



International  
Holdings  
Company  
الشركة العالمية القابضة



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## INTERNATIONAL HOLDINGS COMPANY (PJSC)

### CORPORATE GOVERNANCE REPORT 2019





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## 1. Introduction

International Holdings Company established in 1999 and is a public joint stock company registered in Abu Dhabi Securities Exchange since 2005.

International Holdings Company PJSC (hereafter referred to as the "Company") complies with the requirements of the Chairman of Authority's Board of Directors Resolution No. (7/R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

The Company reinforced the principles of corporate governance, accountability and ensuring highest levels of transparency in its business.

The Board is fully committed to constantly improve The Company's ethical culture, while achieving sustainable growth, protecting the interests and creating value for our shareholders and stakeholders.

## 2. Implementation of Corporate Governance Principles

The Company is committed to the adoption of effective governance criteria and measures to execute operations with approved policies, procedures and delegation of authority that aim to achieve transparency, and ease to perform its daily operations.

The company is managed by the Board of Directors composed of seven members elected by the ordinary general assembly through cumulative secret ballot for a period of three years.

The Board of Directors elect the Chairman and the Vice Chairman from among its members.

Taking into consideration, not to combine the position of the Chairman of the Board of Directors and the position of the Managing Director.

The Company amended the Articles of Association in accordance with Federal Law No. 2/2015 regarding commercial companies, and its amendments.

An Audit Committee, Nomination and Remuneration Committee and Insider transaction Supervision Committee have been established.

An Internal Control Department has been set up to perform internal control and risk assessment in relation to key operating entities based on COSO framework.

The Board has established and approved policies and guidelines for achieving robust corporate governance standards as follows:

- Code of Business Conduct to guide the conduct of Directors and Employees and prevent any influence on the employees' independence and objectivity addressing matters such as conflict of interest and integrity, gifts and confidentiality.
- An appropriate delegation of authority to ensure efficient and effective decision-making which balances empowerment against controls.
- The Board of Directors nominate the external auditor on the recommendation of the Audit Committee. The appointment and fees have been determined by the Company's General Assembly resolution.
- An invitation was made to all shareholders to attend the General Assembly meeting through announcement in two local daily newspapers published in Arabic, and through registered letters, 15 (fifteen) days before the scheduled date.
- The announcement of the invitation was included on the agenda and the financial statement and corporate governance report were presented on the website of Abu Dhabi Securities Exchange and the Company's website.





### 3. The Board of Directors and Executive Management Transactions in Securities

Transactions report of the members of the Board of Directors, their spouses and their children in the Company's securities during the year 2019:

S. No	Name	Position/Kinship	Owned shares as on 01/01/2019	Total Purchase	Total sale	Owned shares as on 31/12/2019
1	Mr. Nader Ahmed Al Hammadi	Chairman	Nil	Nil	Nil	Nil
2	Mr. Hamad Khalfan Al Shamsi	Vice Chairman	Nil	1,000,000	Nil	1,000,000
3	Mr. Syed Basar Shueb	Member & Managing Director	Nil	Nil	Nil	Nil
4	Mr. Hamad Salem Al Ameri	Member	Nil	Nil	Nil	Nil
5	Ms. Elham Abdel Ghafoor Al Qasim	Member	Nil	Nil	Nil	Nil
6	Mr. Laith Bin Jerry Al Fraih	Member	Nil	Nil	Nil	Nil
7	Mr. Khalifa Yousef Khouri	Member	Nil	Nil	Nil	Nil

Transactions report of the members of the Board of Directors resigned during the year 2019, and their spouses and their children in the Company's securities:

S. No	Name	Position/Kinship	Owned shares as on 01/01/2019	Total Purchase	Total sale	Owned shares as on 31/12/2019
1	Mr. Hamad Abdulla Al Shamsi	Chairman	388,680	Nil	388,000	680
2	Mr. Adel Hassan Al Nowais	Board Member	30,000	Nil	30,000	Nil

Transactions report of the executive management, their spouses and their children in the Company's securities during the year 2019:

S. No	Name	Position/Kinship	Owned shares as on 01/01/2019	Total Purchase	Total sale	Owned shares as on 31/12/2019
1	Muhammad Zafar	General Manager (PAL Cooling Holding)	Nil	150,000	50,000	100,000
2	Falal Ameen	General Manger (Zee Stores LLC)	Nil	230,000	Nil	230,000





### 3.1 Rules and Procedures Governing the Transactions of Company Shares

The rules and procedures governing the transactions of the Board of Directors of the Company and its employees in securities issued by the parent Company or its affiliates or sister companies.

- a) The Company and its Board of Directors, Managers and employees shall abide by the resolution of the Authorities' Management Board of Directors No. (2)/2001 regarding the special system for trading, clearing, settlement, transfer of ownership and custody of securities.
- b) The Chairman and the members of the Board of Directors, directors and employees of the Company shall be prohibited from exploiting their company internal information to purchase or sell shares in the Market, and any transactions thereof shall be considered null and void.
- c) The chairman, members of the board of directors of the company, its general managers or any of the employees who are familiar with the basic data of the company may not act on their own or through others by dealing in the securities of the company itself or that of the parent company or affiliate or sister company during the following periods:
  - Ten (10) business days before the announcement of any material information that would affect the price of the share up or down, unless the information is the result of abrupt and sudden events.
  - Fifteen (15) days prior to the end of the quarterly, semi-annual and annual financial periods and until disclosure of its financial statements.

Considerations of the provisions of the law shall be taken, when the above-mentioned persons take action by themselves or through others to deal in the securities of the company itself or that of the parent company, affiliate or subsidiary or sister company, and any transaction contrary thereto shall be null and void.

In addition to the Board of Directors' commitment to ADX regulations relating to organization of transactions of the members of the listed companies' management, board of directors and other inside traders.

#### A. The extent to which the Board members are committed to comply with disclosure requirements prescribed by the provisions of the Law and the regulations and decisions issued pursuant thereto in respect of their transactions in securities.

Members of the Board of Directors have complied with the disclosure requirements prescribed by the provisions of the law, regulations and decisions issued pursuant thereto in respect of their transactions in securities issued by the Company.





#### 4. Board of Directors Composition

Board of Directors	Role	Category	Member Since
Mr. Nader Ahmed Al Hammadi	Chairman	Independent, non-executive	2011
Mr. Hamad Khalfan Al Shamsi	Vice Chairman	Independent, non-executive	2008
Mr. Syed Basar Shueb	Member & Managing Director	Non - Independent, executive	2019
Mr. Hamad Salem Al Ameri	Member	Independent, non-executive	2017
Ms. Elham Abdel Ghafoor Al Qasim	Member	Independent, non-executive	2019
Mr. Laith Bin Jerry Al Fraih	Member	Independent, non-executive	2011
Mr. Khalifa Yousef Khouri	Member	Independent, non-executive	2019

The table below shows the names, roles and capacities of the members in the Company's Board and its Committees whose term ended during the year 2019.

S.#	Name	Role	Category	Duration as Member Board of Directors
1.	Mr. Hamad Abdullah Rashid Obeid Al Shamsi	Chairman-Board of Directors	Independent- non-executive	Since 2005 till 09/07/2019
2.	Mr. Adel Hassan Al Nowais	Member Nomination and Remuneration Committee	Independent-non executive	Since 2005 till 09/07/2019
3.	Mr. Abdur-Raheem Mungrue	Member Nomination and Remuneration Committee Member Audit Committee	Independent- non-executive	From April, 2017 till 09/07/2019

The table below shows the names, roles and capacities of the members in the Company's Board and its Committees who were elected at the Annual General Meeting held on 29/07/2019 for a term of three years.

S.#	Name	Role	Category
1.	Mr. Syed Basar Shueb	Member & Managing Director	Non – independent - executive
2.	Ms. Elham Abdel Ghafoor Al Qasim	Member	Independent- non-executive
3.	Mr. Khalifa Yousef Khouri	Vice Chairman Nomination and Remuneration Committee	Independent- non-executive







**The Board of Directors Membership and Positions in Other Companies /Establishments**

The table below shows the names, roles, experience and capacities of the current Board of Directors.

