

2014

5th Corporate  
Governance  
Report

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## Chairman's Message

*In the name of Allah, most Gracious most Merciful*

To the Regulator,

It gives me great pleasure and honor to present to you the 5th Report on Corporate Governance of Al Meera Consumer Goods Company (Q.S.C.) which covers the fiscal year ended 31 December 2014 highlighting the recent developments in the corporate governance framework of the Company. It has been prepared in accordance with the requirements of the Corporate Governance Code for public listed entities issued by the Qatar Financial Market Authority on 27 January 2009, and other regulations and applicable laws of the State of Qatar and the Qatar Exchange Regulation.

We remain committed to present a report on Corporate Governance and submit annually to the company's shareholders at the General Assembly meeting every year.

Thank you.

Abdulla bin Khalid Al-Qahtani  
Chairman of the Board



# Report on Corporate Governance

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

To best serve the interests of our stakeholders, Al Meera is committed to establish a governance structure that reflects the highest standards of independence, oversight and transparency. The guiding framework for this is provided by the Corporate Governance Code for public listed entities issued by the Qatar Financial Market Authority ("QFMA CGC") on 27 January 2009; a general reference is also drawn from other applicable laws and regulations of the State of Qatar and the Qatar Exchange.

The Governance Statement highlights key components of the governance system as designed and implemented in Al Meera for the reporting period from 1 January 2014 to 31 December 2014.

## 1. Shareholders

Al Meera values and respects the rights of its shareholders. The rights of the shareholders are established by the Article of Association (AOA) to ensure that shareholders' rights are respected in a fair and equitable manner. The established rights of the shareholders as per the AOA specifically include inter alia, a priority in subscription of Al Meera's shares, access to ownership records, attendance at annual and extraordinary general assemblies, exercise of voting rights and delegation of voting rights through proxies, decision and distribution of dividends as per ordinary general assembly and the extraordinary general assembly, calls for general assembly, setting and discussion of meeting agendas and the right to receive feedback on questions asked, method of voting on Board election, and participation in major decisions through general assembly and so on.

The Annual General Assembly was held on 26 March 2014, during which the following resolutions were adopted:

- Approved the Board of Directors' Report on the company's activities, financial results achieved in the year 2013, and the company's future plan.
- Approved the External Auditors' Report for the financial year ended 31 December 2013.
- Approved the Balance Sheet and Profit and Loss Accounts for the year ended 31 December 2013.
- Endorsed the 4th Corporate Governance Report 2013.
- Approved the Board of Directors' recommendation to distribute 80% cash dividends to shareholders (QR 8 per share).
- Absolved the Directors of the Board from any liabilities for the

financial year ended 31 December 2013, and approved their remuneration.

- Appointed Messrs. Deloitte & Touché as the external auditors for the financial year ending 31 December 2014 including mid-year reviews and fixed its remuneration for the year.

All the Board Members (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.

## Shareholding Information

Al Meera Consumer Goods Company Q.S.C. was established by Law No. 24 of 2004 regarding transforming Consumer Co-operative Societies into a Qatari shareholding company. Decision No. 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 of Association.

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

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

Shareholders	No. of Shares held	Shareholding Percentage
The Government of the State of Qatar	5,200,000	26%
Shareholders of Private Sector	14,800,000	74%

The Amended Articles of Association states that the government of the State of Qatar will own 26% and the total shares owned by one shareholder excluding the State of Qatar, may not exceed 5% of the total shares of the company. Al Meera will continue to rely on Qatar Exchange to obtain valid up-to-date record of shareholding. No shareholding agreement is in place that would require disclosure.

On 31 May 2012, the Board of Al Meera has resolved some important resolutions which were approved by the competent authorities and shareholders at the Extraordinary General Assembly held on 8 October 2012. The shareholders approved to increase the capital of the company by 100% through rights issue of 10,000,000 shares at an offer price of ten Qatari riyals plus eighty five Qatari riyals premium per share. The capital structure of the company has been accordingly changed, and the company has updated its incorporation documents accordingly.

