



أم القيوين للإستثمارات العامة  
UMM AL QAIWAIN GENERAL INVESTMENTS

**Umm Al Qaiwain General Investments Company P.S.C**  
**Governance Report form for 2019**

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**Preface:**

• **About the Company:**

- **Umm Al Qaiwain General Investments Company - P.S.C** (Umm Al Qaiwain Cement Industries P.S.C - Formerly), was established pursuant to the Emiri Decree No. 82/2 on February 11<sup>th</sup>, 1982. The Company was registered at the competent government authorities in accordance to the applicable in the United Arab Emirates, the Company's head office and legal address located in Umm Al Qaiwain , United Arab Emirates.
- The permitted purposes of the Company are represented in the following activities (as mentioned in the trade license), including, but not limited to:
  - Investment and develop real estate projects and manage the same.
  - Investment in funds and securities - shares and bonds.
  - Investment in commercial projects, set up and manage the same..
  - Investment in tourism projects.
  - Investment in educational services projects, set up and manage the same.

**First: Statement of procedures taken to complete the corporate governance system during 2019 and method of implementing thereof :**

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Since Umm Al Qaiwain General Investment Company P.S.C (Previously known as (Umm Al Qaiwain Cement Industries P.S.C – Formerly) [hereinafter referred to as "the **Company**"] it started to apply the governance system, it was committed to apply the corporate governance requirements based on the resolution of the authority Chairman No. (7/R.M) of 2016 on institutional discipline and corporate governance of public shareholding companies standards. This governance report will state the detailed situation and the Company's commitment thereto.

**Governance's Principles Application:** The company is committed to apply best practices as follows :

- The company's articles of association have been prepared in accordance with the provisions of Federal Law No. (2) of 2015 regarding commercial companies, and the decision of the Chairman of the Authority's Board of Directors No. (7 / R.M) of 2016 regarding the standards of institutional discipline and corporate governance of public shareholding companies.
- Implementing the policies, procedures and decisions issued by the authority regarding the standards of institutional discipline and corporate governance of public shareholding companies, commitment to applying best practices regarding the board and its committees, dealing transparently with the external auditor, and implementing the decisions of the general assembly.



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- The company disclosed the quarterly and annual financial statements after reviewing and approving them by the external auditor within the permitted legal period.
- Commitment of company board members, employees, and auditor to professional conduct rules, policies, internal controls, and compliance with applicable laws and regulations.
- Updating the company's website, which includes all the company's information [www.qic-uaq.ae](http://www.qic-uaq.ae), to enhance disclosure and transparency, and to offer any new or substantive decisions, and it is considered a means to reach the shareholder to see all the events directly.

**Second: Transactions of the acquainted on the company's financial statements in the company's securities:**

a. State the ownership and transaction of board of directors members, their spouses, sons in the company's securities during the year 2019:

**- State of the transactions of the members of the Board of Directors and their sons Abu Dhabi Securities Market and Kuwait as of 31/12/2019:**

Investment trading reports issued by the set off, deposit and settlement department at Abu Dhabi Securities Exchange and submitted declarations refer to the following transactions:

Sr.No	Name	Position	Owned Shares as of 31/12/2019	Total Sale	Total Purchase
1	Salem Abdulla Salem Al Hosani	Chairman	Chairman : 22,658,564 (Direct & indirect ownership) wife : -- Son: 10,293,364	--	--
2	Ahmed Sultan Essa Al-Jaber	Deputy Chairman	Deputy Chairman: -- wife : -- Son: --	--	44,623
3	Al Salem Company Ltd. Represented by Mr. / Mohamed Salem Abdulla Al Hosani • Mohammed Salem Abdullah Al Hosani	Managing Director (legal) Representative of the legal Managing director	104,103,360 16,000,00 Wife & Sons : --	--	8,799.07
4	Ahmed Salem Abdulla Al Hosani	Member	Member : 10,044,543 Wife: -- Sons : --	--	--
5	Sheikh / Saud Majid bin Saud Al Qasimi	Member	Member : -- Wife: -- Sons : --	--	--
6	Fahad Abdul Rahman Saud Almukhaizim	Member	Member : -- Wife: -- Sons : --	--	--



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7	Obaid Ghanim AbdulRahman AlMutaiwei	Member	Member : -- Wife: 40,036 Sons : --	4,115,200 -- --	-- -- --
8	Ahmed Omar Salem AlKarbi	Member	Member : 6,827,840 Wife: -- Sons : 19,976,934	-- -- --	400,000 -- 19,000
9	Rahma Mohammed Rahma Al - shamsi	Member	Member : -- Wife: -- Sons : --	-- -- --	-- -- --

**- Transactions of the acquainted Company's Acquainted :**

The following is a statement to the transactions of the Company's acquainted employees in Abu Dhabi Securities Exchange, this confirmed by company's trade statement issued by the market.

Name	Total Sale Transactions		Total Purchase Transactions	
	Number of Transactions	Number of Shares	Number of deals	Number of Shares
Tamer Abdul Majeed Mohammed Abdul Majid	2	100,000	--	--

**b. Transactions of the rest of the Company's employees (Non-acquainted ):**

- It was confirmed that no ( non - acquainted ) employee of the company's shares traded during the year 2019 .

