

Corporate Governance Report of 2016



International Fish Farming Holdings Company (PJSC)

9th Feb 2017

Asmak International Fish Farming Holdings Company (PJSC)/Governance Report of 2016

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Introduction

The International Fish Farming Holdings Company was founded in 1999. It is a public joint stock company registered in the Abu Dhabi Securities Exchange since 2005 and is subject to the rules and provisions stipulated in the Board Chairman's resolution of the Securities and Commodities Authority no. (7 / r) of 2016 on the standards of institutional discipline and public joint stock companies governance.

The International Fish Farming Holdings Company is working to adopt sound governance rules, principles of accountability and liability along with ensuring the highest levels of transparency in its work. The following is the governance application requirements that should be met by the company.

Corporate Governance Practices:

Statement of the Company's application method of the principles stipulated in the resolution issued by the Chairman of Securities and Commodities Authority no. (7 / r) of 2016 on the standards of institutional discipline and public joint stock companies governance.

- The International Fish Farming Holdings Company (PJSC) shall be committed to the governance rules and the Ministerial Resolution no. (7 R M) of 2016 on the governance controls and institutional discipline standards in order to apply the best practices, thus reflecting the commitment of the Board of Directors and Executive Management to the governance controls by applying its core values of transparency, justice, accountability and liability that will enhance the relationship between the shareholders, Board of Directors and those dealing with it.
- The Company shall be managed by a Board of Directors consisting of seven independent members elected by the Ordinary General Assembly



through the cumulative secret voting for three years. Among its members, the Board of Directors shall elect its chairman and vice chairman.

Taking into account avoiding to combine between both the positions of the Chairman and Company's manager or managing director.

- The Company has amended the statute in accordance with the Federal Law no. 2 of 2015 on Commercial Companies and its amendments.
- An Audit Committee and the Nominations and Remunerations committee were formed.
- An internal control department directly related to the Board of Directors was established.
- The International Fish Farming Holdings Company shall be committed to the highest standards of ethical and professional conduct and shall bind its employees to abide by these conducts.
- An invitation was sent to all shareholders to attend the General Assembly through advertising in two local daily newspapers published in Arabic as well as registered letters twenty one (21) days before the deadline. The invitation advertisement included the agenda and the balance sheet and final accounts were presented on the website of Abu Dhabi Securities Exchange as well as that of the Company.
- The Board of Directors shall nominate the external auditor upon the recommendation of the audit committee, and shall be appointed and its fees shall be determined based on a resolution of the Company General Assembly.



A. Stating whether the Company executes the provisions contained in the Ministerial Resolution no. (7 R M) of 2016 or not.

Yes, the Company is committed to the application and execution of the provisions stated in this resolution.

Board Members' Transactions on Securities

Statement of transactions of the Board Members and their spouses and children in the Company securities during 2016:

During 2016, there were no dealings or trading belong to the members or their spouses or children in the Company shares.

Rules and procedures governing the Company shares' transactions

Stating the working rules adopted by the company concerning the Board Members' transactions in the securities issued by the company or any of its affiliates or sister companies.

Rules and procedures governing the Company Board Members and employees' transactions in the securities issued by the parent company or its affiliates or sister companies.

1. The company and its Board Members, managers and employees shall abide by what is stated in the resolution of the Authority Board of Directors no. (2) of 2001 regarding the system of trading, clearing, settlement, transfer of ownership and securities' preservation.
2. The Board Chairman and Members as well as the company managers and employees shall be prohibited to use his/her internal information about the Company in purchasing or selling shares in the market, and every transaction conducted otherwise shall be void.



3. The Chairman and Board Members as well as the Company General Manager or any of the employees reviewing the basic data of the Company shall not deal by him/herself or through a third party in the securities of the Company itself or those of the parent Company or affiliated or sister companies during the following periods:

- Ten (10) business days before the announcement date of any substantial information that could affect the share price up or down, unless this information is the result of emergent and sudden events.
- Fifteen (15) days before the end of the quarterly, bi-annual and annual fiscal period and until the disclosure of its financial statements.

The provisions of the law shall be taken into account upon any of the above-mentioned persons' dealing by him/herself or through a third party in the securities Exchange of the Company itself or those of the parent Company or affiliated or sister companies, and every transaction conducted otherwise shall be void.

In addition to the Board of Directors' commitment to the systems of Abu Dhabi Securities Exchange related to regulating the transactions of the Board Members of the listed companies and the other ones reviewing the internal information.