The shareholders also approved to:

- Amend paragraph of Article No (14) of Articles of Association to read as follows: "The total shares owned by one shareholder shall not exceed 5% of the total shares of the Company, except the State of Qatar".
- Amend Article No (28) of the Articles of Association to read as follows: "The Board Members will be elected for three years, and can be re-elected for more period/s". The representatives of Qatar Government are excluded from election.

## 2. The Board of Directors

The Board of Directors provides overall oversight of Al Meera and is jointly responsible for the delivery of the Al-Meera business plan alongside the Chairman. 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 in its 7th meeting held on Monday, 21 November 2011.

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 four eye principle for the authorization of business transactions. The Board also adopted operational policies and procedures in its 7th meeting held on Monday 21 November 2011 as per specialized studies done by an expert consultancy group.

### Organization Structure



## 2.1 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.

The Board Charter has recently been updated to ensure compliance with the QFMA Corporate Governance Code. The charter has been published on the corporate website for general reference by the stakeholders.

## 2.2 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 protect the interests of Al Meera, their 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 Code of Conduct is also published on our corporate website.

## 2.3 Board Composition

The five-year term of the caretaker Board of Directors expired during the reporting period. In accordance with AOA, Al Meera's Board is currently composed of 7 members of whom two members are nominated by the Government of State of Qatar, from whom a Chairman is selected. The remaining Five Members were elected by way of a secret ballot involving the shareholders in the Annual General Assembly held on 11 March 2013.

The election was conducted under full supervision of representatives from the Ministry of Business and Trade, and external auditors.

We followed a one share one vote principle as per the Article of Association and the Commercial Company Law no. 5 of 2002 and its amendments. The Qatar government did not participate in this election.

Further details of our distinguished Board members are included in Annex 1 to this report.

Name	Function	Date of first appointment	Representing	Status	Shares Owned
H.E. Abdullah Bin Khalid Naser Al Qahtani	Chairman	May 2007	The Government of State of Qatar	Non-Executive	0
Dr. Saif Said Al Sowaidi	Vice Chairman	February 2005	The Government of State of Qatar	Non-Executive	0
Mr. Ahmed Abdullah Al Khulaifi	Member	May 2007	Shareholders	Non-Executive / Independent	48069
H.E. Dr. Saleh Mohammed Al Nabit	Member	February 2005	Shareholders	Non-Executive / Independent	35761
Mr. Mohammed Ibrahim Al Sulaiti	Member	June 2007	Shareholders	Non-Executive / Independent	75000
Mr. Mohammad Abdullah Al Mustafawi Al Hashemi	Member	March 2010	Shareholders	Non-Executive / Independent	2626
Mr. Hassan Abdullah Hassan Ibrahim Al Asmakh	Member	March 2013	Shareholders	Non-Executive / Independent	2000

## 2.4 Board Meetings

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

Board meetings	Meeting date	Number of attendees	Number of absent members	Votes by proxy	Date of Inviting the Board
1	17 Feb 2014	7	-	-	28 Jan 2014
2	21 Apr 2014	7	-	-	6 Apr 2014
3	16 July 2014	6	1	-	3 Jul 2014
4	27 Oct 2014	5	2	1	29 Sep 2014
5	24 Nov 2014	7	-	-	4 Nov 2014
6	15 Dec 2014	5	2	2	4 Dec 2014

## 2.5 Fiduciary Duties Of Board Members

The Board Charter of the company details the duty of care and loyalty (conflict of interests and related party transactions considerations) that must to be observed by the Board members at all times. Specifically, the charter ensures that:

- Board members are aware that in case of any real or perceived conflict of interests involving them, the Board member is required to disclose the conflict, and refrain from voting on and/or being present, when any matters related to the conflict are brought to the Board for decision making.
- The Board members must act within the scope of the authority entrusted to them under the Company's articles of incorporation, duly enacted Board directives, shareholder resolutions, and related laws and regulations.
- The Board members are aware that they shall be liable for company losses suffered as a result of any unauthorized action outside the scope of their authority.

