

## Corporate Governance Report for 2020

At Aghthia, we believe that a solid foundation of good corporate governance and business ethics significantly contributes to our company's ability to compete effectively and realize our full value potential. For our company, this means leadership by a management team of uncompromising integrity under disciplined oversight from our Board of Directors, a commitment to shareholder and stakeholder engagement, and creation of sustainable value through business fundamentals, corporate social responsibility, and environmental stewardship.

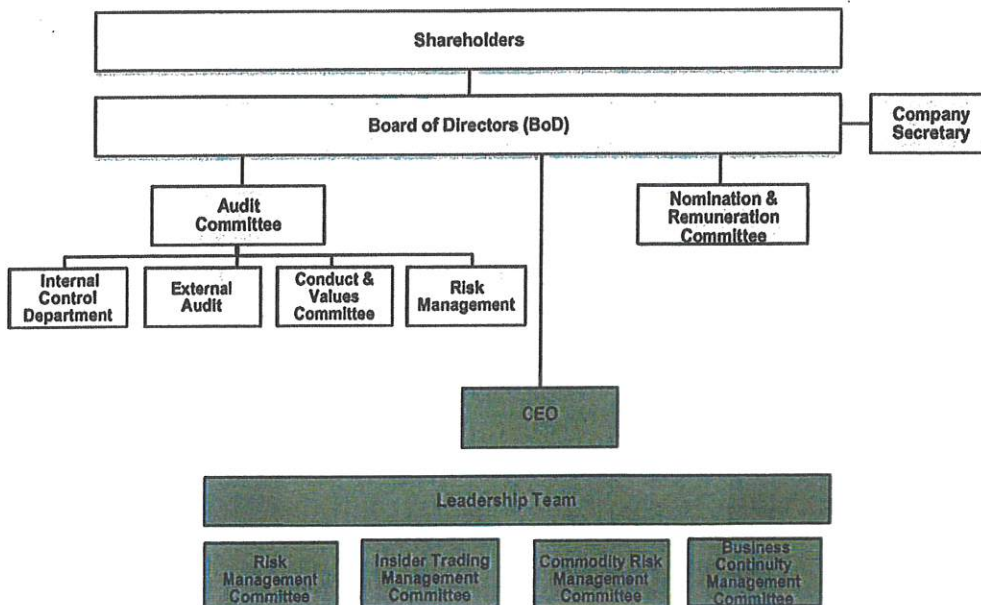
Aghthia Group PJSC (the Group) complies with the requirements of the 'Chairman of Authority's Board of Directors' Resolution No. 3 of 2020 concerning the approval of joint stock companies' (Resolution 3). This report gives an overview of the Group's corporate governance systems and procedures as of December 31, 2020 and has been filed with Securities and Commodities Authority (SCA), and posted on the Abu Dhabi Exchange (ADX) website and the Group's website.

The Board is fully committed to consistently protecting the interests of all shareholders through the application of high standards of corporate governance.

### Implementation of Corporate Governance Principles

Effectively applied corporate governance guidelines are the foundation of business integrity and supports management's commitment to deliver value to shareholders through sustainable business results. The Group maintains high levels of transparency and accountability which includes adopting and monitoring appropriate corporate strategies, objectives, and procedures that comply with its legal and ethical responsibilities.

### Group Governance Structure



The Group's Corporate Governance Manual is approved by the Board to reflect the requirements of Resolution 3, determines the structures and processes by which the Group is controlled through its Board and the guiding governance principles followed by the Group. The manual clarifies the roles and responsibilities of all stakeholders involved in governance processes including the General Assembly of Shareholders, the Board of Directors including the Chairman of the Board and Board Committees, the Chief Executive Officer, the Executive Management, relevant Management Committees, Internal Audit, External Audit, Company Secretary and other stakeholders.

The Board has established and approved several Group policies and guidelines for achieving robust corporate governance standards. Following are the pertinent policies in this regard:

- 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.
- Investors Relations Policy to Inform Shareholders and Stakeholders of how the Group intends to keep them aware of material developments as well as to provide a framework of processes upon which Aghia can successfully implement its Investors Relations Program.
- Trading in Group Shares Policy to ensure that Directors and Employees do not make improper use of price sensitive information, gained through their positions in the Group.
- Dividend Distribution Policy to define the Group's position on appropriation of profit and declaration/ distribution of dividend.
- Risk Management Policy to promote adequate and consistent risk management practices as well as a structured process for identifying, assessing, prioritizing, managing and reporting material risks across the Group.
- Business Continuity Management Policy to implement a Business Continuity Management System, compliant with international and local standards, to improve the overall business resilience of the Group.
- Information Security Policy to underscore Aghia's commitment and support towards the management of information security at Aghia.
- Whistleblowing Policy to provide Employees a mechanism to confidentially report any violations of the Code of Business Conduct, internal policies and procedures, or applicable laws and regulations.



### Dealing in Company Securities

None of the Board Members have traded in the Company's shares during 2020.

Board Member Name	Position	Owne d shares as on 31/12/2020	Total Sale	Total Purchase
Khalifa Sultan Al Suwaidi	Board Chairman	Nil	Nil	Nil
Salmeen Obaid Alameri	Board Vice-Chairman	Nil	Nil	Nil
Khamis Mohamed Buharoon Al Shamsi	Board Member	Nil	Nil	Nil
Khalaf Al Hammadi	Board Member	Nil	Nil	Nil
Gil Adotevi	Board Member	Nil	Nil	Nil
Gianluca Fabbri	Board Member	Nil	Nil	Nil
Saifuddin Rupawala	Board Member	Nil	Nil	Nil

Additionally, none of the Board Members' direct family members have traded in the Company's shares during 2020.