A. Stating the extent of the Board Members' commitment to the disclosure requirements prescribed under the provisions of law as well as the regulations and resolutions issued pursuant thereto regarding their dealings in securities.

The Board Members commit to the disclosure requirements prescribed under the provisions of law as well as the regulations and resolutions issued pursuant thereto regarding their dealings in securities issued by Company, where no sale or



purchase operations was reported during 2016 pertaining to any of the Board Members or their first degree relatives.

Board of Directors formation

The current Board of Directors consists of seven independent - non-executive members who have been elected in the General Assembly held on 15/04/2014 for a period of three years. All members have signed the approval of the independent Board Member.

Board Members

Board members	Capacity	Category
Mr. / Hamad Abdulla Al Shamsi	Chairman	independent - non-executive
Mr. / Nader Ahmed Al Hammadi	Vice Chairman	independent - non-executive
Mr. / Mohamed Hilal Al Muhairi	Member	independent - non-executive
Mr. / Adel Hassan Al Nowais	Member	independent - non-executive
Mr. / Hamad Khalfan Al Shamsi	Member	independent - non-executive
Mr. / Laith bin Jerry Al Fraih	Member	independent - non-executive
Mr. / Muammar Ibrahim Al Hadidi	Member	independent - non-executive



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Membership and positions of the Board Members in other companies and institutions

Sr.	Name	Category	Experience	Qualifications	Period he/she spent as a Board Member as of his/her first election date	Their membership and positions in any other joint stock companies	Their positions in any other important control posts, governmental or commercial positions
1.	Mr. / Hamad Abdulla Rashed Obaid Al Shamsi	Chairman / independent - non-executive		* He obtained the Bachelor's degree in business administration	Since 2005	* Marka Co. – Board Member * Finance House - Board Member Dubai Islamic Bank - Board Member	-
2.	Mr. / Nader Ahmed Al Hammadi	Vice Chairman / independent - non-executive		* Bachelor of Science in Aviation Electronics from “Embry–Riddle Aeronautical University” Florida – USA * Postgraduate studies in engineering administration from the University of Warwick – United Kingdom	Since 2011	* Abu Dhabi Aviation Co. - Board Chairman * Tamouh Investments LLC - Board Chairman * Reem Finance - Member	-



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				* Administrative Progress program – INSEAD Faculty			
3.	Mr. / Mohamed Hilal Ghanem Hilal Al Muhairi	Member/independent - non-executive		He obtained the Bachelor's degree in Information Systems' Sciences – USA	Since 1999	Chamber of Commerce and Industry Abu Dhabi – General Manager 10 years as the Chairman of ASMAK Co. and its Subsidiaries	
4.	Mr. / Adel Hassan Al Nowais	Member/independent - non-executive		He obtained the Bachelor's degree in business administration – USA	Since 2005	* Emirates holding group – executive director * Al Nowais Investments Co. (L.L.C) - executive director * <u>Emircom Co.</u> – manager * Pharma Trade Co. – manager * Arabian Development Co. - manager	
5.	Mr. / Hamad Khalfan Al Shamsi	Member/independent - non-		* Businessman	Since 2008	* General Manager of the business of Her	



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		executive				Highness Sheikha "Fatima Bint Mubarak Al Ketbi" * Eshraq Properties Company - Board Member	
6.	Mr. / Laith bin Jerry Al Fraih	Member/ind ependent - non- executive		* He obtained the Bachelor's degree in Financing and Accounting from the United Kingdom * He obtained the American Fellowship Certificate as a Certified Public Accountant CPA	Since 2011	* Executive Director of internal auditing - Mubadala Co.	* Abu Dhabi Securities Exchange - member in the Auditing and risks' Committee (May 2016 - till now) * twofour54 Abu Dhabi - member in the Auditing and risks' committee (December 2016 - till now) * Global foundries - member in the auditing and risks' committee (May 2014 - till now) * Department of M unicipal Affairs - member in the internal auditing committee (May 2014 - till now)



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							<p>* Emirates Global Aluminum (EGA) - member in the auditing and risks' committee (January 2014 – till now)</p> <p>* Mubadala – secretary in the auditing and risks' committee (April 2013 – till now)</p> <p>* Emirates Nuclear Energy Corporation (ENEC) - member in the auditing and risks' committee (July 2013 – till now)</p>
7.	Mr. Muammar Ibrahim Al Hadidi	Member/independent - non-executive		He obtained the Bachelor's degree in Sciences – USA	Since 2008	International Capital Trading Co. – Chief Executive Officer for managing real estates and properties	-



Statement of female representation in the Board of Directors in 2016:

- In the meantime, there is no female representation in the company Board of Directors.