<p><b>Nader Ahmed AlHammedi</b> Title: Chairman Category: Independent – Non-executive</p> <p>Join Group: 27 April 2011 Vice-Chairman: 07 May 2014 Acting Chairman Since: 09.07.2019 Chairman Since: 29.07.2019</p>															
<b>SKILLS AND EXPERIENCE</b>	<p>Nader Alhammedi is the current Managing Director &amp; CEO of Presidential Flight. He joined the company in 1996 as the Manager of Materials &amp; Supplies Division. In 2001, he was promoted to Vice President Maintenance &amp; Engineering where he actively participated in the purchase and sale of most of Presidential Flight aircraft. In 2007, he was appointed as the Deputy Chief Executive Officer.</p> <p>He began his professional career in 1990 at Abu Dhabi Aircraft Technologies (ADAT), the largest third-party provider of Commercial Aviation Services in the Middle East. He held several posts in his steady career growth and was also instrumental in the establishment of GAMAERO, a joint venture between Gamco and Aerospatiale where he served as its Executive Director.</p>														
<b>OTHER POSITIONS CURRENTLY HELD</b>	<p><b>Board Directorships:</b></p> <table border="0"> <tr> <td>1. Chairman</td> <td>Abu Dhabi Aviation</td> </tr> <tr> <td>2. Chairman</td> <td>Tamouh Investments</td> </tr> <tr> <td>3. Board Member</td> <td>Royal Jet</td> </tr> <tr> <td>4. Board Member</td> <td>Maximus Air</td> </tr> <tr> <td>5. Board Member</td> <td>Waha Capital</td> </tr> <tr> <td>6. Board Member</td> <td>Abu Dhabi Airports</td> </tr> <tr> <td>7. Committee Member</td> <td>Aviation Sector Development Committee</td> </tr> </table>	1. Chairman	Abu Dhabi Aviation	2. Chairman	Tamouh Investments	3. Board Member	Royal Jet	4. Board Member	Maximus Air	5. Board Member	Waha Capital	6. Board Member	Abu Dhabi Airports	7. Committee Member	Aviation Sector Development Committee
1. Chairman	Abu Dhabi Aviation														
2. Chairman	Tamouh Investments														
3. Board Member	Royal Jet														
4. Board Member	Maximus Air														
5. Board Member	Waha Capital														
6. Board Member	Abu Dhabi Airports														
7. Committee Member	Aviation Sector Development Committee														
<b>EDUCATIONAL BACKGROUND</b>	<ul style="list-style-type: none"> <li>• Holds a post graduate degree in Engineering Business Management from Warwick University in London, UK in 2002, and a Bachelor of Science in Aviation degree in Aviation Electronics (Avionics) from Embry Riddle Aeronautical University in Florida, USA in 1990.</li> <li>• He also participated in the “Advanced Management Programme” held at INSEAD in Fontainebleau, France in March 2007.</li> </ul>														





**Hamad Khifan AlShamsi**

Title: Vice-Chairman

Category: Independent – Non-executive

Join Group: 2008

Board Member Since:2008

Vice-Chairman Since: 29.07.2019

Vice Chairman Audit Committee: 29.07.2019

**SKILLS AND EXPERIENCE**

- He is a General Manager at The Private Affairs Department of HH Sheikha Fatima Bint Mubarak.
- Businessman having investments in various industries.

**OTHER POSITIONS CURRENTLY HELD**

**Board Directorships:**

1. Member Trojan General Contracting LLC
2. Chairman Zee Stores
3. Board Member ishraq Properties Co.
4. Chairman Al Yasat Catering & Restaurant Supplies LLC
5. Chairman Pal Computers LLC
6. Member Al Jaraf Travel & Tourism LLC
7. Member Hi-Tech Concrete Products LLC
8. Chairman Tafawuq Facilities Management LLC
9. Member Pal Group for Companies LLC
10. Chairman Al Sdeirah Real Estate Investment LLC
11. Chairman Royal Architect Project Management LLC
12. Chairman Fabulous Abu Dhabi Hotel Management LLC
13. Member Nshmi Development
14. Member Real Estate Investment & Services Co. LLC - REISCO

**EDUCATIONAL BACKGROUND**

He holds technical diploma from armed forces, Abu Dhabi – 1996







**Syed Basar Shueb**

Title: Board Member & Managing Director

Category: Executive Member/Non-Independent

Join Group: 29.07.2019

Board Member & Managing Director Since: 29.07.2019

**SKILLS AND EXPERIENCE**

An accomplished Senior Executive with substantial and diversified experience in the process, manufacturing, construction and service industries. Possess broad-based abilities in operations and administration, strategic and tactical planning, budgeting, financial analysis and cost management, profit modelling, contracts, sales administration, maintenance and quality management systems (ISO).

Exceptional at problem-solving, goal setting, creating cohesive and focused business units, project management, continuous improvement, motivation and team building, decisive leadership in high risk (turnaround) settings, and creating and growing a profitable bottom line.

Mr. Syed Basar is also the founder of 'District Cooling', which was established back in 2006, and is today one of the key players in the UAE's Utilities services sector. He has also been working closely with the Royal Group since the year 2000.

**OTHER POSITIONS CURRENTLY HELD**

**Board Directorships:**

- |    |                               |                                                                      |
|----|-------------------------------|----------------------------------------------------------------------|
| 1. | Group Chief Executive Officer | PAL Group of Companies (a subsidiary of Abu Dhabi-based Royal Group) |
| 2. | Director                      | Reem Finance PJSC                                                    |
| 3. | Chairman / Managing Director  | Chimera Investments LLC                                              |
| 4. | Board Member                  | Keyhole TIG (K-TIG) Limited                                          |

**Previous Executive Positions:**

- |    |                                         |                   |
|----|-----------------------------------------|-------------------|
| 1. | Macquaire Capital Middle East LLC (UAE) | Licensed Director |
| 2. | AG:LIGHT INC                            | Director          |
| 3. | HI-TECH Trading Limited -               | Director          |

**EDUCATIONAL BACKGROUND**

Mr. Syed Basar holds a Bachelor of Science in Computer Engineering degree from Near East University, Nicosia, Turkish Republic of Northern Cyprus. (Year 1994 to 1998)





**Hamad Salem Al Ameri**

Title: Board Member

Category: Independent – Non-executive

Join Group Since: 2017

Board Member Since: 27.04.2017

Nomination & Remuneration Committee Member: 27.04.2017

Chairman Nomination & Remuneration Committee: 29.07.2019

SKILLS AND EXPERIENCE

Engr. Hamad Salem Al Ameri rose from the ranks and currently holds managerial and directorial positions in various companies with dealings in key industries such as real estate development, international investments and finance, manufacturing, commercial and retail sector, hospitality, technology, and media. He is responsible for improving efficiencies and streamlining processes within the corporate group and for consolidation of resources among related companies to attain economies of scale and optimum productivity.

OTHER POSITIONS CURRENTLY

**Board Directorships:**

- |    |                                   |                                     |
|----|-----------------------------------|-------------------------------------|
| 1. | Vice Chairman & Managing Director | Trojan Holding Ltd                  |
| 2. | Board Member                      | Tamouh Investments                  |
| 3. | Board Member                      | ALDAR Properties PJSC               |
| 4. | Board Member                      | Al Reem Building Materials          |
| 5. | Board Member                      | Al Jazeera Technical Solutions      |
| 6. | Board Member                      | Royal Development Company (RDC)     |
| 7. | Board Member                      | Eltizam Assets Management State LLC |

EDUCATIONAL  
BACKGROUND

- He holds a bachelor's degree in civil engineering from the American University of Dubai.
- He Holds a master's degree in Business Administration from the Canadian University in Dubai.





**Elham Abdulghafoor Alqasim**

Title: Board Member

Category: Independent/Non-Executive

Joined Group: 29.07.2019

Board Member Since: 29.07.2019

**SKILLS AND EXPERIENCE**

Elham Al Qasim serves as Digital14's Chief Executive Officer, steering the organization's strategic direction, and leading over 1,000 staff in their purpose-driven work to deliver trust in digital so that clients can innovate and fulfil their potential.