### The Board of Directors

The Board of Directors' role is to represent the shareholders and be accountable to them for creating and delivering sustainable value through the effective governance of the business. It is the Board's responsibility to ensure that effective management is in place to implement the Group's strategy.

The Board is the primary decision-making body for all matters that are considered to be material to the Group. The Board has a rolling agenda to ensure that the key areas remain in focus throughout the year.

### Board Structure and Composition

The present Board of Directors was elected at the Annual General Meeting held on April 16, 2020 for a term of three years. The Board currently has seven members, comprising an Independent Non-Executive Chairman and six Independent Non-Executive Directors.

The Group supports the inclusion and participation of women in business and believes that diversity contributes to the quality and effectiveness of governance. For the last election of the Board, the Group invited nominations from both male and female candidates; however, no nominations of female representatives were received. Hence, we do not have any female representation in our current Board.

The Board ensures, on an ongoing basis, that Directors possess the required skills, knowledge and experience necessary to fulfil their obligations. Composition of the current Board of Directors:



Board of Directors:

**Khalifa Sultan Al Suwaidi**

Chairman

Non-Executive, Independent

Director since: April 2020

Experience:

He is the Chief Investment Officer at ADQ and manages ADQ's portfolio of assets in the Utilities, Industries, Logistics and Food & Agriculture sectors to deliver long-term growth and value. He brings a broad set of skills and experience to his additional role through serving on multiple boards and in other senior capacities across a variety of Abu Dhabi government assets.

Other Board memberships:

Chairman, SENAAT General Holding Corporation

Chairman, National Petroleum Construction Company (NPCC)

Vice Chairman, Abu Dhabi Ports

Board Member, TAQA

Board Member, Emirates Water and Electricity Company (EWEC)

**Salmeen Obaid Alameri**

Vice Chairman

Non-Executive, Independent

Director since: April 2020

Experience:

He holds the position of Chief Executive Officer at Al Dahra Agriculture and has more than 20 years of commercial and operational management expertise, notably in the feed and food sector. In his current role at Al Dahra, Alameri oversees global logistics, drives business growth within the Human Food division, as well as manages the global expansion of product lines and new geographies for the company.

Other Board memberships:

Chairman, Al Dahra Baywa Agriculture LLC

Board Member & Managing Director, Al Dahra Food India Limited

Board Member, Al Dahra Food SP LLC

Board Member, Al Dahra Food Industries LLC

Board Member, Al Dahra Agricultural Company Egypt

Board Member, Navigator Agricultural Investment Co

Board Member, Agility Abu Dhabi Group

**Khamis Mohamed Buharoon Al Shamsi**

Member

Non-Executive, Independent

Director since: April 2014

**Experience:**

Mr. Khamis was reelected to serve another term on Agthia Group's Board. With over 30 years he has held various distinguished leadership positions in the banking and finance sector

**Other Board memberships:**

Vice Chairman, Abu Dhabi Islamic Bank  
Chairman, Abu Dhabi National Takaful Co. PSC  
Board Member, Abu Dhabi Security LLC

**Gil Adotevi**

Member

Non-Executive, Independent

Director since: April 2020

**Experience:**

Mr. Gil Adotevi is Investment Director for Food and Agri sector at ADQ, and brings with him expertise in managing a portfolio of investments within the food and agriculture sectors of large asset management and investment corporations

**Other Board memberships:**

Board Member, Oriongreen Ltd  
Board Member, Arsamar / Andromeda (Spain Co.)

**Gianluca Fabbri**

Member

Non-Executive, Independent

Director since: April 2020

**Experience:**

He is Group Chief Financial Officer of Al Dahra and brings with him expertise in the agribusiness managing large finance teams and partnering with stakeholders including governments, banks, suppliers, shareholders, and customers.

**Other Board memberships:**

Board Member, Al Dahra BayWa Agriculture LLC (UAE)  
Board Member, Al Dahra Food SP LLC (UAE)  
Board Member, Al Dahra Food Industries SP LLC (UAE)  
Board Member, Al Dahra Barlett LLC (UAE)  
Board Member, Al Dahra Serbia D.O.O (Serbia)  
Board Member, Al Dahra Agriculture Spain SL (Spain)  
Board Member, Al Dahra Europe Srl (Italy)  
Board Member, Fagavi Canarias (Canaries)  
Board Member, Al Dahra Agriculture Company USA Inc (USA)  
Board Member, Al Dahra ACX Inc. (USA)  
Board Member, ACX Intermodal Inc. (USA)  
Board Member, Hualapai Valley Farms LLC (USA)  
Board Member, Al Dahra ACX Mexico S. de R.L. de C.V. (Mexico)

Board Member, Al Dahra ACX Mexico Servicios (Mexico)

Board Member, Al Dahra Food India Ltd (UAE)

#### Saifuddin Rupawala

Member

Non-Executive, Independent

Director since: April 2020

Experience:

Currently serves as Chief Executive Officer of LuLu Group International, where he spearheads global expansion efforts within the consumer goods retail sector.

Other Board memberships:

Board Member, Lulu International Holdings Limited

#### HE Khalaf Al Hammadi

Member

Non-Executive, Independent

Director since: April 2020

Experience:

He brings over 25 years of executive management experience in government and semi-government sectors, and in his current position as Director General of Abu Dhabi Retirement Pensions Benefits Fund.

Other Board memberships:

Board Member, Social Development committee, Executive council, Abu Dhabi

Board Member, Daman

#### Directors' Fees and Remuneration

Remuneration of the Group's Board of Directors is determined in accordance with the provisions of the Group's Articles of Association. The Directors' fees is a fixed fee and is not linked to Board meeting attendance. Directors' fees of AED 1.4 million relating to 2019, was approved in the General Assembly held in 2020, and thereafter paid in 2020.