**Third - Board Formation :**

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Pursuant to the provisions of Article (19) of the Articles of Association of the Company, the members of the Board of Directors have been determined at nine members to be elected by the Ordinary General Assembly. The Board of Directors elected at the Ordinary General Assembly held on Saturday, March 18, 2017 acknowledged in its first meeting in 2017 - after the completion of the election - the composition of the Board and its Committees and the Internal Control Department, in accordance with the Company's Articles of Association and Corporate Governance Regulations, as follows:

- \* Below is a detailed statement of the composition of the Board of Directors as per the requirements of governance:



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**a- Board Formation :**

- Elected Board of Directors at the ordinary General Assembly meeting in 18/03/2017
- Members adopt their appointment in the ordinary General Assembly meeting in 06/04/2019:

Name	Title	Category		Experiences, Qualifications and Membership in other Companies and Institutions	Since
1- Salem Abdulla Salem Al Hosani	Chairman	Non-independent	Non-Executive	Bachelor of Business Administration - Deputy Chairman of Gulf Medical Projects Company, Member of the Board of Directors of Sharjah Insurance Company, Member of the Board of Directors National Bank of Umm Al Qaiwain , Member of the Board of Directors of RAK Co. for White Cement and Construction Materials.	1999
2- Ahmad Sultan Essa Al Jaber	Deputy Chairman	Independent	Non-executive	High School and Diploma of Telecommunications- Member of the Board of Directors of Umm Al Quwain Cement from 1982 to 1986 and a former member of the National Council, Former Member of the Supreme Committee for Nationality and Passports in Abu Dhabi	2002
3- Abdul Rahman Saleh Mohamed Al Saleh (Resigned in February, 2019)	Member	Independent	Non-executive	MBA Business Management, Fellow of the Chartered Institute of Management Accountants in the UK, Member of Higher Committee for Financial Policy in Dubai.	2017
4- Al Salem Co. Limited (Represented by Mr. Mohammed Salem Abdulla Al Hosani)	Managing Director	Non-independent	Executive	Bachelor of Commerce and Master of Financial Management, Member of the Board of Directors of Gulf Medical Projects Company, Member of the Board of Directors of Union Insurance Company.	2017
*5- Ahmed Salem Abdulla Al Hosani	Member	Non-independent	executive	Bachelor of Commerce, Master of Science in Financial Management, member of Gulf Medical Projects Company, Member of the Board of Directors of Union Insurance Company	2019



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6- Sheik / Saud Majid Bin Saud Al Qasimi	Member	Independent	Non-executive	Bachelor of Business Administration - Deputy of Executive Manager Al Saud Company Ltd. Member and deputy executive manager of Al Majaz Investment Company, .	2017
7 - Fahad Abdul Rahman Saud Almukhaizim	Member	Independent	Non-executive	Bachelor of Business Administration, Chief Executive Officer of National Investments PSC, Investment Analyst of Kuwait General Trading, Contracting and Foreign Investment Company, Wafra International Investment Company, Kuwait Ministry of Finance -and Budgets Specialist	2017
8- Obaid Ghanim AbdulRahman Al Mutaiwei	Member	Independent	Non-executive	High School and Technical Diploma - Former Member of the Board of Directors of Sharjah Insurance Company.	1999
9- Ahmad Omar Salem AlKorbi	Member	Independent	Non-executive	Bachelor of Business Administration and Accounting, - Former Director of the Office of the Minister of Agriculture and Fisheries, Acting Director of the Ministry, Abu Dhabi, Member of the Board of Directors of Ras Al Khaimah White Cement and Construction Materials, Member of the Board of Directors of Ras Al Khaimah Poultry and Feed Company, Chairman of the Board of Directors of the Cooperative Association for Housing and Development in Dubai	2011
10* Rahma Mohammed Rahma Al Shamsi	Member	Independent	Non-executive	Bachelor finance - CEO OF Banking Corporate Group - Sharjah Islamic Bank-	2018

\*Due to the death of Mr. Ahmed Mohamed Rahma Al Shamsi - God bless him - ( Former Deputy Chairman ) , the board in its meeting No. (3/2018) held on November 3<sup>rd</sup> , 2018 decided to appoint Mr. Rahma Mohammed Rahma Al Shamsi as a substitute member, the appointment adopted by the General Assembly meeting held in April 6<sup>th</sup> , 2019, in the same meeting of the General Assembly meeting it appointed Mr. Ahmed Salem Abdulla Al Hosani in the place of the member / Abdul Rahman Mohammed Al Saleh who resigned in February, 2019



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**b. Statement of representation of the female in the Board of Directors for the year 2019.**

The percentage of female representation on the Board of Directors for 2019: None.

**c. Reasons for the non-nomination of any female member to the Board of Directors**

No-submission by any female member.

**d. Remunerations of the Members of the Board members:**

- Members of the Board of Directors have received an amount of one million and four hundred thousand dirhams for the year 2017, which adopted in the General Assembly held in April 6<sup>th</sup>, 2019
- 1. Board of Director propose to pay remunerations to the members of the Board of Directors for the year ended December 31<sup>st</sup>, 2019 in total amount of one million and four hundred thousand dirhams, which will be presented at the annual General Assembly for approval.
- 2. No allowances shall be paid for attendance at meetings of Committees of the Board of Directors for the financial year 2019, no additional allowance, salaries or fees were paid to members of the board of directors during the year 2019.