## 2.6 Board Member Induction and Ongoing Educational Development

Every newly elected Board member shall upon his/her election 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.

## 2.7 Duties of Non-Executive Board Members

The duties of non-executive directors of the company are detailed in the Board Charter. Broadly, the duties encompass participation in Board and Board sub-committee meetings and deliberation on strategic matters, policy, performance, accountability, resources, key appointments and operational standards, managing conflicts of interests, performance monitoring, corporate governance and shareholders rights.

A majority of the non-executive Board members may request the opinion of an independent consultant, in relation to any of the company's affairs, at the company's expense.

## 2.8 Other Board Practices and Duties

All the Board practices recommended by the code are incorporated in the Board charter adopted by the Board. Such practices include access to information, attendance at General Assembly meetings and formal training for Board members.

## 2.9 Segregation of Duties of Board Chairman and Chief Executive Officer

The company has ensured separation of roles of the Board Chairman H.E. Abdullah Bin Khalid Al Qahtani and the Chief Executive Officer Mr. Guy Sauvage. Their respective functions are governed by clearly documented terms of reference.

## 2.10 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 sub-committees.

The duties and responsibilities of the Chairman of the Board of Directors include, but are not limited to chairing Board and general meetings and ensuring efficient conduct of Board meetings, encouraging effective participation of Board members, 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.

## 3. Board Committees

The Board has established four committees i.e. Audit Committee, Investment Committee, the General Tendering Committee and Nomination & Remuneration Committee, to facilitate and assist in the execution of the Board's responsibilities.

### a. Audit Committee

The Audit Committee was established since 2005 by the Board and reports to the Board on its review of 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 Audit Committee has adopted a Charter to assist in the exercise of its powers and fulfillment of its duties. The Charter details the purpose of the Committee, its composition, meetings proceedings and responsibilities of the Committee.

The Audit Committee comprises 6 members:



Name	Committee Designation	Status
Mr. Mohammed Ibrahim Al Sulaiti	Chairman	Board Member, Non – Executive / Independent
Mr. Ahmed Abdullah Al Khulaifi	Member	Board Member, Non – Executive / Independent
Mr. Hassan Abdallah Hassan Ibrahim Al Asmakh	Member	Board Member, Non – Executive / Independent
Mr. Khalid Ismail Ali	Member	Executive – Internal Audit
Mr. El Sayed Mohammed Salem Mohammed	Member & Secretary	Executive – Internal Audit
Mr. Hisham Walid Dally	Member	Executive – Internal Audit

The Audit Committee has met 5 times in 2013.

The majority of the members have financial and accounting experience.

The responsibilities of the Committee as documented in the Audit Committee Charter are to:

- Review the charters of the Audit Committee, Internal Audit and Compliance annually and recommend changes or updates to the Board.
- Recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors, and review the scope and results of the audit, and its effectiveness.
- Approve any non-audit work to be performed by the external auditors
- Review and concur in the appointment, replacement, reassignment, or dismissal of the Head(s) of Internal Audit and Compliance. Also review the performance and recommend the remuneration of the Head(s) of Internal Audit and Compliance.
- Confirm and assure the independence of the Head(s) of Internal Audit and Compliance and the external auditors, including a review of management consulting services and related fees provided by the external auditors annually.
- Review with other Committees, management, the Head(s) of Internal Audit and Compliance and external auditors, the significant risks or exposures that exist and assess the steps Management has taken to minimize such risk to the Company.
- Consider, in consultation with the external auditors and the Head of Internal Audit, the audit scope and plans of the internal auditors and external auditors.
- Review with the Head of Internal Audit and the external auditors the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- Review the following with the Director of Finance and External Auditors upon completion of the quarterly reviews and annual examination:
  - The quarterly and audited annual financial statements and related footnotes, integrity of financial reporting of the Company in accordance with accounting principles applied in the Company. The Audit Committee shall approve, on behalf of the Board, each of the quarterly financial statements and the corresponding announcements for the first 3 quarters of each financial year.
  - The Audit Committee shall recommend to the Board, for approval, the annual financial results and the related announcements:
  - The external auditors' audit of the annual financial statements and reports thereon;
  - The adequacy of the Company's system of accounting controls;
  - The assistance given by Management to external auditors;
  - Any related significant findings and recommendations of the external auditors and internal auditors together with Management's responses thereto; and
  - Any significant changes required in the external auditors' audit plan, any serious difficulties or disputes with Management encountered during the course of the audit and their resolution, and other matters related to the conduct of the audit.
- Consider and review with Management and the Head(s) of Internal Audit and Compliance annually:
  - Significant internal audit and compliance observations during the year and Management's responses thereto;
  - The effectiveness of the Company's internal controls over management, business and technology systems and practices and compliance risks;
  - Any changes required in the planned scope of the Head(s) of Internal Audit and Compliance's audit plans; and
  - The Internal Audit and Compliance Department's budget and staffing.
- Review self-interested person's transactions, and improper activities of the Company (if any).
- Review with the Head(s) of Internal Audit and Compliance or Management, the results of their review of the Company's compliance with the external regulations and Company's Code of Conduct.
- Review legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies, and programs and reports received from regulators.
- Oversee business continuity management and business continuity planning for the Company.
- Meet with the Head(s) of Internal Audit and Compliance, the external auditors, other Committees, and Management in separate executive sessions, to discuss any matters that these groups believe should be discussed privately with the Audit Committee.
- Consider and prepare a letter for inclusion in the annual report that describes the Audit Committee's composition and responsibilities, and how they were discharged.
- Report actions and minutes of the Audit Committee to the Board with such recommendations as the Audit Committee considers appropriate.

## b. 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 six members:

Name	Committee Designation	Status
H.E. Dr. Saleh Mohammed Al Nabit	Chairman	Board Member, Non – Executive / Independent
Mr. Mohammed Ibrahim Al Sulaiti	Member	Board Member, Non – Executive / Independent
Mr. Mohammed Abdullah Al Mustafawi Al Hashemi	Member	Board Member, Non – Executive / Independent
Mr. Guy Sauvage	Member	CEO – Executive
Dr. Mohammed Nasir Al Qahtani	Member & Secretary	DCEO - Executive
Mr. Teck Boo Chow	Member	Finance Director

The committee has met 11 times in 2014.

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.

## c. General Tendering Committee

The General Tendering Committee was established by the Board through its meeting dated 7 March 2006 to ensure that the company purchases best materials and items and in addition, the implementation of business works and acquired services is realized through the best means and conditions with the least possible cost. The Tender and Auction Regulation (revised dated 13 April 2008) sets out the terms of reference for the Committee.

The Committee comprises 7 members:

Name	Committee Designation	Status
Dr. Saif Said Al Sowaidi	Chairman	Vice- Chairman , Non-Executive
Mr. Hassan Abdallah Hassan Ibrahim Al Asmakh	Member	Board Member, Non – Executive/Independent
Dr. Mohammed Nasir Al Qahtani	Member	Executive
Mr. Teck Boo Chow	Member	Executive
Mr. Khalid Ismail Ali	Member - Auditor	Executive – Internal Audit
Mr. Emad Aldin Mahmoud Al-Kahlout	Member	Executive
Mr. Mohammed Alaaudhin Mansour	Secretary	General Secretary

The Committee met 23 times in 2014.

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.

## d. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established on 16 December 2012. The terms of reference of the Committee are as follows:

- 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 the following members:

Dr Saif Said Al Sowaidi	Chairman
Mr. Mohammed Ibrahim Al Sulaiti	Member
Mr. Mohammed Abdullah Al Mustafawi Al Hashemi	Member

The Committee met 4 times in 2014.

## 4. Board Secretary

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

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 Board Secretary holds a relevant degree in law and has experience in a similar role for over three years.

## 5. Shareholding Information

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

The shareholding of each Board Member is described in paragraph 2.3 above. The names of the members, and the composition, of the various committees constituted by the Board are described in paragraph 3 above.