Total Director's fees of AED 2.33 million relating to 2020, towards Board of Directors', Audit, and Nomination & Remuneration Committee Members' fees, are to be paid in 2021, subject to shareholder approval. No additional allowances, salaries or fees was received by the Board members for the year 2020.

Board / Board Committee Member	Board/ Committee Term	Board Committee Membership	Board Director's fees in AED	Number of Board meetings attended	Committee Members' fees in AED	Number of Committee meetings attended
Khalifa Sultan Al Suwaidi- Chairman	16 Apr - 31 Dec	-	356,165	6	-	-
Salmeen Obaid Alameri - Vice-Chairman	16 Apr - 31 Dec	Nomination & Remuneration Committee	178,083	7	60,000	6

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Board / Board Committee Member	Board/ Committee Term	Board Committee Membership	Board Director's fees in AED	Number of Board meetings attended	Committee Members' fees in AED	Number of Committee meetings attended
Gil Adotevi	16 Apr - 31 Dec	Nomination & Remuneration Committee	178,083	6	60,000	6
Khamis Mohamed Buharoon Al Shamsi	1 Jan -31 Dec	Audit Committee	250,000	8	40,000	4
Gianluca Fabbri	16 Apr - 31 Dec	Audit Committee	178,083	7	30,000	3
Khalaf Al Hammadi	16 Apr - 31 Dec	Nomination & Remuneration Committee Audit Committee	178,083	7	90,000	9
Saifuddin Rupawala	16 Apr - 31 Dec	-	178,083	7	-	-
Eng Dhafer Ayed Al Ahbabi – Chairman	1 Jan -15 Apr	-	143,835	1	-	-
Rashed Hamad Al Dhaheri – Vice Chairman	1 Jan -15 Apr	Audit Committee	71,917	1	10,000	1
Mohamed Saif Al Suwaidi	1 Jan -15 Apr	Nomination & Remuneration Committee	71,917	1	10,000	1
Salem Sultan Al Dhaheri	1 Jan -15 Apr	Audit Committee	71,917	1	10,000	1
Ali Murshed Al Marar	1 Jan -15 Apr	Nomination & Remuneration Committee	71,917	1	10,000	1
Musallam Obaid Al Ameri	1 Jan -9 Feb	Audit Committee	26,711	-	-	-
Rashed Abdul Kareem Al Blooshi	9 Feb -16 Apr	-	45,205	1	-	-
<sup>1</sup> Mr. Osama Al Sheleh	1 Jan -15 Apr	Audit Committee	-	-	10,000	1

<sup>1</sup> Mr. Osama Al Sheleh was a consultant on the Audit Committee with relevant financial and accounting expertise and not a Board member.

### Board Meetings

During 2020, eight Board of Directors meetings were held.

Present Board Member	05-Mar	16-Apr	06-May	28-Jul	28-Oct	8-Nov	17-Dec	28-Dec
Khalifa Sultan Al Suwaidi – Chairman		P	P	P	P	R	P	R
Salmeen Obaid Alameri – Vice Chairman		P	P	P	P	P	P	P
Gil Adotevi		P	P	P	P	R	P	R
Gianluca Fabbri		P	P	P	P	P	P	P
Saifuddin Rupawala		P	P	P	P	P	P	P
Khalaf Al Hammadi		P	P	P	P	P	P	P (By Proxy)
Khamis Mohamed Buharoon Al Shamsi	P	P	P	P	P	P	P	P
Former Board Members								

Eng Dhafer Ayed Al Ahbabi – Chairman	P							
Rashed Hamad Al Dhaheri – Vice Chairman	P							
Mohamed Saif Al Suwaidi	P							
Salem Sultan Al Dhaheri	P							
Ali Murshed Al Marar	P							
Rashed Abdul Kareem Al Blooshi	P							
Number of Board resolutions passed	3	7	2	2	2	2	3	6

P: Present, A: Apologies sent/leave of absence was granted to members not attending the meeting(s), R: Recused from attending due to their underlying position with SEENAT.

	End of Board Term
	Board Term not started

On 25th November 2020, Agthia Group board took decision on certain urgent matters via written circular resolution pertaining to affairs and business of the company

### Board Effectiveness Evaluation

An evaluation to assess the performance of the Board as a whole, its committees, and that of the individual directors is conducted annually, with the aim of improving the effectiveness of the Board, its members and committees, and the performance of the Group. Our Board Performance Evaluation set outs requirement for every principal component of the effective Governance including but not limited to skills, training, accountability, effective communication, quality discussions, and succession planning. Based on the individual evaluation performed by the Board members, the Board believes that it is functioning effectively to discharge its' duties towards the shareholders.

### Board Induction and Development

The Chairman, with the support of the Company Secretary, is responsible for the induction of new directors and the continuing development of directors. All directors receive a tailored induction upon joining the Board, covering their duties and responsibilities as directors. Directors also receive a full briefing on all key areas of the Group's business, and they may request further training as they consider necessary.

### Company Secretary

The Company Secretary is the focal point for communication with the Board of Directors and senior management, and plays a key role in the administration of important corporate governance matters. Our Company Secretary, Mr. Mohammad Amro was appointed by the Board on, 30 August 2020 and reports to the Board in relation to secretarial responsibilities. The Company Secretary has the following key responsibilities:

- To organize director's meetings in accordance with procedures to be agreed upon from time to time by the Board Chair and the Board.
- Prepare notices, agendas of meetings, and supporting reports and documentation in a timely manner.
- to attend Board meetings and undertake secretarial responsibilities, including organizing minute-taking responsibility at each meeting.
- In conjunction with the CEO and other senior management, carry out instructions of the Board and give practical effect to the Board's decisions.
- to report to the Board with respect to all corporate secretarial responsibilities.