Reasons behind females' non nomination in the current Board of Directors:

- When the nomination for the membership of the Board of Directors began in 2014, the company did not receive any request for nomination for membership of the Board of Directors from any female, noting that the company has committed to all measures according to the law and relevant instructions.

Other data regarding the Board of Directors

Statement of the method of determining the Board Members' bonuses

In determining the Board bonuses, what is stated in the Company statute shall be followed, taking into account the provisions of the Federal Law no. (2) of 2015 on Commercial Companies. The bonuses of the Board Members consist of a percentage of the net profit as stipulated in article (39) of this statute. Besides, the company may pay additional expenses or fees or a monthly salary to the extent resolved by the Board of Directors for any of its members if that member works in any committee or exerts special efforts or conducts additional works to serve the Company in addition to his/her regular duties as a member in the Company Board of Directors. In all cases, the bonuses of the Board Members shall not exceed 10% of the net profit after deducting depreciations and reserves.



Total Bonuses paid to Board Members in 2015

No fees or bonuses were paid to any of the members in 2015.

Total proposed bonuses for Board Members for 2016 to be presented in the annual General Assembly meeting to be certified

No fees or bonuses have been proposed for any of the Members for 2016.

Statement of details of attendance allowances of the Board meetings and its committees received by the Board Members for the fiscal year 2016

No fees or bonuses were paid to any of the members for 2016.

Statement of the number of Board meetings held during the fiscal year.

The Board of Directors held four meetings during 2016 as follows:

Sr.	Meeting	Date	Attendance
1	First	09/02/2016	5
2	Second	30/03/2016	4 + 1 proxy
3	Third	04/05/2016	4 + 1 proxy
4	Fourth	13/11/2016	5



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The following is details of attending the Board meetings for 2016:

Board Members	Number of absences / times / number of meetings	First meeting 09/02/2016	Second meeting 30/03/2016	Third meeting 04/05/2016	Fourth meeting 13/11/2016
Mr. / Hamad Abdulla Al Shamsi	1	√	√	×	√
Mr. / Mohamed Hilal Al Muhairi	2	×	√	√	×
Mr. / Nadir Ahmad Al Hammadi	-	√	Proxy to Mr. / Hamad Abdulla Al Shamsi	√	√
Mr. / Adel Hassan Al Nowais	2	×	√	×	√
Mr. / Hamad Khalfan Al Shamsi	2	√	×	√	×
Mr. / Laith Bin Jerry Al Fraih	1	√	×	√	√
Mr. / Muammar Ibrahim Al	1	√	×	Proxy to Mr. / Laith Gari' Al Freeh	√



Hadidi				
Mr. / Abdulla Hamad Al-Awani		×	√	Resigned from the Board of Directors on 02/05/2016 during the General Assembly Meeting of the company on 28/04/2016

Statement of duties and competences authorized by the Board to the executive management

The Executive Management has been authorized to do the following functions:

- Appointing workers and employees together with negotiating with them, determining their salaries and terminating their services when necessary.
- Registering the financial accounts and transactions together with issuing the periodic and analytical financial reports to be submitted to the Board of Directors.
- Managing the normal daily businesses of the Company.
- Concluding purchase contracts with suppliers and sale ones with clients and signing them.
- Working on the execution of strategic plans of the Company which are approved by the Board of Directors.