Information on controlling and significant shareholders is as follows:

### a) Shares held by Controlling Shareholders

Shareholder Name	Number of Shares
The Government of State of Qatar	5,200,000

### b) 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 the Government of State of Qatar.

## 6. 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.

## 7. 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 various 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 Internal Audit function provides monthly reports to Management and quarterly reports to the Audit Committee.

## 8. Related Party Transactions

For information on the related party transactions, please refer to Note 26 "Related Party Disclosures" of Al Meera's audited consolidated financial statements for the year 2014.

## 9. External Auditors

The Annual General Assembly held on 26 March 2014 appointed "Messrs. Deloitte & Touché" as Al Meera's External Auditor for Year 2014 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.

## 10. Dividend Policy

The payment of dividend is subject to recommendation by the Board of Directors and is subject to approval by the Shareholders. For the Year 2013, cash dividend of QR 80 Million i.e. QR 8 per share was approved by the Annual General Assembly held on 26 March 2014.

## 11. Remuneration Policy

The Articles of Association govern the remuneration of Board members. Board remuneration is subject to approval of the General Assembly. A maximum limit of 10% of the net profit can be attributed to bonus distribution. Should the Company not make a profit in the year; lump sum compensation could be paid out to Board members, provided that the reward for any one Board member does not exceed QAR 100,000 per year. For the year 2013, the Shareholders approved the Board remuneration in the amount of QAR 5,885,263.

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

The Board approves performance related bonus for CEO, senior management and staff subject to company's performance. At present, Al Meera practices annual and semi-annual performance review of each member of the Senior Management Team.

Al Meera discloses Board and key management remuneration as a part of the Related Party disclosures in its Financial Report.

## 12. 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.

On 19 December 2012 the Enforcement Committee at Qatar Financial Markets Authority imposed on the Company a financial penalty of Two Hundred Thousand Qatar Riyals for violating Articles 47 and 55 of the Listing and Trading Rulebook. The Company has submitted a petition of grievance to the Committee on 20 January 2013 and the final judgment has been issued to reject the grievance.

On 23 April 2012 the Enforcement Committee imposed on the Company a financial penalty of Two Hundred Thousand Qatar Riyals for violating paragraph 2 of Article 173 of the Internal Regulations of Qatar Financial Markets Authority. The Company has submitted a petition of appeal on 20 January 2013, against the judgment but the final decision has not been issued yet.

## 13. Development of Governance Processes

Al Meera has, during the review period, designed the following governance processes, which will be implemented upon Board adoption:

- A process to perform a documented evaluation of Board members on an annual basis.
- A training process and plan for Board members.
- A process to prepare and issue an annual Corporate Governance report.
- A process to monitor auditor rotation and independence. Oversight for the same will be formally assigned to the Audit Committee.
- Access of a majority of Non – Executive directors of the Board and the Audit Committee to obtain the opinion of an independent consultant at the Company's expense has been granted, by way of inclusion in the Board and Sub-committees' charters.
- Remuneration Committee and Remuneration Policy
  - Al Meera has, during the financial year 2012, established a combined Nomination and Remuneration Committee. The Committee has prepared a formal remuneration policy for Board approval to govern the remuneration of the Chairman of the Board, Board Members and Senior Management. The policy which will ensure that the long term performance of Al Meera is considered would be subject to the shareholders' approval. The terms of reference for the Committee will be published, once adopted.
  - Nomination Committee and Nomination Policy
  - Al Meera has, during the financial year 2012 established a combined Nomination and Remuneration Committee. The Committee, in co-operation with the Chairman of the Board, will ensure that an annual performance of the Board evaluation is prepared. The terms of reference for the Committee will be published, once adopted.

The Committee has prepared a policy on the formal rigorous and transparent process for the nomination of Board members, including the assessment of candidates with regard to the criteria included in the Code.

## 14. Steps to be taken to Achieve Compliance with the QFMA Corporate Governance Code (CGC)

Article 2 of the QFMA CGC requires listed companies to disclose the extent to which they comply with the provisions included in the Code as well as justify and explain the reasons and rationale behind the non-compliances.