- Arrange/organize shareholders' meetings

He is also the Group's Vice President, Legal Affairs and has the following qualifications:

Qualifications:

Bachelor of Laws (LLB)

Master of Laws (LLM)

#### External Auditors

The Board nominates the Group's external auditors based on the recommendation of the Audit Committee. The appointment and remuneration of the external auditors is approved by the General Assembly of Shareholders.

At the General Assembly Meeting held on April 16, 2020, the shareholders appointed Deloitte, one of the leading International audit firms, as the external auditors for the year 2020. Deloitte is a multinational professional services firm headquartered in the United Kingdom. It is one of the Big Four audit firms.

Deloitte & Touche (M.E.) had been the only external auditor of the Company for three years, since their appointment at the General Assembly Meeting held on April 26, 2018. Mr. Obada Alkowitz is the Deloitte partner issuing the Independent Auditors' Report for three years.

Audit and non-audit related fees and costs of the services provided by the external auditors during 2020 were AED 1,264,000.

Deloitte	AED
Total audit fees for 2020	937,000
Other Non-Audit services (Subsidy review, Electricity Tariff Incentive Program, ICV)	327,000
<b>Total</b>	<b>1,264,000</b>

No other services of the external auditors were utilized during 2020.

There have been no qualified opinions reported by our external auditors on Agthia Group's interim and annual consolidated financial statements as at 31 December 2020. Please refer the Independent Auditors' Report in the Financial Statements for further details.

#### Board Committees

The Board has established two Board Committees to assist the Board in discharging its responsibilities. The Committees operate in line with their respective charters approved by the Board. The charters set out their roles, responsibilities, scope of authority, composition, and procedures for reporting to the Board.

#### **Audit Committee**

The Audit Committee, appointed by the Board of Directors, consisted of three members. Three members were Independent Non-Executive Directors, and the Committee has additionally appointed a consultant included a fourth member with relevant financial and accounting expertise.

#### **Roles and Responsibilities**

The Audit Committee maintains free and open communication between the external auditors, internal auditors, and senior management. The responsibilities of the Audit Committee include:

- Monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, as well as reviewing significant financial reporting judgments that they contain.
- Reviewing the Group's Internal controls, risk management, and compliance with the relevant regulations.
- Establishing, monitoring and reviewing the effectiveness of the Group's Internal Control department, systems and processes.
- Making recommendations to the Board in relation to the appointment, reappointment, resignation, discharge and remuneration of the external auditor and ensuring a timely response by the Board on the matters contained in the external auditor's letter.
- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- Developing and implementing guidelines on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.
- Reporting to the Board on matters that in the Committee's opinion require action or improvement, and providing recommendations on the necessary steps required to achieve such improvement.
- Reviewing the whistle-blower system whereby employees can anonymously notify their doubts on potential abnormalities in the financial report or internal controls or any other matter, and ensuring proper arrangements for independent and fair investigations of such matters.
- Reviewing any related party transactions and reviewing compliance with such rules for the conduct and approval of such transactions.
- Determining the appointment, compensation, benefits, performance appraisal, discipline, replacement, reassignment, or dismissal of the Head of Internal Control and Compliance as well as the Internal Control Department.

The Chairman of the Audit Committee, HE Khamis Mohamed Buharoon Al Shamsi, acknowledges responsibility for discharging the Audit Committee's mandate across the Group including review of its work mechanism and ensuring its effectiveness in line with the approved charter of the Audit Committee.





During 2020, four Audit Committee meetings were held:

Present Audit Committee Members	02-Mar	23-Apr	27-Jul	26-Oct
Khamis Mohamed Buharoon Al Shamsi - Chairman		P	P	P
Gianluca Fabbri		P	P	P
Khalaf Al Hammadi		P	P	P
<b>Former Audit Committee Members</b>				
Rashed Hamad Al Dhaheri – Chairman	P (By Proxy)			
Salem Sultan Obaid Al Dhaheri	P			
Musallam Obaid Al Ameri				
Osama Al Sheleh (Consultant)	P			

P: Present, A: Apologies sent/leave of absence was granted to members not attending the meeting(s).

	End of Committee Term
	Committee Term not started

Total fee for the year 2020 is AED 0.12 million (2019: AED 0.20 million).

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for the review of the Group's HR framework and compensation programs. The Committee makes recommendations to the Board on the remuneration, allowances, and terms of service of the Group's senior executives to ensure they are fairly rewarded for their individual contribution to the Group. All the three Committee members are Independent Non-Executive Directors of the Board.

#### Roles and Responsibilities

The key objective of the Nomination and Remuneration Committee is to assist the Board in fulfilling its responsibilities regarding the following:

- Organizing and follow-up of the nomination procedure related to the Board of Directors' election and membership.
- Ensuring that Independent Non-Executive Directors remain independent on a continuous basis and at all times.
- Reviewing the potential for conflicts of interest and judgment, and that there are appropriate safeguards against such conflicts.
- Formulation and annual review of remuneration, benefits, incentives of the CEO and senior executives, and that the remuneration and benefits given to senior management are reasonable and in line with the Group's performance.
- Consideration and putting forward for Board approval proposals on remuneration adjustments, performance bonus, long-term incentives etc.
- Driving the performance-based remuneration culture within the Group through annual performance review of the Group's senior executives and succession planning.
- Determination of the Group's needs for qualified staff at the level of senior executives and the basis of selection.
- Reviewing the remuneration policy and training policy to encourage development and growth of female employees in the Group.





- Reporting to the Board on matters that in the Committee's opinion require action or improvement, and providing recommendations.
- While it is the Committee's responsibility to exercise independent judgment, it does request advice from management and third-party independent sources as appropriate, to ensure that its decisions are fully informed given the internal and external environment.