**d. Board of Directors' Meetings for the year 2019:** The Board of Directors of the Company held four meetings during the year 2019, which are as follows:

Members	Saturday, February 9 <sup>th</sup> , 2019	Saturday, April 6 <sup>th</sup> , 2019	Saturday, October 19 <sup>th</sup> , 2019	Saturday, November 9 <sup>th</sup> , 2019	Remarks
Mr. Salem Abdulla Salem Al Hosani	√	-- Attorney of Mr. Ahmed Sultan Al Jabir	√	√	
Mr. Ahmad Sultan Essa Al Jaber	√	√	√	√	
Al Salem Limited Co. (Represented by Mr. Mohammed Salem Abdulla Al Hosani)	√	√	--	√	
Mr. Abdul Rahman Saleh Mohamed Al Saleh	√	--	--	--	Resigned in February 20 <sup>th</sup> , 2019
Sheikh/ Saud Majed bin Saud Al Qassimi	√	√	√	√	
Mr. Fahad Abdul Rahman Saud Al-Mukhaizim	√	--	√	√	
Mr. Obaid Ghanim AbdulRahman Al Mutaiwei	--	--	--	√	Absent due to justifiable reason
Mr. Ahmad Omar Salem AlKorbi	√	√	√	√	



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Mr. Rahmah Mohammed Rahmah Al Shamsi	--	--	--	√	resolved to be appointed in the general assembly meeting in April 6 <sup>th</sup> , 2019 - Absent in the second meeting due to justifiable reason
Mr. Ahmed Salem Abdulla Salem Al Hosani	--	√	--	--	Appointed by the General Assembly in April 6 <sup>th</sup> , 2019 in the place of resigned member / Abdul Rahman Saleh Mohamed Saleh - Absent in the third and fourth meeting due to justifiable reason

**e. Number of Board decisions issued by passing during financial year 2019 :**

No decisions of the Board of Directors to pass during the financial year 2019.

**f. State the duties and competencies of the Board of Directors made by the member or executive management based on the authorization of Board of Directors**

**Executive management:** means the persons selected by the Board of Directors to manage the Company, namely the Managing Director and the General Manager.

- The Board of Directors may authorize its Chairman, one of its members or senior executive management with some administrative matters for which it has the authority to make decisions. In this case, the authorization must be in writing and determining the authorized powers in respect of the case, where the senior executive management must obtain the prior approval of the Board of Directors before taking any decisions or concluding any obligations on behalf of the Company. A written list of the duties and competencies carried out by the Board of Directors and those delegated to the senior executive management shall be developed, and such duties and competencies are reviewed periodically.
- This authorization must be specific in its subject, determining the authorized persons and the limits of their powers and the validity of this authorization, including a date to submit its results to the Board of Directors.
- The Chairman of the Board of Directors, deputy chairman as well as the member of the Board of Directors shall have the sole right to sign on behalf of the Company, in accordance with the powers authorized to them by the Board of Directors or any other member authorized by the Board of Directors in this regard.

According to the above controls, the Managing Director and the General Manager of the Company shall conduct the daily business of the Company pursuant to the best practices of governance and





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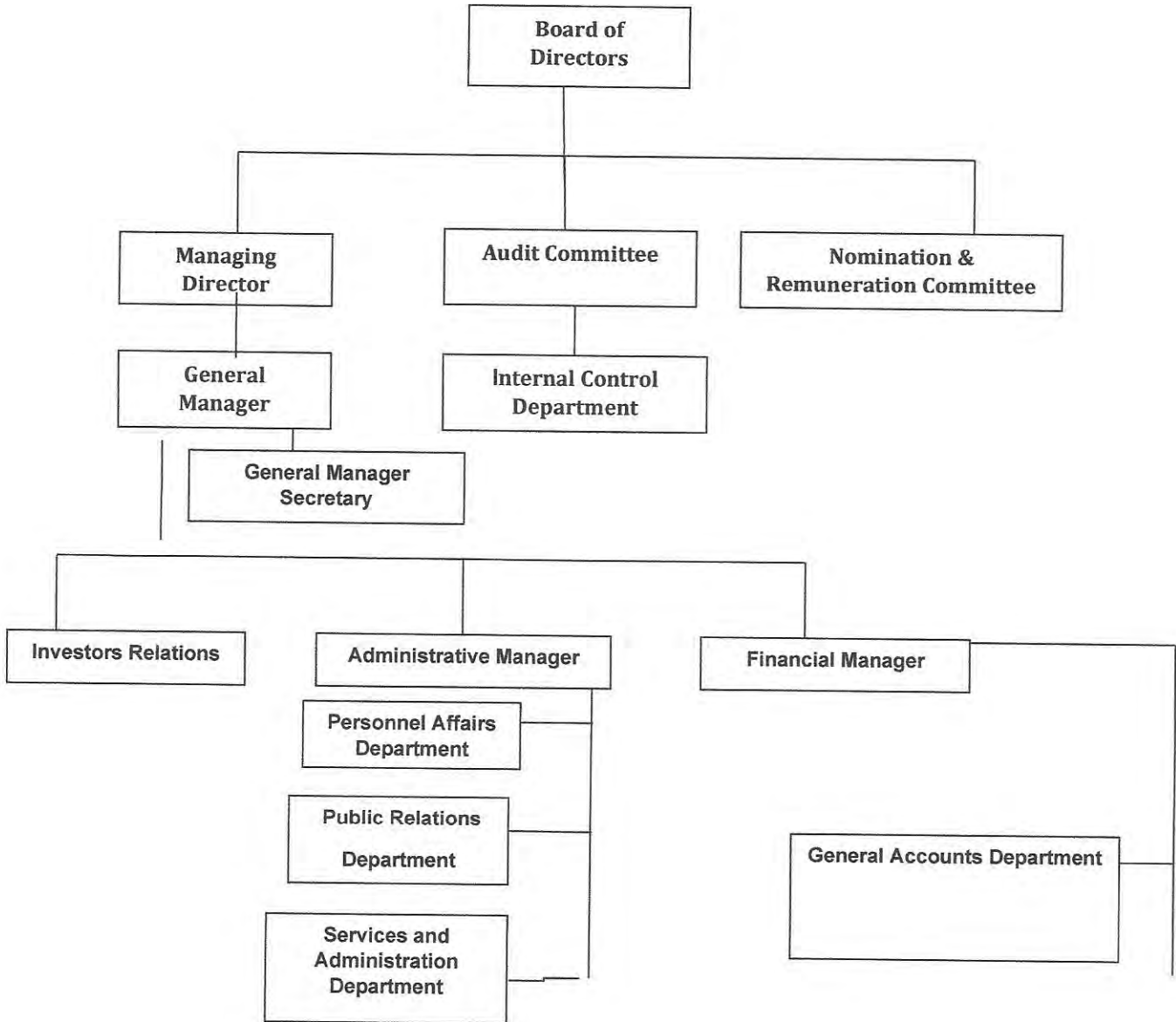
the provisions of the Articles of Associations and the powers authorized to them by the Board of Directors. The Board of Directors has authorized the executive management in the following matters: -