More recently, Elham served as CEO of Abu Dhabi Investment Office (ADIO) and Executive Director of the Ghadan 21 programme at the Abu Dhabi Executive Office where she led the strategic planning for the government's three-year, AED 50 billion investment programme aimed at accelerating Abu Dhabi's economy.

Prior to this, Elham was a Director of Mubadala Investment Company, focusing on Mubadala's Technology and Industry portfolio. Her responsibilities included building investment/entry strategy, business development, value creation, and post-acquisition asset management in sectors including Metals & Mining, Semiconductors, and Technology.

Elham's international career includes JPMorgan Investment Bank, where she was part of the Global Diversified Industrials Team based in London handling M&A transactions in chemicals, metals and mining, and infrastructure.

**OTHER POSITIONS CURRENTLY HELD**

**Board Directorships:**

- |    |              |                      |
|----|--------------|----------------------|
| 1. | Board Member | Amanat Holdings PJSC |
| 2. | Board Member | Khalifa Fund         |

**Previous Executive Positions:**

- |    |                                              |                             |
|----|----------------------------------------------|-----------------------------|
| 1. | EVP, Human Capital                           | Emirates Global Aluminum    |
| 2. | Director; Technology, Manufacturing & Mining | Mubadala Investment Company |
| 3. | Board Member                                 | Global Foundries            |
| 4. | Member of Audit and Risk Committee           | Global Foundries            |
| 5. | Member of People and Remuneration Committee  | Global Foundries            |
| 6. | Member of Human Capital Committee            | Emirates Global Aluminum    |
| 7. | Member of Board                              | SKH Power – Algeria         |

**EDUCATIONAL BACKGROUND**

- Elham holds an MSc from the School of Social Policy at the London School of Economics and a Bachelor of Business from the American University in Dubai.





**Laith Jerry AlFraih**

Title: Board Member

Category: Independent – Non-executive

Join Group In:2011

Board Member Since: 13.04.2011

Chairman of Audit Committee: Since 2011

Member of Remuneration & Nomination Committee Since: 29.07.2019

**SKILLS AND EXPERIENCE**

He is a Certified Public Accountant (CPA) professional with over 30 years' experience in the field of Finance, Accounting, Auditing and Real Estate development. He also has extensive experience in Oil and Gas operations, Commercial cycles, IT system implementations and human capital Management. He served in various key management positions in Abu Dhabi National Oil Company (ADNOC), as Chief Financial Officer in International Capital Trading LLC and as executive director of Internal Audit at Mubadala Investment Company. He also serves on several Boards and Board committees including Audit committees and Board advisory committees.

**OTHER POSITIONS CURRENTLY HELD**

**Current Board Directorships:**

- |    |                        |                                        |
|----|------------------------|----------------------------------------|
| 1. | Audit Committee member | Abu Dhabi National Oil Company (ADNOC) |
| 2. | Audit Committee member | Abu Dhabi Securities Exchange          |
| 3. | Audit Committee member | Amanat Holding                         |

**Previous Executive Positions:**

- |    |                                              |                                            |
|----|----------------------------------------------|--------------------------------------------|
| 1. | Executive Director for Internal Audit        | Mubadala                                   |
| 3. | Member of Audit and Risk Committee           | Twofour54                                  |
| 4. | Member of Audit and Risk Committee           | Global Foundries                           |
| 5. | Member of Internal Auditing Committee        | Department of Municipal Affairs            |
| 6. | Member of Audit and Risk Committee           | Emirates Global Aluminum                   |
| 7. | Member of Audit, Risk & Compliance Committee | Mubadala                                   |
| 8. | Member of Audit and Risk Committee           | Emirates Nuclear Energy Corporation (ENEC) |

Prior to joining Mubadala, Laith served in various key management positions at Abu Dhabi National Oil Company (ADNOC) before his most recent position as Chief Financial Officer of International Capital Trading

**EDUCATIONAL BACKGROUND**

- He holds a Bachelor of Finance and Accounting Degree from UK.
- He Holds a CPA "Certified Public Accountant" from USA.





**Khalifa Yousif Khouri**

Title: Board Member

Category: Independent/Non-Executive

Join Group: 29.07.2019

Board Member Since: 29.07.2019

Vice Chairman Nomination & Remuneration Committee: 29.07.2019

SKILLS AND EXPERIENCE

Mr. Khalifa with sound leadership skills. Portrayed as an dynamic business founder in many sectors and as an Accredited investor for the past 20 years with Board representation in Public and Private Joint Stock Companies, in addition to being a nominated representative for some Private Family wealth management committees. Coming with a range of experiences in leading and managing institutions in various sectors; such as General investments, Media, Trading, Services, Manufacturing, Real Estate, Building Material, Oil & Gas and others. In which he played an active leadership role in large transactions of Merges & Acquisitions, bond issuance and taking companies public.

OTHER POSITIONS CURRENTLY HELD

**Board Directorships:**

- |                      |                                             |
|----------------------|---------------------------------------------|
| 1. Vice Chairman     | Ras Al Khaimah Cement Company PjSC          |
| 2. Board Member      | Abu Dhabi Aviation PJSC                     |
| 3. Board Member      | Takaful Emarat Insurance PSC                |
| 4. Vice Chairman     | Al Qudra Holding                            |
| 5. Vice Chairman     | UAE Padel Tennis Association                |
| 6. Board Member      | Abu Dhabi Industrial Projects Co.           |
| 7. Board Member      | Sawaeed Holdings                            |
| 8. Board Member      | Growth Gate Capital Corporation             |
| 9. Board of Trustees | Al Ain University of Science and Technology |

EDUCATIONAL  
BACKGROUND

- Khalifa completed his Master of Business Administration (MBA) from THE GRAND CANYON UNIVERSITY - USA in 1997.





#### 5. Statement of Women's representation in the Board of Directors in 2019

It is worth mentioning here that company puts continuous efforts to female representation in all aspects of its business including its Board, hence a female director was elected in the Company's Board of Directors bringing the female percentage in the Board to more than 14% of the total number of the Board Members.

#### 6. The Board of Directors Other Statements

##### 6.1 Method of Determining the Remunerations of Board of Directors

The Board of Directors' remuneration shall be set forth in the Articles of Association of the Company, subject to the provisions of Federal Law No. (2)/2015 regarding commercial companies. The remuneration of the members of the Board of Directors shall consist of a percentage of the net profit.

The Company may also pay additional expenses or fees or monthly salary to the extent determined by the Board of Directors for any of its members, if this member is working in any committee, or exerts exceptional efforts or performs additional work to serve the company, beyond his or her normal duties as a member of the board of directors of the company. In all cases, directors' remuneration should not exceed 10% of the net profit after deducting depreciation and reserve.

##### 6.2 Total Remunerations Paid to the Members of Board of Directors in 2019

During the year 2019, a total remuneration of AED 400,000/= has been paid to the Board of Directors as an attendance fees for the year 2018.

The Board of Directors has proposed total remunerations for the year 2019 amounted to AED 3,500,000/=, and the proposal was presented to the General Assembly at its annual meeting held on April 12, 2020, where the Shareholders unanimously approved, through the E-voting mechanism, on the Board of Directors' remunerations for the year ended 31/12/2019.