Al Meera values the principles of transparency and is keen to share its ongoing and future plan, in terms of enhancement of the Corporate Governance principles, with its stakeholders.

### • Risk Management

The Board has the overall responsibility for the management of the Company. To further enhance its risk management practices, Al Meera is in the process of establishing an independent risk assessment and management function, documenting clear systems and policies and procedures with regard to risk management and ensuring a comprehensive risk assessment is performed, including defining and implementing risk appetite and risk reporting.

The Board will retain overall oversight and governance responsibility for risk management, supported by the Board Audit Committee and the Risk Management function.

The Internal Audit planning process will be enhanced by aligning the risk based internal audit plans with the corporate risk profile, once established.

### • 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 transaction 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 CGC, 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.

### • Insider Trading

Al Meera has formulated clear guidelines for Insider Trading to prohibit its Board members and employees from trading in company 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 will be implemented.

### • Internal Audit

In addition to its existing services provided, Internal Audit has provided a documented assessment of the internal control system on an annual basis.

### • Whistle blowing

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

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

### • 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 prepared and published.

### • 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.

## 15. Subsidiaries

The Company is the ultimate parent of the following Companies:

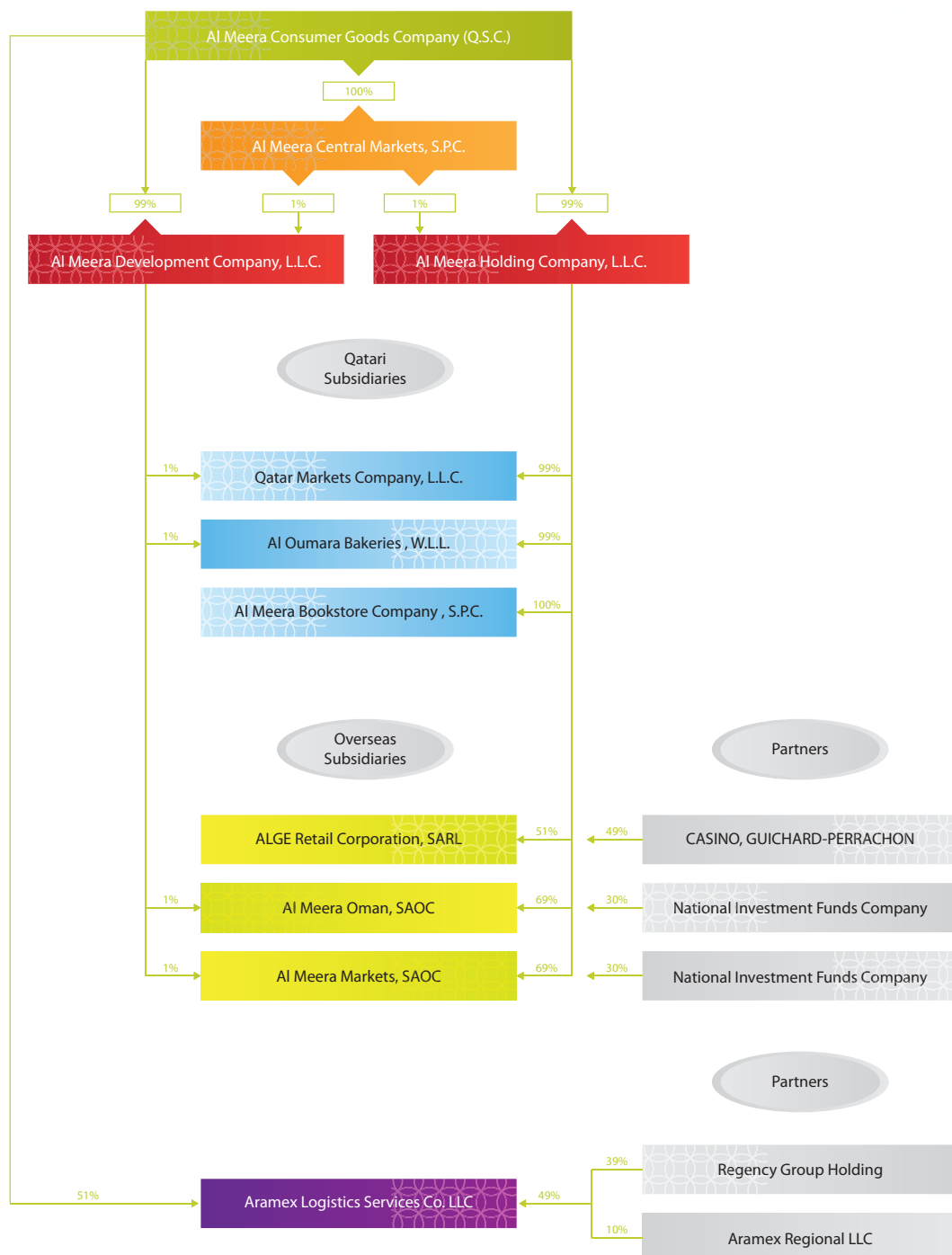
- Al Meera Holding Company L.L.C.
- Al Meera Central Markets S.P.C.
- Al Meera Development Company L.L.C.
- Qatar Markets Company L.L.C.
- Al Oumara Bakeries Company L.L.C.
- Al Meera Bookstore Company S.P.C.
- Aramex Logistics Services Company. L.L.C.