The Chairman of the Nomination and Remuneration Committee, HE Salmeen Obaid Alameri, acknowledges responsibility for discharging the Nomination and Remuneration Committee's mandate across the Group, review of its work mechanism and ensuring its effectiveness in line with the approved charter of the Nomination and Remuneration Committee.

During the year, seven Nomination and Remuneration Committee meetings were held:

Present Nomination and Remuneration Committee Member	2- Mar	4- May	3- Jun	9- Aug	10- Sep	22- Sep	23- Nov
Salmeen Obaid Alameri - Chairman		P	P	P	P	P	P
Khalaf Al Hammadi		P	P	P	P	P	P
Gil Adotevl		P	P	P	P	P	P
Former Nomination and Remuneration Committee Member							
Mohamed Salf Al Suwaidi – Chairman	P						
Khamis Mohamed Buharoon Al Shamsi	P						
Ali Murshed Al Marar	P						

P: Present, A: Apologies sent/leave of absence was granted to members not attending the meeting(s).

	End of Committee Term
	Committee Term not started

Total fee for the year 2020 is AED 0.21 million (2019: AED 0.15 million).

### Conduct and Values Committee

The Conduct and Values Committee is appointed as a sub-committee of the Audit Committee by the Board of Directors to assist the Audit Committee to review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties including fraud, and to ensure that a process is in place for the independent investigation of such matters and for appropriate follow-up action. The Committee is entrusted by the Audit Committee with responsibilities for receiving, reviewing, assessing credibility of allegations, and investigating allegations. The Committee through its established mechanism has reviewed all such cases or allegations reported in 2020 and reported the conclusion of the proceedings to the Audit Committee.

The Committee members are:

- Head of Internal Control and Compliance (Chairman)
- Chief – Human Capital & CS Officer;
- Vice-President – Legal Affairs; and
- Risk & Governance Manager





#### Leadership Team

The Leadership Team is composed of senior executives of the Group responsible for the management of the business, and meets on a regular basis. The committee members report to the CEO. The prime role of the Leadership Team is to review business performance, and organizational and operational matters; set strategies/initiatives and monitor their successful execution; and review key business KPIs, progress on key projects etc.

#### Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by the Board. The CEO is responsible to delivery sustained growth, and must direct the Group towards the achievement of its business objectives, as defined by the Board. The primary role of the CEO is to define and execute the business vision, mission, and strategy of the Group and to ensure that all operations are managed efficiently in terms of allocating resources appropriately and profitably.

Alan Smith was appointed as CEO of the Group on July 5, 2020. Prior to his appointment, Alan was the Managing Director - Middle East and Pakistan for Mondelez International, where he spent more than 19 years across multiple roles, overseeing sales, logistics and operations for the GCC. He has strong cross functional experience having led strategic initiatives, business turnarounds, manufacturing build outs and led multi-country operations as a business leader.

#### Alan Smith

Chief Executive Officer

Date of joining: July 5, 2020

Qualifications:

Bachelor of Engineering in Mechanical Engineering (UK)

Executive Master of Business Administration (INSEAD)

Below are the details of all the Senior Executives, illustrating their appointment dates, remuneration, and bonus for 2020.

Position	Appointment Date	Remuneration and Allowances paid in 2020 AED'000	Bonus for 2020 (estimate) <sup>1</sup> AED'000	Remuneration accrued in future (estimate) <sup>2</sup> AED'000
Chief Executive Officer	July 5, 2020	1,071	330	To be determined
Chief Financial Officer	Mar 17, 2020	1,360	198	To be determined
Chief Human Capital & CS Officer	June 1, 2017	2,180	302	To be determined
Executive Vice President - Food & Feed	April 1, 2019	1,598	500	To be determined
Executive Vice President - International Business	July 22, 2020	917	45	To be determined
Executive Vice President - Category & Growth	Nov 17, 2020	297	-	To be determined
Senior Vice President –B2C Commercial UAE	Nov 3, 2020	254	-	To be determined
Senior Vice President – Value Chain	May 6, 2018	1,512	145	To be determined
Senior Vice President – QA, FS, R&D	May 10, 2017	1,242	133	To be determined
Senior Vice-President – Strategy	Jan 6, 2016	1,346	135	To be determined



Senior Vice-President – M&A	Oct 11, 2020	413	-	To be determined
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<sup>1</sup> Estimated 2020 bonus amount is subject to board's approval and shareholders' approval of the audited financial statements.

<sup>2</sup> The total vested value of Long-Term Incentive Plan (LTI) accrued in 2020 is AED 4.1 million. The LTI benefits for the senior executives subject to board's approval and are linked to long term business performance achievement over a period of three years.

#### Insider Trading Management Committee

The Insider Trading Management Committee is appointed by the Board as a Management Committee to oversee and follow-up on insiders' trading and their holdings. The Committee is entrusted by the Board with the following responsibilities:

- Ensuring that the reputation of the Group is not adversely impacted by perceptions of trading in the Group's securities at inappropriate times or in an inappropriate manner by employees of the company.
- Evaluating where the employee or third party (such as the Group's auditors, bankers, lawyers or other professional advisors) may be classified as an insider who has direct or indirect access to "inside information" which may affect Group's share price and/or trading of Group's shares.
- Prepare and maintain a special and comprehensive register of all insiders, including Directors, Executive Management and persons who could be considered as insiders on a temporary basis.
- Developing, reviewing and continuously improving the Trading in Group Shares Policy including guidelines and procedures, and ensuring compliance with the policy and assessing any indicative non-compliance to the policy.
- Annual review of movement in insider share holdings and report to the Board on compliance with the policy and regulatory requirements, highlighting any exception cases noted.
- Effective communication with ADX and SCA regarding black out days, temporary suspension of trading and insider trading

The above activities were adequately discharged in 2020 by the Committee members and no exceptions were noted.