- To manage the Company's business and provide directions to the executive management in line with the Company's strategic objectives, policies prescribed by the Board of Directors, the provisions of the law and the provisions of other legislation related to the Company's business and activities.
- To provide the Board of Directors with accurate periodic reports on the financial position of the Company, its business and the procedures taken in the management of risks and internal control regulations to enable the Board of Directors to review the developed objectives, plans and policies and accountability of the executive management concerning its performance.
- To submit recommendations regarding any proposals deemed necessary concerning the Company's business.
- To provide the regulatory bodies with any information, data and documents required in accordance with the provisions of the law, regulations, instructions and decisions thereto.
- To appoint the competencies needed by the Company.
- To manage the Company's assets and invest the surplus funds within the framework of the risk and revenue structure approved by the Board of Directors.
- To approve the interim financial statements, quarterly reports of the Company and initially approve the annual financial statements.
- To represent the Company before third parties as authorized by the Board of Directors or the Chairman.
- To sign cheques and transfer funds and conclude transactions with banks within the scope specified in the authorization decision, and execute the contracts and obligations of the Company towards third parties at the same limits.
- To sign on behalf of the Company before all federal and local government agencies, public and private institutions and assume the legal responsibility, as determined.

**g.- A statement of the details of transactions carried out with related parties (stakeholders) with an explanation of the nature of the relationship and type of transaction:**

There are no deals made by the company during the year 2019 or more of the company's capital , as well as there is no any transaction made by concerned third parties (stakeholders) during the year 2019 .

### h. Organizational structure of Umm Al Qaiwain General Investments Company





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**i. Detailed statement to the name of senior executive staff in the company:**

Sr.	Name	Position	Date of Appointment	Salaries and Allowances paid in 2019 (AED)	Total bonuses in 2019 (AED)
1	Mohammed Salem Abdulla Al Hosani (Represented to Al Salem Limited Co.)	Managing Director	18/03/2017	300,000/-	100,000/-
2	Sheikh/ Saoud bin Nasser Rashid Al Moalla	General Manager	11/07/2016	600,000/-	100,000/-
3	Mostafa Fahmi Akeila	Financial Manager (Non-executive) and acting as Administrative Manager	31/05/1986	228,804/-	15,500/-
4	Tamer Abdul Majid Mohamed	Internal Audit Manager (Non-executive)	Appointment date in the Company 10/05/2001 (Appointment date as the manager of Internal Audit Control 14/11/2001)	184,404/-	10,000/-
5	Khalid Mostafa Fahmi	(Non-executive) and acting as Investor relationship Manager	14/10/2017	60,000/-	4,000/-

There are no other in-kind / material bonuses were identified for the year 2019.



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#### Four: External Auditor:

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#### About the Auditor of the Company M/s: Rodl Middle East:

The parent company, Rodl and Partner, was established in 1977 in Nuremberg, Germany, and since then it has expanded to 84 offices in 37 countries. The company provides integrated solutions for auditing, taxes and business consulting as a leading global services company. By establishing a new presence in the Gulf region and the Middle East and North Africa, Rodl Middle East was created in partnership with Hikmat Mekhaimer to provide the growing region with the aim of providing specialized advice taking into account the laws of the Middle East to help clients grow their business internationally and constantly increase their value. The company is headquartered in Kuwait and the regional office in Dubai. Rodl Middle East supports clients through branches in many countries of the Gulf Cooperation Council and the countries of the Middle East. A team of specialists in the company provides a diverse and unique set of professional services to maximize the success of their clients using a multidisciplinary approach. Rodl Middle East provides a range of professional product services such as auditing, consulting, transactions, taxes and external contracting in the GCC region.