### 7.The Board Meetings

Statement of the number of meetings held by the Board of Directors during the fiscal year The Board of Directors had convened eight meetings during 2019 as follows:

No.	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members:
1.	January 20 <sup>th</sup> 2019	6	1	-	Laith Jerry AlFraih
2.	January 27 <sup>th</sup> 2019	6	1	-	Hamad Salem Al Ameri
3.	March 12 <sup>th</sup> 2019	6	1	-	Nader Ahmed AlHammadi
4.	May 13 <sup>th</sup> 2019	7	-	-	
5.	July 8 <sup>th</sup> 2019	5	2	-	Hamad Khalfan AlShamsi Abdur Raheem Mungrue
6.	July 29 <sup>th</sup> 2019	6 (3 via Con-call)	1	1	Laith Jerry AlFraih
7.	September 18 <sup>th</sup> 2019	7	-	-	
8.	November 12 <sup>th</sup> 2019	7	-	-	

Below details of Board meetings attendance during the year 2019 as follows:

Board of Directors	No. of Absence/ No. of Meetings	First Meeting 20/1/19	Second Meeting 27/1/19	Third Meeting 12/3/19	Fourth Meeting 13/5/19	Fifth Meeting 8/7/19	Sixth Meeting 29/7/19	Seventh Meeting 18/9/19	Eighth Meeting 12/11/19
Mr. Hamad Abdulla Al Shamsi	-	✓	✓	✓	✓	✓	Resigned	Resigned	Resigned
Mr. Nadir Ahmad Al Hammadi	-	✓	✓	Proxy to Mr. Hamad Abdulla Al Shamsi	✓	✓	✓	✓	✓
Mr. Hamad Salem Al Ameri	-	✓	Proxy to Mr. Hamad Abdulla Al Shamsi	✓	✓	✓	✓	✓	✓
Mr. Adel Hassan Al Nowais	-	✓	✓	✓	✓	✓	Resigned	Resigned	Resigned
Mr. Hamad Khalfan Al Shamsi	-	✓	✓	✓	✓	Proxy to Mr. Hamad Abdulla Al Shamsi	✓	✓	✓
Mr. Laith Bin Jerry Al Fraih	1	Proxy to Mr. Hamad Abdulla Al Shamsi	✓	✓	✓	✓	x	✓	✓
Mr. Abdur-Raheem Mungrue	-	✓	✓	✓	✓	Proxy to Mr. Nader Al Hammadi	Resigned	Resigned	Resigned
Mr. Syed Basar Shueb	-	N/A	N/A	N/A	N/A	N/A	✓	✓	✓
Ms. Elham Abdel Ghafoor Al Qasim	-	N/A	N/A	N/A	N/A	N/A	✓	✓	✓
Mr. Khalifa Yusef Khouri	-	N/A	N/A	N/A	N/A	N/A	✓	✓	✓

N/A indicates that a board member was not a member of the Board of Directors at the time of meeting





#### 8.Summary of Board Resolutions Passed During 2019

##### Decisions disclosed in the Market during the year 2019:

- The Board of Directors approved by circulation the full acquisition of Shuaa Securities' shares and was publicly disclosed to the Market and the Authority on 8th September 2019.
- The Board of Directors approved by circulation the acquisition of 100% shares of Trust International Group LLC and was publicly disclosed to the Market and the Authority on 16 December 2019.
- The Board of Directors approved by circulation the acquisition of all the shares of Al Ajban Fodders Factory LLC & Al Ajban Poultry LLC and was publicly disclosed to the Market and the Authority on 16 December 2019.
- The Board of Directors resolved to initiate the talks on the partial acquisition of Pure Health Medical Supplies LLC, and publicly disclosed to Market and the Authority through the results of the board meeting held on 12 November 2019.

##### Decisions not been disclosed in the Market during the year 2019:

The Board of Directors approved by circulation an equity contribution of AED 42,790,000 to the subsidiary, Asmak Holding Company for the purpose of:

- The completion of establishment of a food factory in Dubai Industrial City (DIC).
- Implementing the new ERP system (SAP).





### 9. Responsibilities Assigned to the Executive Management

The Board of Directors and Executive Management, represented by the Managing Director and Chief Executive Officer (Food Division), have been designated to perform the functions as per following authorization:

S. No	Name of Authorized Person	Capacity of Authorization	Period of Authorization
1	Members Board of Directors	Members Board of Directors authorized Deputy Chairman of the Board Mr. Nader Ahmed Al Hammadi to execute and perform set of disposals related to the company and its subsidiaries and this power of attorney was attested by the notary public.	From 09/07/2019 till 3 years (Note: This POA is no more valid)
2	Members Board of Directors	Members Board of Directors authorized Chairman of the Board Mr. Nader Ahmed Al Hammadi to execute and perform set of disposals related to the company and its subsidiaries and this power of attorney was attested by the notary public.	From 22/09/2019 till 21/09/2022
3	Mr. Nader Ahmed Al Hammadi	Chairman of the Board of Directors authorized company's food division CEO Mr. Mamoon Abdullah Ali Othman to execute and perform set of disposals related to the company and its subsidiaries and this power of attorney was attested by the notary public.	From 23/09/2019 till 21/09/2022
4	Mr. Nader Ahmed Al Hammadi	Chairman of the Board of Directors authorized company's Managing Director Mr. Syed Basar Shueb to execute and perform set of disposals related to the company and its subsidiaries and this power of attorney was attested by the notary public.	From 13/11/2019 till 21/09/2022
5	Mr. Nader Ahmed Al Hammadi	Chairman of the Board of Directors authorized Deputy Chairman of the Board Mr. Hamad Khalfan Al Shamsi to execute and perform set of disposals related to the company and its subsidiaries and this power of attorney was attested by the notary public.	From 16/12/2019 till 13/01/2020

### 10. Related Parties Transactions

Summary of related parties major transactions above (AED 1,000,000/=) during the year 2019:

Sr No.	Description	Consolidated (Amount AED)
<b>AMOUNTS DUE FROM RELATED PARTIES (Relationship: Associates related to major shareholder)</b>		
1	International Golden Company LLC	8,110,416
2	PAL Group of Companies LLC	3,305,697
3	Pal Technology Services LLC	34,306,000
4	Meena Holdings LLC	6,465,000
5	RG Procurement RSC LTD	15,170,000
6	Three 60 Estate Management	3,463,000
7	AFKAR Financial & Property Investment LLC	21,765,000
8	Paragon Mall LLC	1,169,000
9	Royal Group - Corporate Office	1,582,000
10	Meena Palace	25,751,788
11	Al Yasat Catering and Restaurant Supplies LLC	4,542,435





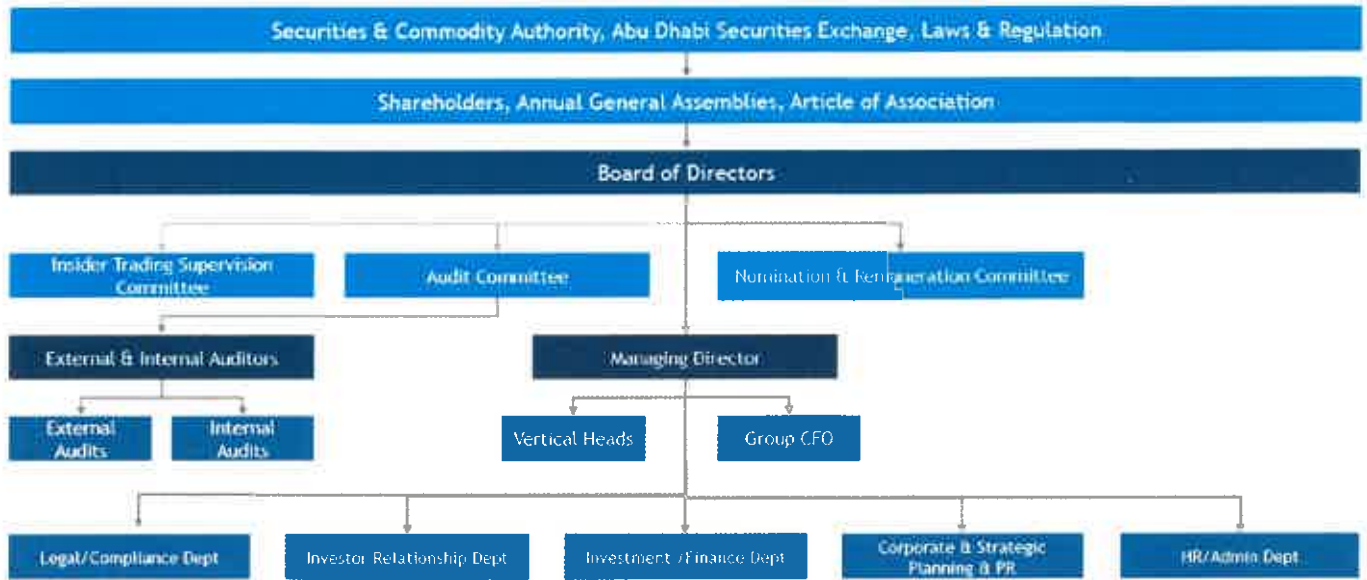
Sr No.	Description	Consolidated (Amount AED)
<b>AMOUNTS DUE TO RELATED PARTIES (Relationship: Associates related to major shareholder)</b>		
1	Trojan General Contracting LLC	27,415,454
2	National Projects and Construction LLC	9,743,383
3	Al Maha Modular Industries LLC	6,512,347
4	Royal Group Management LLC	2,610,553
5	Pal Technology Services LLC	10,045,209
6	Al Tamouh Investments Company LLC	15,673,061
7	Al Jaraf Travel & Tourism	1,120,923
8	Royal Group Procurement RSC LTD	1,478,155