Overseas Subsidiaries

- Al Meera Bookstores Company S.P.C.
- ALGE Retail Corporation SARL
- Al Meera Oman SAOC
- Al Meera Markets SAOC



# Al Meera Legal Structure



# Annex 1

## Our Board Members



**H.E. Abdulla Bin Khalid Al Qahtani**

Chairman – Nominated by The Government of The State of Qatar

*His Excellency holds M.Sc in Accounting from The American University, Washington D.C., USA in 1998 and Bachelor of Accounting from Qatar University – College of Business & Economics in 1993. His Excellency is a Certified Public Accountant (CPA) since 1998 and a registered Accounting and Financial expert to the Courts since 1999.*

His Excellency is the Minister of Public Health and Secretary General of the Supreme Council of Health since April 28, 2009 to present. His Excellency has served in the prestigious roles like Undersecretary of the Ministry of Economy & Commerce, Chairman, Asian Games Organizing Committee (ASIAD), Vice Chairman, Board of Directors, Hassad Company, Vice Chairman of the Competition Protection Committee, Board Member of the Supreme Council for Economic & Investment Affairs, Board Member of Qatar Central Bank, Chairman and Board Member of Qatar Marine Festival, and Board Member of National Health Authority. His Excellency is the Chairman of the Certified Public Accountants Committee. His Excellency is also the Chairman and Board of Directors of Qatar Sports Investment Company (QSI).



### **Dr. Saif Said Al Sowaidi**

Vice Chairman and – Nominated by  
The Government of The State of Qatar

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

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

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

He is the Chairman of Al Meera's General Tendering Committee.





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

Elected Board Member

*In 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 Chairman of Al Meera's Investment Committee.



**Mr. Ahmed Abdullah Al Khulaifi**

Elected Board Member

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

He has been involved as the Ministry Assistant for Administration in Supreme Council of Health since 2009. 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 a member of Al Meera's Audit Committee.





**Mr. Mohammed Ibrahim Al Sulaiti**

Elected Board Member

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

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

He is the Chairman of Al Meera's Audit Committee and a member of the Investment Committee.



**Mr. Mohammad Abdulla  
Al Mustafawi Al Hashemi**

Elected Board Member

*MR. Hashemi has a degree in Bachelor of Science in Business Administration and Marketing.*

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

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

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



**Mr. Hassan Abdallah Hassan  
Ibrahim Al Asmakh**

Elected Board Member

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

He is the Head of Private Banking, Qatar National Bank since 2011. He worked in the Corporate Banking, Commercial Bank of Qatar from 2005 till 2011.

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

He is a member of Al Meera's Audit Committee and General Tendering Committee.

Al Meera



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