#### b. Fees of the External Auditor:

Audit office	Rodl Middle East
Partner Audit	Hikmat Ahmed Abdul Raheem Mekhaimer
The number of years spent as an external auditor for the company	One year
Total audit fees for the year 2019 inclusive of tax	AED 105,000
Fees and costs of other services other than an audit of the financial statements for the year 2019.	AED 21,000
The nature of other services: reviewing profit checks not received by shareholders and preparing a report according to the requirements of the commission.	

No external auditor other than the company auditor provided any other services during the year 2019.

c. There are no remarks by the external auditor on the interim and annual lists for the year 2019.

#### Five: The Audit Committee:

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a. "I, Sheikh / Saud Majed Bin Saud Al Qasimi, Chairman of the Audit Committee, acknowledge my responsibility for the committee's system in the company and for my review of its work mechanism and verification of its effectiveness."



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b. The names of the members of the Audit Committee:

- 1- Sheikh / Saud Majid bin Saud Al Qasimi Head of the Committee
- 2- Mr. Rahma Mohamed Rahma Al Shamsi Member
- 3- Mr. Ahmed Mohamed Mansour Member from outside the Board of Directors

**Statement of the terms of reference and tasks assigned to the audit committee:**

- Review the company's financial and accounting policies and procedures.
- Monitor and review the integrity of the company's financial statements and reports (quarterly, half-yearly and annual)
- As part of her regular work during the year and after the accounts are closed.
- Setting and implementing the policy of contracting with the external auditor and submitting reports to the Board of Directors stating the issues that it deems necessary to take action on, while providing recommendations for the steps necessary to be taken.
- Reviewing and following up the independence of the external auditor and the extent of his objectivity, and discussing the scope and nature of the audit process and the extent of its effectiveness in accordance with the approved auditing standards.
- Establish controls that enable company employees to report any possible violations in financial reports, internal control, or other matters in a confidential manner and the steps to conduct independent and fair investigations of these violations.
- Monitor the company's compliance with the rules of professional conduct.
- Follow-up and supervise the insiders dealings, if any.

C. The Committee held Four meetings, as follows:

Sr.	Members	February 09 <sup>th</sup> , 2019	May 13 <sup>th</sup> , 2019	August 5 <sup>th</sup> , 2019	November 09 <sup>th</sup> , 2019
1	Sheikh Saud Bin Majid Saud Al Qassimi	√	√	√	√
2	Mr. Rahmah Mohammed Rahmah Al Shamsi	√	√	√	√
3	Mr. Ahmed Mohamed Mansour (outside the Board)	√	√	√	√



**Six: Nomination and Remuneration Committee:**

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a) "I / Ahmed Sultan Issa Al-Jaber, Chairman of the Nomination and Remuneration Committee, acknowledged my responsibility for the committee system in the company and for my review of its work mechanism and ensuring its effectiveness."

B) Names of members of the Nomination and Remuneration Committee:

- |   |                       |
|---|-----------------------|
| 1- Mr. Ahmed Sultan Issa Al-Jaber           | Head of the Committee |
| 2- Mr. Rahma Mohamed Rahma Al Shamsi        | Member                |
| 3- Mr. Obaid Ghanim AbdulRahman Al-Mutaiwei | Member                |

in April 6th 2019 the restructuring was as follows:

- |                                      |                       |
|--------------------------------------|-----------------------|
| 1- Mr. Ahmed Sultan Issa Al-Jaber    | Head of the Committee |
| 2- Mr. Rahma Mohamed Rahma Al Shamsi | Member                |
| 3- Mr. Ahmed Salem Abdulla Al Hosani | Member                |

**Statement of the powers and tasks entrusted to the Nomination and Remuneration Committee:**

- 1- Setting a special policy for candidacy for membership in the Board of Directors and the Executive Management aimed at taking into account gender diversification within the formation and encouragement of women through incentive benefits and programs.
- 2- Organizing and following-up the procedures for nomination for membership in the Board of Directors in accordance with the applicable laws and regulations and the provisions of this decision.
- 3- Ensuring the independence of the independent members on an ongoing basis.
- 4- Preparing the policy for granting rewards, benefits, incentives and salaries to the members of the company's board of directors and employees, and reviewing them annually, and the committee must verify that the rewards and benefits granted to the company's senior executive management are reasonable and commensurate with the company's performance.
- 5- The annual review of the required skills requirements appropriate for the membership of the Board of Directors and preparing a description of the capabilities and qualifications required for the membership of the Board of Directors, including determining the time that a member needs to allocate to the work of the Board of Directors.
- 6- Review the structure of the Board of Directors and submit recommendations regarding changes that can be made.

- 7- Determine the company's needs for competencies at the level of senior executive management and employees and the basis for selecting them.
- 8- Preparing the policy on human resources and training in the company and monitoring its implementation and reviewing it annually.
- b- Nomination and Remuneration Committee meetings during the year 2019:
- The Committee held two meetings, as follows:

Sr.	Members	February 09 <sup>th</sup> , 2019	April 6 <sup>th</sup> , 2019
1	Mr. Ahmed Sultan Essa Al Jaber	√	√
2	Mr. Rahmah Mohammed Rahmah Al Shamsi	√	√
3	Mr. Obaid Ghanim AbdulRahman Al Mutaiwei	--	--
	Ahmed Salem Abdulla Al Hosani	--	√

#### **Seventh: The supervision and Follow-up Committee of insider's Transactions.**

The Audit Committee - in view of its direct interaction with the financial and equity departments in the Company, and the acquainted ' statements and reports of Abu Dhabi Securities Exchange and the Kuwait Stock Exchange – it follows up such transactions, if any.