The Chairman of the Insider Trading Management Committee, Mr. Saeed Akram - Group Vice President Corporate Finance, acknowledges responsibility for the follow-up and supervision system on transactions of the insiders in the Company through discharging the Insider Trading Management Committee's mandate across the Group, review of its work mechanism and ensuring its effectiveness in line with the approved charter

The Committee members are:

Position	Name
Vice President, Corporate Finance (Chairman)	Saeed Akram
Vice President, Legal Affairs	Mohammad Amro
Risk and Governance Manager	Riya Mathew
Senior HR Director Overseas, C&B and Policy	Aby Varghese

## Risk Management

Risk management is integral to Agthia's strategy and to the achievement of our long-term goals. The Board has established a risk and control structure designed to manage the achievement of strategic business objectives. In doing so, we take an embedded approach that places risk management at the core of the leadership team agenda, which is where we believe it should be.

The Board provides oversight of the Group's risk management strategy and has the overall responsibility for setting the Group's risk appetite. Risk appetite guides the Group in determining the nature and extent of risk it would ordinarily accept, while executing the business model for creating sustainable shareholder value.

The Group accepts and applies a moderate risk appetite as it seeks a balanced management of opportunities for sustained business growth along with focused identification and exploitation of opportunities generated through its business. It is not the Group's strategy to seek accelerated growth by embracing choices with significant uncertainties.

The Audit Committee oversees compliance with risk management processes and the adequacy of risk management activities related to the Group's operations.

In addition, the Risk Management Committee, reviews the risk appetite and overall risk strategy, and makes recommendations to the Board through the Audit Committee and actions required to ensure adequate controls/mitigating actions are in place against key identified risks.

The Group applies a structured and robust Enterprise Risk Management approach whereby the risk management process is implemented in defined steps- Identify, Assess, Prioritize, Mitigate, Monitor and Report.

The Group has established a Risk and Governance Function separate from line management that enables and facilitate the risk management process across the Group. Riya Mathew is the Risk and Governance Manager for the Group and has the following qualifications:

Qualifications:

Member, Institute of Internal Auditors (IIA)  
Certification in Risk Management Assurance (CRMA)  
Master of Business Administration  
Bachelor of Technology

## Internal Control

The Group's system of internal control aims to ensure that the Board and management are able to fulfil the Group's business objectives. An effective internal control framework contributes to safeguarding the shareholders' investment and the Group's assets.

The objective of the Group's internal control framework is to ensure that internal controls are established; that policies and procedures are properly documented, maintained, and adhered to, and are incorporated by the Group within its normal management and governance processes.

In accordance with the requirements set out in Abu Dhabi Accountability Authority (ADAA) Resolution No (1) of 2017. Management performs an ongoing process of identifying, evaluating, and managing the risks faced by the Group and establishes and maintains effective controls for the risks identified including those over financial reporting.

The Group carries out the review of its internal controls over financial reporting on an annual basis with respect to all material financial balances whereby the Management assesses the adequacy of design and operating effectiveness of



such internal controls over financial reporting. This management assessment is reviewed by the Group's independent auditors.

Management has adopted the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), 2013 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

Management has assessed the adequacy of design and the operating effectiveness of the Company's internal controls over financial reporting as of 31 December 2020. Based on the assessment, Management has concluded that the internal controls over financial reporting are adequately designed and operating effectively with no material weaknesses been identified.

The Group's operating policies and procedures are considered to be adequate and effective, while recognizing that such a system is designed to mitigate rather than eliminate the risk of failure to achieve business objectives, and can provide reasonable but not absolute assurance against material misstatement or loss. The Board of Directors acknowledges its responsibility for the Group's internal control framework. The Board has delegated responsibility for oversight of the Internal Control Department (ICD) to the Audit Committee. The Head of Internal Control and Compliance is appointed by the Audit Committee. The Audit Committee reviews the effectiveness of ICD function.

The objective of the ICD function is to provide independent assurance and consulting services using a disciplined systematic approach to improve the effectiveness of risk management, internal control, compliance and governance process, and the integrity of the Group's operations. The function is also responsible for monitoring the compliance of the Group and its employees with the law, regulations, and resolutions, as well as internal policies and procedures. A Charter sets out the purpose, authority, and responsibility of the function.

24 reports prepared by ICD are submitted to the Audit Committee and copied to the senior management of the Group for action. The overall internal controls environment remains robust across the Group. During the course of the year there were certain process level internal control enhancements which were identified and accepted for implementation towards continuous improvement of internal controls across the Group. On an ongoing basis, the Audit Committee monitors the progress that management has made with respect to remedial actions taken on issues and findings raised by ICD.

On 14 May 2017, Amarjit Singh was appointed as the Head of Internal Control and Compliance. He is also the Compliance Officer for SCA Resolution 3 of 2020 and has the following qualifications:

Qualifications:

Master of Business Administration, UK

Fellow Member, Association of Chartered Certified Accountants, UK





#### Violations

During the year 2020, the Group was not subject to any material fines or penalties imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations. No major incidents occurred in 2020.

#### Corporate Social Responsibility (CSR)

The Group's approach to Corporate Social Responsibility centres on the idea of creating shared value for all of its stakeholders through economic, environmental and social actions. Accordingly, the Group's CSR program has four pillars: Community, Workplace, Nutrition & Well-being, and Environment & Sustainability. The Group believes that in the heart of the shared value concept rests the ability of a company to create private value and to transform this into public value for society.