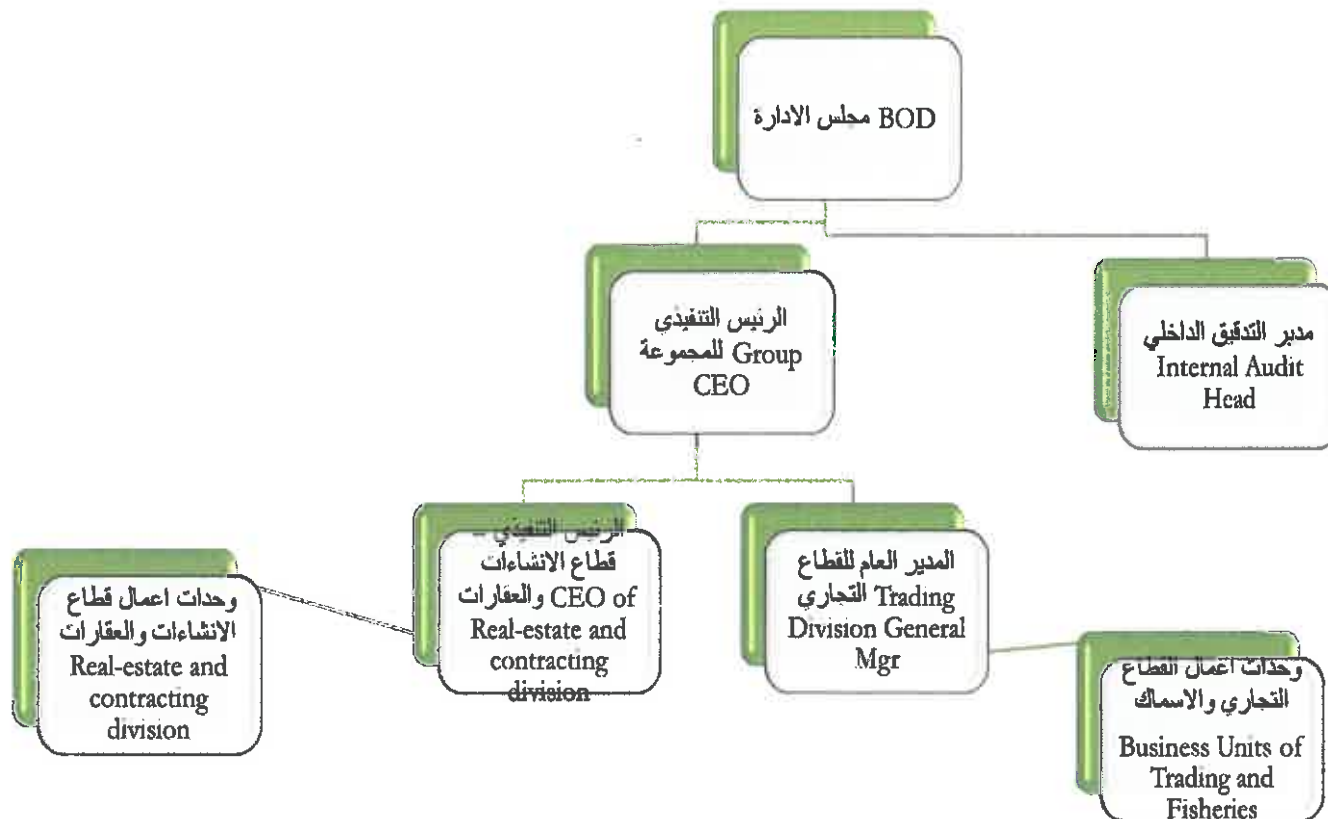
The Board authorization shall be valid until the term expiry of the current Board of Directors.

Statement of details of transactions conducted with relevant parties (stakeholders) and clarifying the nature of relationship and the type of transaction

No transactions were conducted with related parties during 2016.



Organizational structure of the Group



Statement of details of senior executive employees' names in the company and their salaries and bonuses during 2016.

Employee	Position	Appointment date	Total salaries and allowances paid during 2016 - in dirhams	Total bonuses paid during 2016 - in dirhams	Any other bonuses to be paid in the future concerning 2016 - in dirhams
Mr. / Mamoon Othman	Group Chief Executive Officer	01/04/2012	1,558,198	303,038	NA
Mr. / Mohamed Salim Makwana	General Manager of Commercial Sector	16/06/2011	902,839	65,000	NA
Mr. / Sayed Basr	Chief Executive Officer of the constructions and real estates' sector	01/01/2011	840,000	342,076	NA
Mr. / Munther Sadeq	Financial Manager - of the Commercial Sector	07/04/2015	331,455	33,657	NA



External auditor:

Brief account on the external auditor of the company

Deloitte & Touche (Middle East) is the Deloitte Touche Company which is a member in Tohmatsu Limited (DTTL) and it is the first Arab professional services company established in the Middle East with a continuous existence since 1926.

Deloitte is among the leading professional services' companies in the region; it provides the services of auditing, taxes, consulting as well as the financial advisory services through 26 branches existing in more than 150 countries around the world and with a number of partners, board members and employees exceeding 210,000. Deloitte is classified as the first tax consultant in the Gulf Cooperation Council countries since 2010 (according to the international ratings of the international tax auditing services). It has obtained numerous awards in the past years and include the best employers in the Middle East, the best consulting firm, and the Middle East award for training, development and excellence by the Institute of Chartered Accountants in England and Wales (ICAEW).