#### **Competencies and Duties of the Committee:**

1. To determine the permanent acquainted of the Company, including members of the Board of Directors, its employees, executive management, persons aware of the Company's information permanently or temporarily.
2. To follow-up and supervise the transactions and property of acquainted , maintaining records thereof.
3. To prepare a special and comprehensive register for all acquainted , including persons who may be considered as persons who are temporarily considered acquainted , who are entitled or have access to the Company's internal information prior to publication.
4. To maintain prior and subsequent disclosures register of the acquainted , and follow-up the balances of acquainted on a monthly basis.
5. To notify Securities and Commodities Authority and Abu Dhabi Securities Exchange of an updated list of acquainted at the beginning of each financial year and any amendments thereto during the financial year.
6. To maintain official declarations of the persons, who are permanently or temporarily aware of the Company's internal information.
7. To submit periodic reports on the acquainted ' transactions to Abu Dhabi Securities Exchange.
8. To notify all acquainted with the required controls and legal responsibility by delivering them official declarations.
9. To follow-up of the responsible department for issuing notifications of prohibition periods.



### **Summary of Committee's Activities Report during 2019:**

1. The Committee has reviewed the acquainted 's register and made sure that there are no transactions made the Company's shares for the members of the Board of Directors, its employees and all acquainted within the Company in the securities during 2019, depending on the official statements received from Abu Dhabi Securities Exchange and Kuwait Stock Exchange. Such official statements confirm the statements contained in the records of the Company and the declarations submitted.
2. The Committee has reviewed the statements submitted by the members of the Board of Directors of the Company and the acquainted concerning their trading or non-trading in the securities of the Company during 2019.
3. Abu Dhabi Securities Exchange, the Securities and Commodities Authority, the Kuwait Stock Exchange and the Capital Markets Authority have been provided with a list of the names of the members of the Board of Directors and the acquainted .
4. The Internal Control Department and the Board Secretariat have been informed to notify the acquainted of the prohibition period, as the Committee made sure that the Chairman, the members of the Board of Directors and all the acquainted have been informed about the prohibition of trading in the securities issued by the Company until the disclosure of the Company's financial statements. The prohibition periods were (before March 15<sup>th</sup> , June 15<sup>th</sup> , September 15<sup>th</sup> and December 15<sup>th</sup> ) of 2019.
5. The Committee decided to obtain official declarations from the permanent or temporarily acquainted in order to preserve its confidentiality, and not to misuse, transfer or cause the transfer thereof directly or indirectly to third parties, assuming the entire legal responsibility in case of breach of this decision.
6. To notify all acquainted persons and inform them of the controls related to them and the legal responsibility resulting from the breach of confidentiality of information, as described in clause (5) above.

**Eight :** There is no other committee or committees .

### **Nine : Internal Control Regulations:**

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- a. The Board of Directors acknowledges its full responsibility for the Company's internal control regulations, and its review and effectiveness, based on the Article No. (50) of the decision of the Chairman of the Board of Directors of Securities and Commodities Authority No. (7/R.M) of 2016 on the institutional discipline and the governance of public shareholding companies standards, as this department has sufficient independence to perform its duties and it reports directly to the board of directors and has full independence and has the power to contact all departments of the company to carry out its tasks.
- b. The following is the name, qualification and appointment date of the Department Manager:





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**Name:** Tamer Abdul Majeed Mohammed Abdul Majeed

**Title:** Manager of Internal Control Department- Compliance Officer (Appointment date: 14/11/2010).

**Careers :**

1. Bachelor of Commerce, Accounting specialty .
2. Certified Auditor - Ministry of Economy - United Arab Emirates.
3. Tax Agent accredited by the Federal Tax Authority - United Arab Emirates.
4. Member of the Association of Accountants and Auditors - United Arab Emirates.
5. Fellow of the International Arab Society of Certified Accountants (IASCA).
6. Chartered accountant registered at the Ministry of Finance.
7. Member of the International Arab Society of Certified Accountants (IASCA).
8. Member of the General Trade Union, as practicing chartered accountant.
9. Member of the General Union of Arab Accountants and Auditors.
10. Member of the Egyptian Society of Certified Accountants& Auditors.
11. Member of the Egyptian Tax Association.
12. Member of the Egyptian Association of Public Finance and Taxes.
13. Member of the Egyptian Association of Financial Management.
14. Member of the Association of Internal Auditors (USA) - UAE.
15. Member of the Accounting and Auditing Organization of the Gulf Cooperation Council States.
16. Successfully completed advanced financial analysis course in Talal Abu-Ghazaleh Organization - Ras Al Khaimah.
17. Course in VAT and Selective Tax in Talal Abu-Ghazaleh Organization - Ras Al Khaimah.
18. Preliminary course in international commercial arbitration, preparation of Arab arbitrators, membership of the Union of Arab Arbitrators, Egyptian Arbitration Center and membership of international arbitration consultants.
19. Member of the High Authority Council for Chartered Accountants (HACCA) and VAT Agent.
20. Arbitration Consultant (Union of Arab Arbitrators - International Arbitration Consultants - Chamber of Arbitration Cases).
21. VAT Agent (High Authority Council for Chartered Accountants).
22. Successfully completed the training course for VAT, its applications and tax declaration, Talal Abu-Ghazaleh Organization.
23. completed the training course on VAT law, tax declaration and refund of tax payments, Talal Abu-Ghazaleh Organization.
24. Diploma in taxes as a tax agent from the Chartered Institute of Taxation and a certified tax agent at the Federal Tax Authority.