Sr No.	Description	Consolidated (Amount AED)
1	Loan to related party	1,200,000





### 11.Organizational Chart







## 12.Executive Management

The following chart showing senior executives in the Company, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2019:

Position	Appointment Date	Total salaries and allowances paid during the year 2019 - in dirham	Total bonuses paid during the year 2019 – in dirham	Any other bonuses to be paid in the future for the year 2019 – in dirham
Executive Board Member and Managing Director	29/07/2019	1,448,442/=	Not Yet Proposed	-
Group CFO	10/06/2018	1,032,840/=	Not Yet Proposed	-
CEO (Food Division)	01/04/2012	1,700,851/=	Not Yet Proposed	-
Chief Operating Officer (ESPL Group)	27/05/2006	934,110/=	Not Yet Proposed	-
General Manager Alliance Foods Company	18/10/2017	1,197,976/=	Not Yet Proposed	-
General Manager (PAL Cooling Holding)	30/06/2019	523,188/=	Not Yet Proposed	-
CEO (Animal Feed Business)	01/07/2018	780,000/=	Not Yet Proposed	-
CEO (Shuaa Securities)	01/11/2019	162,634/=	Not Yet Proposed	-
General Manger (Zee Store)	01/11/2019	129,224/=	Not Yet Proposed	-
General Manger (Palms Sports)	01/11/2019	264,999/=	Not Yet Proposed	-
Managing Director (Cine Royal)	01/11/2019	153,480/=	Not Yet Proposed	-
CEO (Trust International)	01/11/2019	241,210/=	Not Yet Proposed	-
Production Manager (Al Ajban Poultry)	01/11/2019	60,000/=	Not Yet Proposed	-







### 13.External Auditor

#### 13.1 Brief About the Company's External Auditor

Ernest & Young (EY) was appointed as the company's external auditor for the fiscal year 2019.

Ernest & Young (EY) has people and operations in more than 150 countries, which are organized into three Areas – Americas, Asia-Pacific and EMEIA – and further divided into Regions.

It has been in the MENA region for more than 90 years, and in UAE since 1966. All their people work in one of their service lines – Assurance, Advisory, Tax, Transaction Advisory Services (TAS) – or in Core Business Services (CBS) which provides internal operational support such as HR and EY Technology.

#### 13.2 List of Services Provided by the Company's External Auditor

The General Assembly held in April 2019 decided to appoint Ernest & Young (E&Y) to perform external audit of the Company and its subsidiaries for the year 2019. Their fees were set at AED 625,000/=, including quarterly review fees (within the United Arab Emirates and Saudi Arabia).

The scope of the audit for the financial year 2019 is as follows:

1. Provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards.
2. Provide an audit opinion on the financial statements of all subsidiaries of the company in accordance with International Financial Reporting Standards; and
3. Provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

Name of the audit office and partner auditor	<b>Ernest &amp; Young (Engagement Partner Mr. Raed Ahmed)</b>
Number of years served as an external auditor for the Company	One Year
Total fees for auditing the financial statements of 2019	AED 625,000/=
The fees and costs of the special services other than the auditing of the financial statements in 2019.	AED 35,000/=
The details and nature of other services provided.	Review of accounting method for PAL transactions.
Deloitte total audit fees for the (IHC subsidiaries)	AED 423,000/=





### 13.3 Summary of Services Provided by Other External Auditors

Company's Name	Amount (AED)	Services Provided
ERNST & YOUNG CORPORATE FINANCE LTD.	1,156,706/=	Provide financials advice for the expansion plans.
DELOITTE PROFESSIONAL SERVICE (DIFC) LIMITED	291,321/=	Provide purchase price allocation service for acquisition.
Ardent Advisory	416,381/=	Provide internal audit and financial due diligence, valuation, Tax Due Diligence services.
PRICEWATERHOUSE COOPERS (PWC)	193,751/=	Provide financial due diligence services for expansion plans.
Kreston Me Consulting	158,151/=	Provide purchase price allocation service for acquisition.

The Company's external auditor did not have any reservations to any item of the interim and annual financial statements during 2019.





#### Audit Committee Chairman's Acknowledgment

Mr. Laith Jerry Al Fraih (Chairman Audit Committee) acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Members of Audit Committee for the period prior to 29/07/2019

S. No	Name	Title	Category
1	Mr. Laith Jerry Al Fraih	Chairman	Non-Executive/Independent
2	Mr. Hamad Khalfan Al Shamsi	Vice Chairman	Non-Executive/Independent
3	Mr. Abdur-Raheem Mungrue	Member	Non-Executive/Independent

Members of Audit Committee as of 29/07/2019

S. No	Name	Title	Category
1	Mr. Laith Jerry Al Fraih	Chairman	Non-Executive/Independent
2	Mr. Hamad Khalfan Al Shamsi	Vice Chairman	Non-Executive/Independent
3	Mr. Hamad Salem Mohamed Saeed AlAmeri	Member	Non-Executive/Independent

#### Audit Committee Functions

- Review policies, financial and accounting procedures of the company.
- Monitor the integrity of the company's financial statements and reports (annual, semi- annual and quarterly) and review them as part of its normal work during the year, and should particularly focus on the following:
  - Any changes in accounting policies and practices.
  - Highlight areas subjugated to management's discretion.
  - Substantial adjustments resulting from the audit.
  - Assuming continuity of business.
  - Compliance with accounting standards determined by the Authority.
  - Compliance with management and disclosure rules and other legal requirements related to the preparation of financial reports.
- Coordinating with the company's board of directors, senior executive management, financial director and the existing manager with the same tasks in the company in order to perform its duties.
- Consider any important and unusual items that should be included in such reports and accounts and shall give due attention to any matters raised by the CFO of the company, the manager with the same functions, the compliance officer or the auditor.
- The Board of Directors has issued a recommendation on the selection or resignation of the auditor. If the Board of Directors does not approve the recommendations of the Audit Committee, the Board of Directors should include in its report a statement explaining the recommendations of the Audit Committee and the reasons for the Board of Directors, not to adopt it.
- Develop and apply the contracting policy with the auditor and submit a report to the Board of Directors, identifying issues it considers important to take action about, recommending necessary steps to be taken.
- Ensure that the auditor fulfils the conditions stipulated in the laws, regulations and decisions in force and the company's articles of association, following up and monitoring his independence.
- Meeting with the company's auditor without the attendance of any of the senior executive management or its representatives, at least once a year, and discuss the nature and scope of the audit and its effectiveness in accordance with the approved auditing standards.