Statement of the services provided by the external auditor

The General Assembly meeting held in April 2016 resolved to appoint / Deloitte & Touche to audit the Company and its subsidiaries' accounts for 2016 and its fees has been determined by the amount of 430,000 dirhams including the fees of auditing the quarterly data (within the United Arab Emirates and the Kingdom of Saudi Arabia). The nature of services provided by the auditor is as follows:

1. Ensuring the authenticity of the preparation of final accounts and inventory works.
2. Ensuring that all financial operations were organized and recorded and that their accounts were prepared properly and correctly in accordance with the accounting standards.



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3. Ensuring the commitment to follow the accounting assumptions in dealing with all the Company business.
4. Preparing the external auditor's report.

No services have been provided to the Company by any other external auditor during 2016, noting that 2016 is the third year in which Deloitte & Touche audits the unified financial statements of the International Fish Farming Holdings Company and its Subsidiaries.

Summary table of the company auditor's work during 2016

Auditor' name	Deloitte & Touche
No. of years spent as an external auditor of the Company	Three years
Total fees of auditing the financial statements of 2016 (AED)	430,000
Fees and costs of other special services other than auditing the financial statements of 2016 (AED)	4,000
Details and nature of the other provided services	Services of filing the audited financial statements of one subsidiary through the electronic portal of the systems of the Saudi Arabian Ministry of Commerce



Board Committees

Audit Committee

- **Committee Members:**

1. Mr. / Laith Bin Jerry Al Fraih, non-executive/independent member / Committee Chairman.
2. Mr. / Nadir Ahmed Al Hammadi, non-executive/independent member / Committee Vice Chairman.
3. Mr. / Muammar Ibrahim Al Hadidi, non-executive/independent member / Committee Member.

Number of meetings of the Auditing Committee:

Auditing Committee Members	Number of absence times / number of meetings	First meeting 28/03/2016	Second meeting 04/05/2016	Third meeting 04/08/2016	Fourth meeting 13/11/2016
Mr. / Laith Bin Jerry Al Fraih	-	√	√	√	√
Mr. / Nadir Ahmed Al Hammadi	2	x	√	x	√
Mr. / Muammar Ibrahim Al Hadidi	1	√	x	√	√

Committee duties:

- Reviewing financial and accounting policies and procedures of the Company.



- Monitoring the integrity of the Company financial statements and reports (annual, bi-annual and quarterly) along with reviewing them as a part of its normal work during the year; it has to focus in particular on the following:
 - Any changes in the accounting policies and practices.
 - Highlighting the aspects subject to the discretion of management.
 - Substantive amendments resulting from auditing.
 - Assuming the continuity of the Company's business.
 - Complying with the accounting standards prescribed by the committee.
 - Abiding by the rules of listing and disclosure together with the other legal requirements related to the preparation of financial reports.
- Coordinating with the Company's Board of Directors, senior executive management, financial manager or the director in charge of the same duties in the Company in order to perform its functions.
- Considering any significant and unusual items provided or must be provided in those reports and accounts. Besides, it must pay the due attention to any matters posed by the Company's financial manager or the director in charge of the same duties or the compliance officer or auditor.
- Submitting a recommendation to the Board of Directors on the selection, resignation or dismissal of the auditor. In case of the Board's non-approval of the recommendations of the Auditing Committee in this regard, the Board must insert a statement in the governance report in which it explains the recommendations of the Auditing Committee and the reasons which propelled the Board of Directors not to take them into account.
- Developing and applying the policy of contracting with the auditor along with filing a report to the Board of Directors in which it determines the matters which it deems taking an action concerning them and presenting its recommendations on the steps required to be taken.



- Ensuring the auditor's fulfillment of the conditions stipulated in the applicable laws, regulations and resolutions as well as the Company statute and following-up and monitoring its independence.
- Meeting with the auditor in the company without the presence of any person from the senior executive management or its representatives, once at least per year to discuss the nature and scope of the auditing process as well as its effectiveness in accordance with the approved auditing standards.
- Considering all matters related to the auditor's work and its work plan and correspondence with the Company together with its observations, suggestions, reservations and any material queries submitted by the auditor to the senior executive management regarding the accounting records, financial accounts or controlling systems and following-up the response extent of the Company management and its provision of the facilities required to do its job.
- Ensuring that the Board responded in a timely manner to the substantive clarifications and matters raised in the auditor's letter.
- Reviewing and assessing the internal control systems and risk management in the Company.
- Discussing the internal control system with the Board of Directors and making sure of performing its duties in terms of developing an effective system of internal control.
- Considering the results of main investigations of the internal control matters assigned to it by the Board of Directors or that carried out upon an initiative of the Committee and the approval of the Board of Directors.
- Reviewing the auditor's assessment of the internal control procedures and ensuring that there is coordination between the internal auditor and the external one.