The total amount spent in 2020 on CSR initiatives was AED 0.77 million. Agthia Group expanded its partnership with the Make-A-Wish Foundation® UAE to grant wishes through the donation of proceeds from 500,000 Al Ain Water bottles sold across retail establishments during the month of Ramadan. Agthia was part of The "Together We Are Good" Ma'an campaign launched to enable the community to contribute and support the government's efforts in combating the Corona outbreak. Other key initiatives or sponsorships related to community support include Sheikh Khalifa Foundation stores where all UAE nationals are offered a similar portfolio of products at discounted prices. The Group also promotes an active lifestyle, by encouraging health and wellness in the various communities we serve.

The Group is also a stout believer of national talent development. Of over 50 different nationalities in Agthia, UAE nationals constitute the third largest and the top one in senior management. Agthia Group's Emiratisation percentage as at December 31, 2020 is 19.14% (excluding blue collar and contracted workers) in United Arab Emirates (Emiratisation% for December 2018: 20.2%; Emiratisation% for December 2019: 19.2%).

**Related Party Transactions**

Note 12 of Financial Statements provides details of related party transactions.

General Holding Corporation (Senaat) (holds 59.17% of Agthia Group PJSC Shares)

	2020 AED'000	2019 AED'000
SENAAT		
Other expenses	(15)	(15)
Local sales	805	1,167

Al Foah Company

	2020 AED'000	2019 AED'000
Al Foah		
Local purchase	5,694	21,768
Local sales	25,980	-

Emirates Iron & Steel Factory (fully owned subsidiary of Senaat)

	2020 AED'000	2019 AED'000
Emirates Iron & Steel Factory (Emirates Steel)		
Local sales	437	653

Dubai Cable Manufacturing Company (joint venture with Senaat owning 50%)

	2020 AED'000	2019 AED'000
Dubai Cable Manufacturing Company (Ducab)		
Local sales	149	197



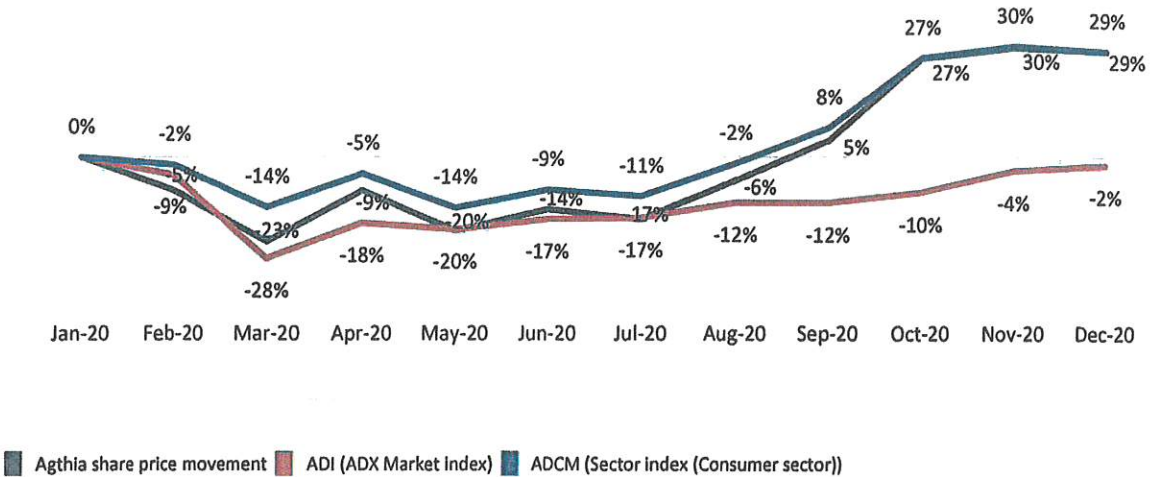
### Share performance 2020

#### Month end share price (AED)

Month	Open	High	Low	Close
Jan-20	3.30	3.35	3.30	3.30
Feb-20	3.01	3.01	3.00	3.00
Mar-20	2.50	2.55	2.50	2.54
Apr-20	3.10	3.10	3.00	3.00
May-20	2.73	2.73	2.64	2.64
Jun-20	2.75	2.83	2.75	2.83
Jul-20	2.83	2.83	2.74	2.74
Aug-20	3.02	3.10	3.01	3.09
Sep-20	3.45	3.45	3.45	3.45
Oct-20	4.20	4.30	4.19	4.19
Nov-20	4.34	4.34	4.29	4.29
Dec-20	4.21	4.26	4.21	4.25

### Share movement versus ADI and ADCM Index 2020

Base: January 1, 2020



**Shareholder category (number of shares in thousands)**

As of December 31, 2020

Category	Government	Institutional	Individuals	Total	Percentage
UAE	340,373	107,938	98,861	547,172	91.2%
GCC	-	374	13,203	13,577	2.3%
Arabs	-	1,558	902	2,460	0.4%
Foreign	-	3,621	33,170	36,791	6.1%
Total	340,373	113,490	146,137	600,000	100.0%
Percentage	57%	19%	24%	100%	

**Shareholders owning 5% or more**

As of December 31, 2020

Shareholders	No. of shares	Percentage
General Holding Company	306,000,000	51%
Emirates International Investment Company L.L.C	30,018,746	5%
Abu Dhabi Retirement Pensions and Benefits Fund	30,000,000	5%

**Distribution of shareholders according to the size of ownership**

As of December 31, 2020

Share ownership	No. of shareholders	No. of shares owned	Percentage
Less than 50,000	68,871	95,441,235	16%
From 50,000 to less than 500,000	132	17,811,586	3%
From 500,000 to less than 5,000,000	36	53,468,027	9%
5,000,000 and more	10	433,279,152	72%
Total	69,049	600,000,000	100%



