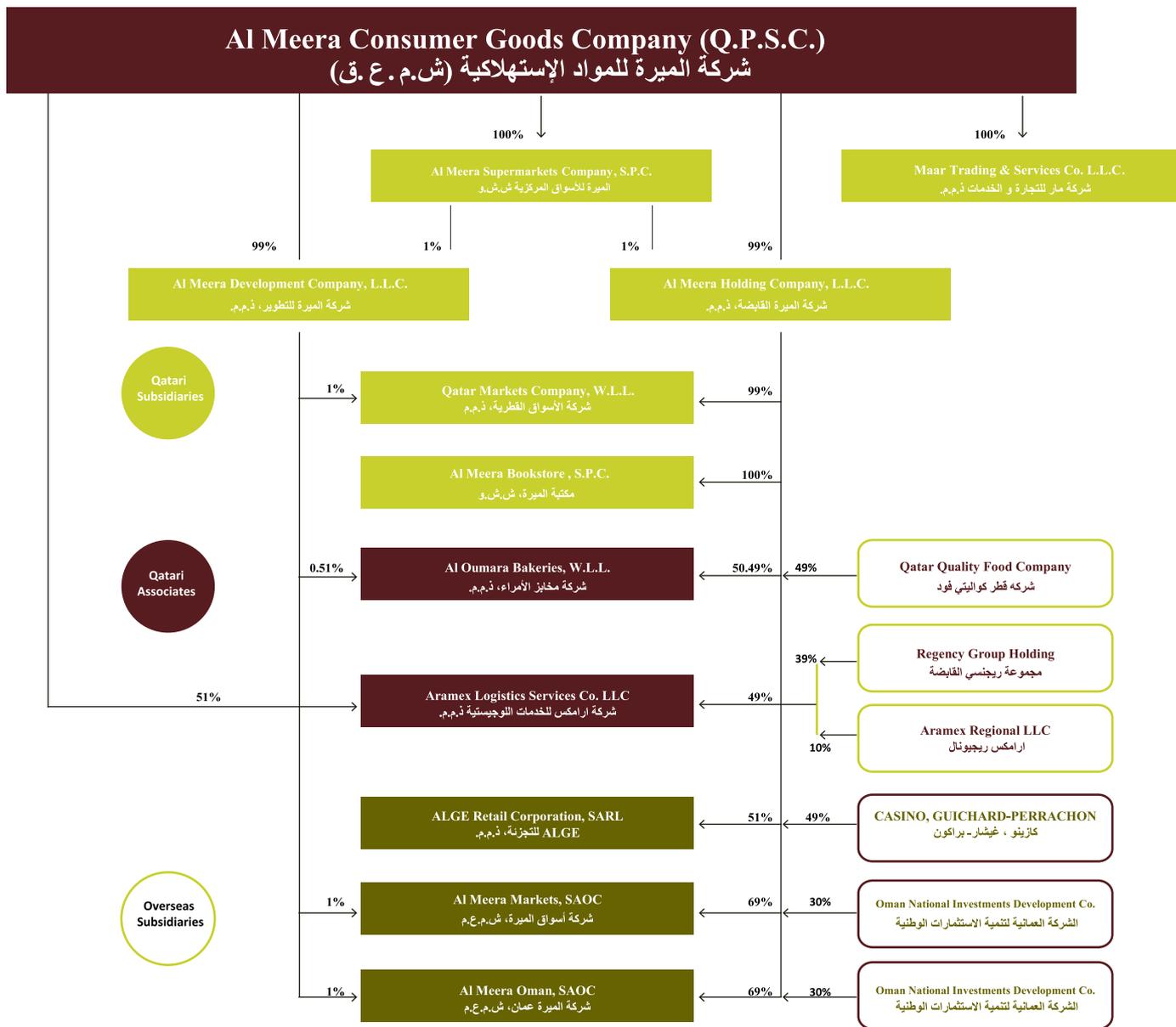
- Al Oumara Bakeries Company W.L.L.
- Aramex Logistics Services Co. L.L.C.

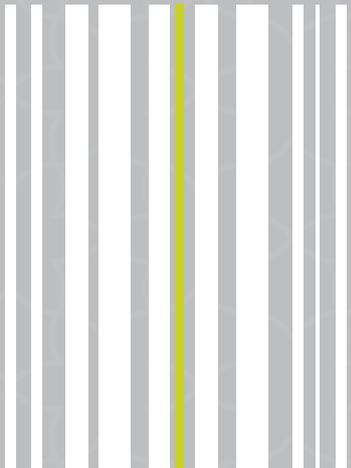
### Overseas Subsidiaries

- 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 JV. Between Al Meera Holding and Casino, Group in 2012 to acquire, manage & Establish Companies in Egypt, Jordan, Libya & Tunisia. The liquidation of ALGE is proceeding according to the Swiss laws and regulations.

الهيكل القانوني لمجموعة الميرة Al Meera Legal Structure





**Board of Directors**

# Board of Directors Profiles



## Sheikh Thani bin Thamer Bin Mohammed Al Thani

**Chairman of the Board of Directors  
Nominated by Qatar Holding**

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 HE 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 programs, 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.



### Dr. Saif Said Al Sowaidi

Vice-Chairman of the Board of Directors  
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. In addition, 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 until now. He is the Vice Chairman and Board of Directors of Al Meera Consumer Goods, Co. from 2007 until 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. Dr. Saif is the managing lead of two very ambitious projects at Qatar Universities: Strategic Planning and Institutional Accreditation.

At the present, Dr. Saif's community contribution includes chairing the Index Committee at Qatar Exchange, and being a member of the Anti-trust Committee at the Ministry of Commerce and Industry.

Lately, Dr. Saif has won the State Encouragement Award in Economics.

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

*Your Favourite Neighbourhood Retailer*



### H. E. Dr. Saleh Mohammed Al Nabit

Member of the Board of Directors  
Elected by the shareholders

On June 2013, H.E. Dr. Saleh bin 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 bin 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 the member of Al Meera's Investment Committee.

# Board of Directors Profiles



## Mr. Ahmed Abdullah Al Khulaifi

**Member of the Board of Directors**  
**Elected by the shareholders**

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 since 2009 until 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 member of Nomination & Remuneration Committee.



## Mr. Mohammed Ibrahim Al Sulaiti

**Member of the Board of Directors**  
**Elected by the shareholders**

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 until 2015. He was a member of the Board of Directors of various companies such as Halul Offshore Services Company, 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

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 a 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 Chairman of the Nomination & Remuneration Committee at Al Meera Company.



### Mr. Hassan Abdallah Al Asmakh

Member of the Board of Directors

Elected by the shareholders

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 until 2011. He also worked in the Corporate Banking, HSBC Bank from 2001 until 2005.

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