- Ensuring the availability of resources necessary for the internal control management and reviewing and monitoring the effectiveness of this management.
- Studying the internal control reports and following up the implementation of corrective actions of the notes stated therein.
- Developing controls that enable the Company's employees to report any possible violations in the financial reports or internal control or other matters in a confidential manner together with the steps sufficient to conduct independent and fair investigations of these violations.
- Monitoring the extent of the company compliance with the rules of professional conduct.
- Reviewing the relevant parties' transactions with the Company and ensuring that there is no conflict of interest and recommending them to the Board of Directors before their conclusion.
- Ensuring the application of the work rules relevant to its duties along with the powers entrusted to it by the Board of Directors.
- Submitting reports and recommendations to the Board of Directors on the afore-mentioned matters contained in this article.
- Considering any other issues determined by the Board of Directors.

Nominations and Remunerations Committee

Committee Members:

1. Mr. / Adel Hassan Al Nowais, non-executive/independent member / Committee Chairman.
2. Mr. / Hamad Khalfan Al Shamsi, non-executive/independent member / Committee Vice Chairman.



3. Mr. / Abdulla Hamad Al-Awani, non-executive/independent member / Committee Member

Members of Nominations and Remunerations Committee	Number of absence times / number of meetings	Attendance/meeting on 19/12/2016
Mr. / Adel Hassan Al Nowais	-	√
Mr. / Hamad Khalfan Al Shamsi	-	√
Mr. / Abdulla Hamad Al-Awani	Resigned from the Board of Directors on 02/05/2016 during the General Assembly meeting of the Company on 28/04/2016	

Committee duties:

- 1.1 Developing a nomination policy for the membership of the Board of Directors and executive management which aims at taking into account the male/female diversification while formation along with encouraging women through motivational and training advantages and programs, and providing the Authority with a copy of this policy and any amendments thereto.
- 1.2 Regulating and following up the nomination procedures of the membership of the Board of Directors in accordance with the applicable laws and regulations as well as the provisions of this resolution.
- 1.3 Ensuring the independence of the independent members on an ongoing basis.
- 1.4 If the Committee found that one of the members lost the independence requirements, it shall refer the matter to the Board of Directors in order to notify the member by a registered mail to his/her address recorded in the



Company and this letter shall include the reasons behind his/her losing the independence capacity. The member shall respond to the Board of Directors within fifteen days as of the date of notification, and the Board of Directors shall issue a resolution deeming the member independent or non-independent in the first meeting for the member to respond or the lapse of the period referred to in the preceding item without reply.

- 1.5 Subject to the provisions of the Federal Law no. 2 of 2015 and the procedures of the corporate governance issued in the resolution no. (7 M R), if the origin of the resolution of the Board of Directors is the member's loss of the independence reasons or justifications compared to the minimum limit that must be met by its independent members, the Board of Directors shall appoint an independent member to replace this member if the latter submitted his/her resignation given the loss of the independence capacity. In case the member refuses to submit his/her resignation, the Board of Directors shall refer the matter to the General Assembly to resolve the approval of appointing another member or starting nomination for the election of a new member.
- 1.6 Preparing the policy of awarding bonuses, benefits, incentives and salaries of the Board Members of the Company as well as its employees and reviewing it on an annual basis. The Committee shall verify that the bonuses and benefits granted to the senior executive management are reasonable and in proportion with the performance of the Company.
- 1.7 Annual auditing of the required needs in terms of the skills fit for the Board membership and preparing a description of the capabilities and qualifications required for membership of the Board of Directors, including the determination of time required to be devoted by the member for the works of the Board of Directors.
- 1.8 Reviewing the structure of the Board of Directors and submitting recommendations regarding the changes that can be made.



1.9 Identifying the Company competences' needs at the level of senior executive management and staff along with the grounds of their selection.

1.10 Preparing the human resources and training policy in the company and monitoring its application together with reviewing it on an annual basis.