- Investigate all matters relating to the auditor's work, his work plan and correspondence with the company, his observations, suggestions and reservations, and any material questions raised by the auditor to senior executive management, regarding the accounting records, financial accounts or control systems, and follow up the response of the company management, providing necessary facilities to carry out his work.
- Ensuring that the Board of Directors responds in a timely manner to the clarifications and material issues raised in the auditor's letter.
- Review and evaluate the Company's internal control and risk management systems.
- Discuss the internal control system with the Board of Directors and ensure that it fulfils its duty to establish an effective internal control system.
- Consider the results of the main investigations in the internal control matters assigned to them by the Board of Directors or are initiated by the Committee and approved by the Board of Directors.
- Review the auditor's assessment of the internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.
- Ensure that resources are available for internal control management and to review and monitor the effectiveness of this department.
- Studying internal control reports and following up the implementation of the corrective measures of the observations contained therein.
- Establish controls that enable company employees to report any potential irregularities in financial reports, internal controls or other matters in secret, and steps to ensure independent and fair investigations of such violations.
- Monitor the company's compliance with the Code of Professional Conduct.
- Review the transactions of related parties with the company and ensure that there is no conflict of interest and recommend them to the Board of Directors before they are concluded.
- Ensure implementation of the work rules related to its functions and powers entrusted to it by the Board of Directors.
- Present reports and recommendations to the Governing Council on the above issues mentioned in this Article.
- Consider any other topics determined by the Board of Directors.

#### Audit Committee Meetings During the Year 2019

Audit Committee Members	No. of absence/ No. of Meetings	First Meeting 12/3/2019	Second Meeting 13/5/2019	Third Meeting 07/08/2019	Fourth Meeting 12/11/2019
Mr. Laith Jerry Al Fraih	-	✓	✓	✓	✓
Mr. Hamad Khalfan Al Shamsi	-	✓	✓	✓	✓
Mr. Abdur-Raheem Mungrue	-	✓	✓	Resigned	Resigned
Mr. Hamad Salem Mohamed Saeed AlAmeri	-	Was not on the Audit Committee membership	Was not on the Audit Committee membership	✓	✓





## 14.2 Nominations and Remunerations Committee

### Nominations and Remunerations Committee Chairman's Acknowledgment

Mr. Hamad Salem Al Ameri (Chairman Nominations and Remunerations Committee) acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Members of Nomination and Remuneration Committee for the period prior to 29/7/2019

S. No	Name	Title	Category
1	Mr. Adel Hassan Al Nowais	Member	Non-Executive/Independent
2	Mr. Hamad Salem Al Ameri	Member	Non-Executive/Independent
3	Mr. Abdur-Raheem Mungrue	Member	Non-Executive/Independent

Members of Nomination and Remuneration Committee for the period as of 29/7/2019

S. No	Name	Title	Category
1	Mr. Hamad Salem Al Ameri	Chairman	Non-Executive/Independent
2	Mr. Khalifa Yousef Khouri	Vice Chairman	Non-Executive/Independent
3	Mr. Laith Jerry Al Fraih	Member	Non-Executive/Independent

### Committee Functions

- To establish a policy on membership candidacy for the Board of Directors and Executive Management, which aims at taking into account gender diversity within the formation and encouraging women through motivations and incentive programs and providing the Authority with a copy of this policy and any amendments thereto.
- Organizing and following up the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the provisions of this resolution.
- Ensure continuous independence of independent members.
- If the Committee finds that a member has lost the conditions of independence, it must submit the matter to the Board to notify the member of a registered letter to the company's fixed address for reasons of non-independence. The member must respond to the Board within fifteen days from the date of notification. The member is independent or not independent at the first meeting following the member's reply or the expiration of the period referred to in the preceding item without a reply.
- Subject to the provisions of Federal Law No. 2 of 2015 and the corporate governance procedures issued by Resolution 7 ( R.M) of 2016, if the Board of Directors' decision to deny the reasons or justifications for the independence of the Member has an effect on the minimum percentage required of its independent members, If the member refuses to submit the resignation, the board of directors shall submit the matter to the General Assembly for a decision to approve the appointment of another member or to open the door for the election of a new member.
- To prepare the policy for the granting of bonuses, benefits, incentives and salaries for the members of the Board of Directors of the Company and its employees, and to review them on an annual basis. The Committee shall verify that the remuneration and benefits granted to the Senior Executive Management are reasonable and proportionate to the performance of the Company.
- Annual review of the required skills requirements for Board membership and preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time required to be assigned by the member to the work of the Board of Directors.
- Review the structure of the Board and make recommendations regarding possible changes.







- Identify the company's needs of competencies at the level of senior executive management and employees and the bases of their selection.
- Develop and review the HR policy and training in the company, control its implementation and review it annually.
- Any other matters determined by the Board of Directors.

#### Committee Meeting During the Year 2019

Member of the Committee	No. of absence/ No. of Meetings	Meeting Date 28/11/2019
Mr. Hamad Salem Al Ameri	-	✓
Mr. Khalifa Yousef Khouri	01	✗
Mr. Laith Jerry Al Fraih	-	✓







### 14.3 Follow-Up and Insider Transaction Supervision Committee

The Board of Directors has formed a committee to manage, follow up and observe the transactions of interested persons and their property, maintain their register and submit statements and periodic reports to the market.

#### Follow-Up and Insider Transaction Supervision Committee Chairman's Acknowledgement

Mr. Laith Jerry Al Fraih (Chairman Follow-Up and Insider Transaction Supervision Committee) acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

No.	Member Name	Committee Position	Position according to Organizational Chart
1.	Mr. Laith Al Fraih	Committee Chairman	Chairman Audit Committee
2.	Mr. Mamoon Othman	Member	Chief Executive Officer (Food Division)
3.	Mr. Mohamed Yaser Bader	Member	CFO (ADL Group)

#### Committee Functions

- The Committee shall include the names of persons familiar with any data pertaining to the company that may have an effect on the price of the company's shares in the market, in a manner that ensures the highest standards of transparency and disclosure.
- The Committee shall maintain a special register recording all necessary data for the insiders and determining the period of their knowledge, the number of securities traded in the sale and purchase during the year, the dates of execution of trading operations, and other relevant data.
- The Committee shall have the right to include the name of the conversant person if he is from within the company employees or an external party.
- The Committee shall be entitled to determine the nature of the person's term of office (permanent / temporary).
- The Committee shall abide by the rules and procedures of corporate governance and discipline and all instructions and laws issued from time to time.
- An annual report shall be sent to the Board of Directors stating the names of the interested persons and the volume of their transactions in the company's securities.
- The Committee shall ensure that all persons who have expressed their wishes have made the necessary representations.

#### Committee Meeting During the Year 2019

No.	Member Name	Position in the Committee	Position according to Organizational Chart	Meeting date 23/09/2019
1.	Mr. Laith Al Fraih	Committee Chairman	Chairman Audit Committee	✓
2.	Mr. Mamoon Othman	Member	Chief Executive Officer ( Food Division)	✓
3.	Mr. Mohamed Yaser Bader	Member	CFO (ADL Group)	✓

#### Summary of The Committee Work During the Year 2019

The committee reviewed the rules of dealing for controlling private transactions of conversant persons, reviewing the mechanism of keeping related records. In addition, the committee has taken necessary procedures to ensure the highest levels of compliance with legislation and best practice for corporate governance.





## 15. Internal Control System

### 15.1 The Board of Directors' Acknowledgement of its Responsibility for the Internal Control System and its review and effectiveness

The Board of Directors acknowledges its responsibility for the Company's internal control system and its review and effectiveness.

### 15.2 Internal Control Department In-charge's Profile

Mr. Ishtiaque Ahmed has assumed the role as an Internal Control Manager and Compliance Officer: (Date of appointment 18/06/2017), performing the duties of the Internal Control Department Manager, in addition to the work of compliance officer.

He holds Bachelor of Commerce, and Certified Internal Auditor (CIA) from the Institute of Internal Auditors (USA), He has more than (10) ten years of experience in accounting, and internal auditing with chartered accountant firm, commercial and contracting companies.

In order to adopt with the changing needs of the organization and to enhance assurance over internal controls and risk management, we have outsourced our internal audit function during the year 2019.

Internal audit activity is performed by Ardent Advisory, reporting functionally to audit committee.

The outsourced internal audit function govern itself by adherence to the institute of internal auditors' mandatory guidance including the definition of internal auditing, the code of ethics, and the international standards for the professional practice of internal auditing (Standards).