### Investor Relations

The Board is committed to effective communication between the Group and its shareholders. The Group regularly announces its results to SCA, ADX and shareholders by way of interim management statements, quarterly results, and the annual report and annual financial statements. Significant matters relating to share trading or business development are disclosed to SCA, ADX and general public by way of market disclosures and announcements in accordance with the related provisions of applicable laws and regulations, in addition to press releases and postings on the Group's website. The annual investor relations program of the Group includes:

- Quarterly conference calls on financial results with investment community;
- Responding to enquiries from shareholders through the Group's investor relations function;
- Meetings between investors, analysts, and senior management;
- Regular investor roadshows and conferences organized by investment community; and
- A section dedicated to investors on the Group's website, which comprises of annual reports, quarterly results, corporate governance report, analyst coverage, investor presentations, share price and dividend information (<http://www.agthia.com/en-us/Investor-home>)
- Our mobile application 'Agthia IR' is available for download on Apple Store or Google Play

Sahar Srour is the Investor Relations Manager for the Group and has the following qualifications:

#### Qualifications

Chartered Financial Analyst

Bachelor of Business Administration

Shareholders and investors can utilise the following channels to reach Agthia's investors relations team:

Phone: +971 2 596 0672

Email: [ir@agthia.com](mailto:ir@agthia.com)

### Resolutions passed in General Assembly

Three General Assembly Meetings were held in 2020. The below special resolutions were passed at the General Assembly, following which all the resolutions were implemented.

- Mr. Rashed Abdul Kareem Al Blooshi was appointed Board member due to resignation of Mr. Musallam Obaid Al Ameri on 9<sup>th</sup> Feb 2020
- Changes to Articles of Association of the Company was approved
- New Board Members were Elected on 16<sup>th</sup> April 2020
- Acquisition of Al Foah Company was approved on 29<sup>th</sup> Nov 2020
- Approved increase of issued share capital from AED 600 million to AED 720 million, subject to SCA approval, on 29<sup>th</sup> Nov 2020

## Significant Events in 2020

### Building up capable new management:

With the ongoing focus on step changing the capability and profile of the leadership team to strengthen the vibrant agenda of our Board, very bold steps have already been taken to re-set the base for future success. The appointments of a new CEO, CFO and head of the International Business in the first half of 2020 is further complemented by the appointments of:

- EVP Category and Growth, in line with the commitment to drive focus behind marketing and the growth of our core categories, both in the UAE and International Markets.
- SVP Merger and Acquisition to ensure there is correct focus on driving an inorganic growth agenda for the Group.
- SVP Commercial B2C whose extensive experience in driving Route to Market and sales and distribution excellence would be of optimal addition to drive the Division

## New Projects undertaken or under-development in 2020

### Acquisition of Al Foah Company in UAE

Agthia Group on 6<sup>th</sup> Jan 2021 announced the successful completion of its strategic combination with Al Foah, a date processing and packaging company based in Abu Dhabi. With the integration of Al Foah into Agthia as a strategic business unit, Agthia has instantly become the domestic market leader in four essential food and beverage categories: water, dates, flour, and animal feed, in addition to having a diversified international exposure within the date category. The transaction — which was first proposed by General Holding Corporation (Senaat) to the Agthia Board of Directors in October 2020 and received approval from Agthia's shareholders in November 2020 — saw Senaat transfer Al Foah's business, excluding its organic date farm in Al Ain, to Agthia in exchange for 120 million new shares through the issuance of a convertible instrument. As a result, Senaat — which is part of ADQ — now owns 59.17 per cent of the entire issued share capital of Agthia, up from the 51 per cent it owned before the deal.

### Acquisition of Industrial bakery in Kuwait


Agthia Group completed its 100% share capital acquisition of Al Faysal Bakery and Sweets, one of Kuwait's leading industrial bakeries. Al Faysal Bakery and Sweets is a household name in Kuwait, which has been in the market since 1991 with a diverse portfolio of premium products available at all retail food outlets. The company produces fatayers, croissants, mini pizzas, and new product categories such as cupcakes, puff, and rusks. Completing the deal strengthens the Agthia Group's regional footprint and expands its portfolio within consumer products. The acquisition quadruples the Group's business in Kuwait, which includes the joint venture Al Rammah National for General Trading and Contracting Company WLL that produces Al Ain Water.

### Acquisition of Nabil Foods in Jordan


Agthia Group is in the process of acquiring a majority stake in Nabil Foods, regional producers of frozen and chilled processed protein products distributed in more than 20 local and international markets. Nabil Foods has a processing capacity of 43,000 tons per year and a range of over 600 individual product lines. The transaction is subject to obtaining certain regulatory and shareholders' approvals and executing transaction documents. The acquisition would represent




Agthia's first entry into processed protein through a well-established brand with a successful track record of over 75 years, placing Agthia at the forefront of a fast-growing industry. Through Nabl Foods, Agthia would have immediate access to new revenue streams as well as the opportunity to expand its product offering into the regional frozen and chilled processed meat sector.

  
Khalifa Al Suwaidi (Mar 21, 2021 19:49 GMT+4)

Khalifa Sultan Al Suwaidi  
Board Chairman  
March 8, 2021

  
Khamis Mohamed Boharoon Al Shamsi  
Audit Committee Chairman  
March 8, 2021

  
Salmeen Al Ameri (Mar 21, 2021 19:54 GMT+4)

Salmeen Obaid Alameri  
Nomination and Remuneration Committee Chairman  
March 8, 2021

  
B. Amarjit (Mar 22, 2021 16:06 GMT+4)

Amarjit Singh  
Head of Internal Control and Compliance  
March 8, 2021