1.11 Any other issues determined by the Board of Directors.

Follow-up and Supervision Committee – Insiders

The Board of Directors formed a committee to manage, follow up and supervise the transactions of informed parties as well as their properties, keep their record and file statements and periodic reports to the market.

The Committee consists of the following names:

No.	Member's name	Position in the Committee	Position according to organizational structure	First meeting on December 25, 2016
1	Laith Al Fraih	Committee Chairman	Auditing Committee Chairman	Attended
2	Mamoon Othman	Member	Group Chief Executive Officer	Attended
3	Mohamed Yasser	Member	Compliance Officer	Attended

Duties and liabilities of the Committee

1. The Committee shall insert the names of those who review any data concerning the Company that may have an impact on the price of the company share in the market so as to ensure the highest standards of transparency and disclosure.



2. The Committee shall keep a special register in which it records all data necessary for the informed parties and determine the period of their information, the number of traded securities either through selling or purchasing during the year, dates of executing the trading operations as well as other relevant data.
3. The Committee shall have the right to include the name of the informed party among the Company staff or an external party.
4. The Committee shall have the right to determine the period nature of the informed party (permanent / temporary).
5. The Committee shall comply with the rules and procedures of governance and institutional discipline and all instructions and laws issued from time to time.
6. An annual report shall be issued for the Board of Directors stating the names of informed parties as well as the size of their transactions in the company securities.
7. The Committee shall ensure that all informed parties submitted the required acknowledgments.
8. The Committee shall hold a meeting once at least every year.

Summary of Committee works in 2016

The Committee has developed dealing principles to monitor the transactions of the informed parties and determine the relevant book keeping mechanism. In addition, the Committee took the necessary measures to ensure the highest levels of commitment to legislations and best practices of corporate governance.



Internal Control System

Board acknowledgment of its liability for the internal control system in the Company along with its checking and effectiveness

The Board of Directors acknowledges its liability for the internal control system in the Company along with its checking and effectiveness.

Data of internal Control Manager:

Mr. / Mohamed Yasser Bader shall be the Control Department Manager in addition to performing the works of the internal compliance officer. He holds bachelor degree in Financial Sciences (major: accounting) from the University of Philadelphia, holds the degree of a Certified Internal Auditor (CIA) from the Institute of Internal Auditors CIA from the American Institute of Internal Auditors, and enjoys practical experience of more than eleven years in accounting and finance, including banks and financial and investment companies.

Dealing mechanism of the internal control department with any of the major problems that may take place in the Company or those disclosed in the annual reports and accounts

The internal control department shall immediately inform the Auditing Committee in the event of any major problem (if any) as well as informing the senior management of the company on dealing mechanism and follow up the application of the proposed solutions and procedures, so that the Auditing Committee shall, in turn, take the necessary measures so as to maintain shareholders' equity in accordance with best practices and standards.



Statement of working mechanism of the internal control department in the Company

The Company adopts the international standards of internal control in order to achieve the desired objectives. This is represented in the basics of internal control to ensure:

- The extent of information and data compatibility.
- The extent of compliance with policies, plans, procedures and laws.
- The extent of appropriateness of the operations and activities with the specified goals together with ascertaining the extent of their application.
- Assuring the preventive control so as to avoid undesirable events.
- The annual revision includes the following items in particular:
 1. Basic control elements, including the control over financial affairs, operations and risk management.
 2. Changes that have occurred since the last annual revision of the nature and extent of major risks as well as the Company's ability to respond to changes in its business and external environment.
 3. Scope and type of continuous control of the Board of Directors of risks, internal control system and work of the internal auditor.
 4. Number of times of informing the Board of Directors or its committees of the control results to enable it to assess the status of internal control in the Company and the effectiveness of risk management.
 5. Failures or weaknesses in the control systems that have been discovered or within unexpected emergency circumstances and that have affected or could affect the performance or financial position of the Company in a substantial way.



6. Effectiveness of the Company operations related to the preparation of financial reports and compliance with the rules of listing and disclosure.
7. Verifying all transactions in terms of whether they are conducted with related parties or not, or whether they include conflict of interests or not along with verifying the compliance with the procedures regulating such transactions.

Violations committed by the Company during 2016

No violation was recorded for the Company during 2016.