ARDENT is a UAE headquartered advisory firm, with a targeted focus on the GCC region. The firm's partners and directors bring over 100 years of cumulative advisory and investment experience in the region.

### 15.3 Working Mechanism of the Internal Control Department

The internal control function is established by the Board of Directors, Audit Committee. The function's responsibilities are defined by the Audit Committee as part of their oversight role.

The duties and responsibilities of the internal control function will be to provide timely feedback to the Audit Committee on matters relating to:

- Reliability and integrity of financial and operating reports.
- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Compliance with laws, regulations, directives and contractual obligations.

The Audit Committee provide instructions to the internal control function in the form of an approved internal audit plan and specific directions from time to time.

### 15.4 The Annual Review Includes the Following Components in Particular

- Key control elements including financial control, operations and risk management.
- Changes since the last annual review on the nature and extent of the major risks and the Company's ability to respond to changes in its business and external environment.
- The scope and quality of the Board's ongoing control of risks, the internal control system and the internal auditor's work.
- The number of times the Board of Directors or its committees have been informed about audit work results to enable it to assess the internal control position of the Company and the effectiveness of risk management.
- Failures or weaknesses in the detected control system or unexpected contingencies which have affected or may have a material impact on the performance or financial position of the Company.

The effectiveness of the Company's financial reporting and compliance with listing and disclosure rules.





#### 15.5 Number of Reports Issued by Internal Control Department

During the year 2019 the Internal Control Department issued 06 reports.

#### 16. Violations Committed by the Company During the Year 2019

No violations were recorded during 2019.





#### 17. Statement of Cash and In-Kind Contributions

A statement of cash and in-kind contributions made by the company during the year 2019 in the development of the community and preservation of the environment.

The company sponsor the following educational expenses during the year 2019:

No.	Name of the Center	Emirate	Method of Sponsorship	Amount in AED
1.	Abilities Development Center for People with Disabilities	Abu Dhabi	Student Tuition Fee	30,000
2.	Rashid Center for People of Determination	Dubai	Student Annual Fee including Transportation	41,000
3.	Specialist Center for Children with Disabilities	Sharjah	Tuition Fee	25,000
			<b>TOTAL</b>	<b>96,000</b>

- The company is one of the most important sponsors of the Food Security Alliance, which was established in 2015 under the auspices of the Abu Dhabi Food Control Authority.
- Participation in Food Exhibition (Gulf food 2019) by introducing fresh, frozen and value-added products.
- Participation in the number of seminars and lectures related to environment and sustainability.

The company provides comprehensive quality management systems and has attained the following certificates:

- Certificate of integrated management systems for quality management system according to the ISO 9001:2000
- Standard Certificate of environmental management systems according to ISO 14001: 1996 standards.
- Health and safety management system certificate according to OHSAS 18001: 1999.
- ISO 22000: 2005 - processing, packaging and distribution of fresh and frozen seafood.
- Certificate (HACCP) 2006 - processing, packaging and distribution of fresh and frozen seafood.
- European union approval for the processing and packing of seafood and fresh and frozen fish.





**18. General Information**  
**18.1 Share Price**

The following table presents the company's highest and lowest share price at the end of each month during the year 2019 and share performance against market index and sector index as of 31<sup>st</sup> December 2019:

Month	Share Price (AED)			Share Performance				
	HIGH	LOW	CLOSING PRICE	Market Index	Consumer Goods Index	Absolute	Vs Market	Vs Sector
January	1.02	0.80	1.00	5,044.85	1,732.69	5%	3%	20%
February	1.10	0.90	1.02	5,137.81	1,717.99	2%	0%	3%
March	1.04	0.92	1.00	5,074.65	1,732.41	-2%	-1%	-3%
April	1.00	0.90	1.00	5,258.05	1,712.89	0%	-4%	1%
May	1.10	0.87	0.97	5,003.59	1,601.79	-3%	2%	4%
June	1.39	0.95	1.39	4,979.95	1,724.97	43%	44%	36%
July	2.25	1.34	2.18	5,317.90	2,086.57	57%	50%	36%
August	3.11	2.06	3.00	5,165.57	2,449.95	38%	40%	20%
September	5.54	2.75	5.00	5,057.32	3,452.21	67%	69%	26%
October	5.73	5.00	5.01	5,107.76	3,484.75	0.2%	-0.8%	-0.7%
November	6.00	5.00	5.66	5,030.75	3,751.03	13%	15%	5%
December	6.31	5.66	6.20	5,075.77	4,035.46	9.5%	8.6%	2%
Overall Performance During 2019	6.31	0.80	6.20	5,075.77	4,035.46	554%	551%	455%

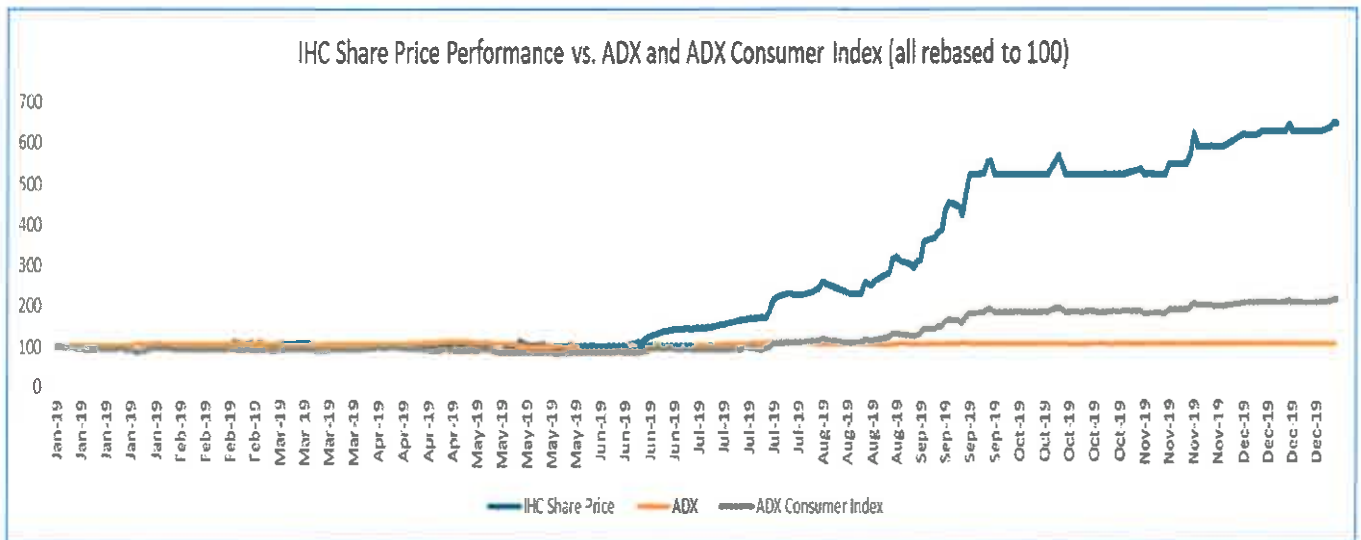




Company's share price performance during the year 2019



Performance of the company's shares, compared with the ADX index and ADX consumer goods index during the year 2019:







### 18.2 Distribution of Shareholders' Ownership

Description	Governments	Individuals	Companies	Total
Local	-	30,610,834	1,787,612,784	1,818,223,618
GCC	-	1,671	444,598	446,269
Arabs	-	959,128	-	959,128
Foreigners	-	1,591,959	207,597	1,799,556
<b>Total</b>	-	<b>33,163,592</b>	<b>1,788,264,979</b>	<b>1,821,428,571</b>
Percentage (%)		2%	98%	100%

### 18.3 Statement of Shareholders Ownership 5% or More

Name of Shareholders	Shareholders Share %
Royal Group for Corporate Management LLC	15.22%
PAL Group of companies LLC	66.44%
Total	81.67%





#### 18.4 Shareholders Ownership Distribution

Ownership of Shares	Number of Shareholders	Number of owned shares	Ownership %
Less than 50,000	8,364	17,072,953	0.94%
From 50,000- Less than 500,000	73	10,166,570	0.56%
From 500,000- Less than 5,000,000	16	24,014,398	1.32%
More than 5,000,000	13	1,770,174,650	97.19%
Total	8,466	1,821,428,571	100%





#### 19. Investor Relations Affairs

The company has established a department specialized in managing the affairs of the shareholders. The following summary clarifies what has been achieved in compliance with the provisions of the law and the Memorandum of Association and Resolution No. 7 regarding corporate governance regulations and related circulars:

The Shareholder's Relations Officer has been appointed and holds the following qualifications:

- Holds a degree suitable for work.
- Has experience in managing the affairs of shareholders and legal matters within the State, including companies and banks.
- Aware of the relevant legal and legislative requirements.
- Has full knowledge of the company's activities and opportunities.
- Has the ability to use different channels of communication and has the skills to communicate with investors in securities.