### **Work Mechanism of Internal Control:**

Umm Al Qaiwain General Investments Company P.S.C has an effective internal audit department consisting of a professionally qualified manager and an expert. It aims to implement an accurate system to provide and improve the effectiveness of the performance of the department and internal control of the Company for continuous auditing of the operation results, investigation of financial records, evaluation of internal control regulations and assist senior management to increase the efficiency of the Company's operations in detecting the manipulation and monitoring errors in the Company's financial system.

The Company adopts the implementation of international standards of internal control in order to achieve the required objectives efficiently at the lowest economic costs. The internal control basis intended to ensure the following: -

1. Sensibility and compatibility of information and data.
2. Extent of compliance with policies, plans, procedures, regulations, laws and instructions.
3. The extent of protection of the Company's assets and properties.

The extent of compliance of the activities, processes and programs with the specific objectives and purposes, and ensure the implementation thereof by the supervisory authorities as per the specific plans and objectives.

Internal Control Department shall develop the annual control plan in coordination with the managers of the relevant departments or the heads of the other divisions of the Company.

The Manager of the Internal Control Department shall submit detailed reports to the Audit Committee and the Board of Directors on the evaluation of the internal control regulations, showing remarks and proposals to fill gaps in the internal control regulations on a regular basis and when necessary at any time it deems appropriate for the purposes of this assessment.

### **c. of Internal Control Activities in 2019:**

Internal Control Committee reviewed nature of the works of all departments "within the powers authorized to it by the Board of Directors", which expressed its cooperation with the Committee by facilitating all means to obtain the information. Such departments also cooperated with the Committee to verify the regulations in order to reflect a clear vision on the work progress and the Company's commitment to the policy developed by the Board of Directors. It is noted in this regard that the Company did not face any major problems during 2019.

### **D. The number of reports issued by the Internal Control Department to the Board of Directors :**

Internal Control released one report during the year 2019 .



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#### **Ten: Violations:**

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Internal Control Department did not record any violations, and the Company's disclosures in 2019 were made within the time limit granted by the Securities and Commodities Authority and Abu Dhabi Securities Exchange. Accordingly, the Company did not record any violations.

#### **Professional Code of Conduct:**

Honesty and ethics of work are the ideals of the Company and everyone is working on the continuation of its principles as the culture of the Company. All employees are fully aware of the Company's professional guidelines and codes of conduct adopted by the Company and to implement thereof. They are responsible for ensuring that all the Company's businesses are carried out in compliance with these rules.

#### **Environmental policy applied by the Company toward the environment and society:**

All employees of the Company shall deal with environmental issues professionally. In order to reach a society with little environmental impact, the Company implements the best environmental practices as per the laws and regulations. In addition, all employees of the Company observe the following rules in order to protect the environment, and the health and safety of members of society:

- Improve the environmental awareness among all employees.
- Continuous improvement of our environmental performance.
- Cooperate with all relevant entities to avoid environmental risks.
- Communicate seriously with stakeholders to get constructive feedback.

#### **Eleven: Cash and In-Kind Contributions:**

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The Company did not make any in-kind or cash contributions in 2019.



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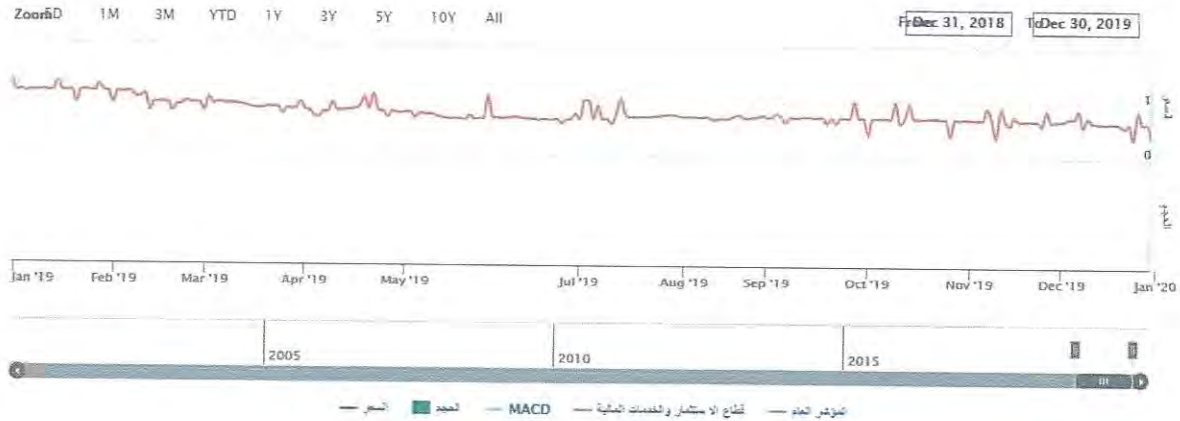
## Twelve: General Information:

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a- Statement of the share's price of Umm Al Qaiwain General Investments Company P.S.C in Abu Dhabi Securities Exchange (closing price, highest price, lowest price and quantity) at the end of each month during the financial year 2019:

Month	Opening	Higher price	Lowest price	Closing	Quantity
March , 2019	0.88	0.88	0.88	0.88	19,000
April , 2019	0.98	0.98	0.98	0.98	34,000
May , 2019	0.90	0.90	0.90	0.90	2,000,000
June , 2019	0.98	0.98	0.98	0.98	30,000
July , 2019	0.95	0.95	0.95	0.855	36,000
August , 2019	0.85	0.85	0.85	0.84	510,000
September, 2019	0.84	0.955	0.84	0.80.9558	1,080,536
November, 2019	0.90	0.90	0.90	0.90	2,794,029
December, 2019	0.85	0.83	0.81	0.90	2,975,342

b- Statement of the comparative performance of the Company's shares with the general market index and the sector index to which the Company belongs during 2019:





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C- Statement of shareholders' equity in Umm Al Qaiwain General Investments Company P.S.C, as of 31/12/2019:

Shareholder rating	The percentage of shares held %			
	Individuals	Companies	Government	Total
Local	32.16	34.54	0	66.70
Gulf	19.15	7.70	0	26.85
Arab	0.87	0.00	0	0.87
Foreigner	0.07	5.51	0	5.58
Total	52.25	47.75	0.00	100.00

d. Statement of the shareholders owning 5% or more of the Company's capital, as of 31/12/2019, as per the below table:

Sr.	Name	Number of Owned Shares	percentage of owned shares in the capital (%)
1*	Al Salem Limited Company	104,103,360	28.68
2*	FAB Private Bank ( Suisse) SA	20,000,000	5.51
3	Majed Ahmed Omar Salem Al Korbi	19,735,268	5.44
4	Mohamed Ahmed Mohamed Ahmed Saeed Al Qassimi	19,265,439	5.31
Total		163,104,067	44.94

\* The group associated with the Chairman of the Board of Directors Mr. Salem Abdulla Salem Al Hosani, who owns 126,761,924 shares, representing 34.92% ( direct and indirect)

**e. Statement of shareholders' distribution according to the size of ownership, as of 31/12/2019, as per the below table:**

Sr.	Shares ownership	Numbers of shares	Number of Owned Shares	percentage of owned shares in the capital (%)
1	Less than 50,000	5,537	21,961,050	6.05
2	From 50,000 to 500,000	302	44,011,837	12.13
3	From 500,000 to 5,000,000	56	75,581,120	20.82
4	More than 5,000,000	12	221,445,993	61.00
Total		5,907	363,000,00	100.00

**f. A statement of the measures taken regarding investor relations controls:**

The Investor Relations page aims to enhance communication channels and encourage the exchange of information in order to enable investors and financial analysts to reach clear visions according to the highest standards of transparency and reliability and provide an opportunity to obtain the latest information that confirms the extent of commitment to transparency and the application of institutional discipline standards, where he is responsible for managing investor relations. / Khalid Mostafa Akeila, Acting Director of Investor Relations.

Contacts :

Mobile No. : +971502437228

Phone number: +97167681999

Fax: +97167681070

Email: qic@emirates.net.ae

The link for the investor relations page on the company's website:

(<http://www.qic-uaq.ae/en/category/investors-relations>)

**g. Subject requires a special decision:**

No special decisions were submitted in the General Assembly during 2019.

**h. Rapporteur of the Board of Directors' Meetings:** Mr. Mustafa Fahmi Akieila has been appointed on December 1994.

**\* Careers and experience:**

Bachelor of Commerce - General Accountant at Air conditioning company from April 1976 to May 1980 - Auditing and establishing joint stock companies with Gulf Financial Advisors from April 1981 to April 1986



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\* Statement of his duties during the year 2019:

- Informing the members of the Board of Directors of the dates of the meetings and sending them the meeting invitations and the agenda for them at least one week before the meeting.
- Remind the members of the board of directors of the dates of the periodic meetings and pass the new information.
- Create the meeting place for the council with the necessary equipment.
- Writing the minutes of the sessions, preparing the decisions issued by the Board of Directors, preparing the relevant drafts and letters, editing, printing, auditing, following up their signature and distributing them duly.
- Providing council members with decisions issued by the council.
- Coordination of the meetings of the committees emanating from the Board of Directors and coordination with the heads of the members of those committees to prepare their minutes and present their recommendations and decisions to the Council.
- Providing the competent authorities (Abu Dhabi Securities Market, the Securities and Commodities Authority, the Stock Exchange and the Financial Markets Authority in Kuwait) with the meetings of the Board of Directors and the results of the meetings, in addition to any other disclosures that may affect the company's shares.
- Communicate with investors and the competent authorities and responding to any questions or concerns related to the company.
- Carry out any tasks assigned to him by the Board of Directors.

k. Significant events encountered by Umm Al Quwain General Investment Company P.S.C during 2019:

There are no significant events occurred during 2019.

l. Percentage of Emiratisation at the Company by the end of the years 2017, 2018 and 2019:

Emiratisation Percentage , 2017	Emiratisation Percentage , 2018	Emiratisation Percentage , 2019
10%	10%	25%

m. Innovative and initiatives projects:

There are no innovative and initiatives projects carried out by the company or being developed during the year 2019.

*Allah is the Arbiter of Success,,,*

Chairman of the Board

Head of the Audit Committee

Head of the Nomination and Remuneration Committee

Head of the Internal Control Department