A special investor relations page has been created on the company's website to be constantly updated and maintained in line with international standards, including Investor Relations Department data and contact information such as, a dedicated phone number and e-mail, providing all reports on financial results whether recorded or published, Financial year data, including the dates of publication of financial results data, minutes of meetings of the General Assemblies, and any other important events.

Information and data disclosed to regulators, markets or the public are posted on the company's website at the following link:

<https://ihcuae.com/#investor>

Contact details for Shareholder's Relations Officer,  
Miss Linda Ballout

Address: Unit# 404, 4th floor, Silver Wave Tower Meena Road,  
Abu Dhabi – United Arab Emirates.

Tel: 02-6448090

Fax: 02-6447060

Mobile: 0521966063

P.O. Box 32619, Abu Dhabi – United Arab Emirates

Email: linda.b@ihcuae.com

Responding to Shareholders' enquiries from Sunday to Thursday, 10am to 2pm.





## 20.Special Resolutions Presented to the General Assembly Held During 2019

S. No	Items / Special Resolutions	Measures Taken
1	Approval of the entry of PAL Group of Companies LLC and PAL Technology Services LLC (the "Strategic Investors") as shareholders in the Company, based on the study which was submitted by the Board of Directors of the Company to the IHC General Meeting regarding the benefits that such entry will offer to the Company, all in accordance with Articles 223 and 224 of the Commercial Companies Law and Article 31 of the SCA Listing Rules.	Approved
2	Approval of the increase of the share capital of the Company by AED 1,311,428,571 through the entry of a strategic investor by an in-kind contribution, from AED 510,000,000 to AED 1,821,428,571, through the issuance of 1,311,428,571 new shares of AED1.00 each in the capital of the Company to the Strategic Investors (the "Capital Increase") and the listing of such new shares of the Company on the Abu Dhabi Securities Exchange.	Approved
3	Approval of the proposed "strategic investment" to be made in the Company by the Strategic Investors through: (i) the transfer of the entire issued share capital of PAL Cooling Holding LLC (the "PAL Shares") by the Strategic Investors to the Company (or, if applicable, any of its subsidiaries). (ii) the issuance of 1,311,428,571 new shares of AED1.00 each by the Company to the Strategic Investors in exchange for the PAL Shares.	Approved
4	Approval that the articles of association circulated to the shareholders of the Company together with this notice of general meeting which include the amendments to reflect the Capital Increase as required in accordance with the Commercial Companies Law, be adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association.	Approved





## 21. Rapporteur of Board Meetings

Rapporteur Name	Appointment date	Qualification/Experience	Duties during the year
Mr. Mohamed Yaser Bader	From 24/03/2011 till date	Holds a bachelor's degree in finance (Major: Accounting). He holds a CIA accredited internal auditor degree from the American Institute of Internal Auditors. He holds a CMA certified accountant by the American Institute of Management Accountants. Practical experience of more than 15 years in accounting and finance, including banks, financial and investment companies.	Coordination of all duties related to the Board of Directors. Drafting of minutes of meetings, organizing invitations, Retain/document of files, managing the general assembly meetings, coordination with the relevant regulatory authorities.
Mr. Ahmad N. Hadeed	since 01/08/2019- till date	LLB Cairo University, Egypt. LLM Indiana University, USA. Admitted to the Senior Courts of England, Wales and Egypt. 17 years post qualification experience	Legal advisor and secretary to the board meetings.





**22. Significant Events During the Year 2019**

S. No	Company/ Vertical	Subsidiary	Description
1	IHC		On 30 June 2019, the Company issued 1,311,428,571 new shares and completed the acquisition of 100% of the issued share capital of PAL Cooling Holding LLC and its subsidiaries ("PAL"). The new shares were issued to the previous owners of PAL. PAL is based in the United Arab Emirates and is involved in installation of district cooling and air conditioning, repair of district cooling and investment in infrastructure projects.
			Restructured via addition of verticals into Utilities, Digital, Industrial and Capital and diversified the existing food vertical.
			During the year 2019 the Company completed the acquisition of the following entities: <ul style="list-style-type: none"> <li>Trust International Group LLC</li> <li>Al Ajban Fodders LLC and Al Ajban Poultry LLC</li> <li>Shuaa Securities LLC</li> <li>Zee Store LLC,</li> <li>Cine Royal Cinema LLC</li> <li>Palms Sports LLC</li> </ul>
			During the year 2019 the Company initiated the acquisition of the following entities: <ul style="list-style-type: none"> <li>Al Tamouh Investments Company LLC</li> <li>Pure Health Medical Supplies LLC</li> <li>Royal Technology Solutions LLC</li> </ul>
2	IHC Food	AFSH	Diversified the existing food vertical by increasing stake in animal feed business operating in USA and Europe and acquiring a distribution company and poultry company.
		Asmak Holding LLC	Launch of Asmak fresh brand: A new innovation into convenient seafood products to capitalize on consumer insights and behaviors.
		Asmak Holding LLC	SAP launch: With the objective of standardizing operational processes to improve planning and management of company resources.
		Zee Stores LLC	Started functioning with a State-Of-Art own Warehousing facility in KIZAD with a storage capacity of 4,668 M <sup>3</sup> for the distribution company.
3	IHC Utilities	PAL Cooling LLC	<ul style="list-style-type: none"> <li>Designed and started construction of new plants with 94000RT capacity under utilities division.</li> <li>Installation of RO plant in PAL First Cooling Plant (Tamouh) to recycle portion of industrial wastewater.</li> </ul>
		Cine Royal Cinema LLC	Introduction of Cine Royal kids to create an enjoyable experience for kids under our digital division.
4	IHC Digital LLC	Palms Sports LLC	Introduction and enhancements of various MMA training and competitions. Have partnered with Ju-Jitsu Federation and participated in various international and participated in several symposiums and presentations on Jiu-Jitsu in the UAE and abroad to support enhancements.
			Conceptualizing and implementing the very first school 'traditional rowing training program', launched palms sports academies to provide Jiu-Jitsu athletes a direct pathway to UAE national team and rejuvenated Abu Dhabi warriors.







### 23.Emiratization Percentage in the Company as of 2019 (Excluding Unskilled Workers)

2017			
Number of Employees	Emiratis Citizens	Non-Emiratis Citizen	Total
Total	5	401	406
Ratio	1%	99%	100%

2018			
Number of Employees	Emiratis Citizens	Non-Emiratis Citizen	Total
Total	6	470	476
Ratio	1%	99%	100%

2019			
Number of Employees	Emiratis Citizens	Non-Emiratis Citizen	Total
Total	10	1,301	1,311
Ratio	1%	99%	100%

### 24.Statement of Innovative Projects and Initiatives Implemented by the Company

There are not any innovative initiatives or projects implemented by the company during the year 2019.

Mr. Nader Ahmed Al Hammadi  
Chairman-Board of Directors

Mr. Laith Jerry Al Fraih  
Chairman- Audit Committee

Mr. Hamad Salem Al Ameri  
Chairman- Nomination and  
Remuneration Committee

Mr. Ishtiaque Ahmed Shaikh  
Manager Internal Control

Date: 16 /03 /2020