Statement of cash and in-kind contributions provided by the company in 2016 in terms of developing the local society and preserving the environment

- a) During 2016, the Company sponsored the food security Alliance held on the margins of SIAL Abu Dhabi exhibition by providing monetary sponsor of fifty five thousand dirhams as part of its social contributions to the food security programs of the state. ASMAK is considered one of the official sponsors and partners in the food security Alliance which was founded under the auspices of the Food Security Center in Abu Dhabi and was announced on the sidelines of SIAL Middle East Exhibition held in December 2015.
- b) The Company provided donations to charities registered in the United Arab Emirates with an amount of fifty five thousand dirhams during 2016.



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- c) The Company partnered in "My environment is my responsibility" exhibition held in the Emirate of Ajman that is held in April of each year.
- d) The company participated in number of seminars and lectures on themes related to the areas of environment, fish farming and food security, some of which were within the state and others were in countries such as (the Kingdom of Saudi Arabia, Vietnam, Norway, China, South Africa, Greece, the Federal Republic of Russia).
- e) Participating in "SIAL Abu Dhabi 2016" food exhibition by displaying all categories of the Company products.
- f) Participating in (Gulfood 2016) food exhibition by offering fresh and frozen products as well as the value-added ones.
- g) Participating in number of seminars and lectures specialized in the environmental field and sustainability.
- h) The Company provides integrated systems for quality management, and it holds the following certificates:
- The integrated management systems certificate for the quality management system in accordance with ISO 9001: 2000.
 - The environmental management systems certificate according to ISO 14001: 1996
 - The health and safety management system certificate in accordance with OHSAS 18001: 1999



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- ISO 22000: 2005 – processing, packaging and distributing fresh and frozen seafood.
- (HACCP) 2006 Certificate - processing, packaging and distributing fresh and frozen seafood.
- The European Union’s approval of the factory of processing and packaging seafood and fresh and frozen fish.



General information

Statement of comparative performance of the Company share with the market and sector during 2016:

The following table shows the performance of the Company share with the sector index and general index of the market:

Month	Open price (AED)	Closing price (AED)	High (AED)	Low (AED)	Traded value (AED)	Volume of traded shares	Trades	Adjusted closing price	ADCM sector index	ADX market index
Jan-16	6.30	5.20	6.30	5.20	23,207	4,185	5	0.87	2,873	4,054
Feb-16	5.20	6.57	7.70	4.59	480,234	74,004	40	1.10	2,809	4,351
Mar-16	6.08	7.30	8.00	5.98	2,667,320	392,993	75	1.22	3,009	4,390
Apr-16	6.57	7.57	7.70	6.57	208,232	28,612	26	1.26	3,046	4,544
May-16	6.82	1.63	7.70	1.33	13,506,213	8,192,932	349	1.63	2,975	4,250
Jun-16	1.63	1.56	1.67	1.50	4,997,172	3,161,141	144	1.56	3,129	4,498
Jul-16	1.60	1.53	1.61	1.45	1,068,557	687,270	36	1.53	3,128	4,575
Aug-16	1.53	1.44	1.59	1.38	947,852	639,904	44	1.44	2,501	4,471
Sep-16	1.40	1.74	1.75	1.40	4,077,032	2,547,435	100	1.74	2,655	4,476
Oct-16	1.75	1.56	1.89	1.55	5,952,320	3,427,291	134	1.56	2,533	4,300
Nov-16	1.53	1.72	1.75	1.39	819,849	548,612	50	1.72	2,592	4,309
Dec-16	1.55	1.90	2.00	1.47	44,167,412	23,705,687	541	1.90	2,983	4,546
Total					78,915,398	43,410,066	1,544			



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Consumable goods' index during 2016

Month	High	Low	Close
Jan-16	3,056.210	2,572.510	2,872.910
Feb-16	2,995.020	2,694.310	2,809.060
Mar-16	3,026.220	2,775.000	3,009.010
Apr-16	3,081.350	2,781.130	3,046.370
May-16	3,068.640	2,808.720	2,975.200
Jun-16	3,128.660	2,851.070	3,128.660
Jul-16	3,183.620	3,048.630	3,128.290
Aug-16	3,124.950	2,482.980	2,501.260
Sep-16	2,658.620	2,302.040	2,655.040
Oct-16	2,656.280	2,439.760	2,532.760
Nov-16	2,646.860	2,429.010	2,591.540
Dec-16	3,049.230	2,573.870	2,982.540

General index of Abu Dhabi Securities Exchange during 2016

Month 2016	Open	High	Close
Jan-16	4,302.680	4,302.680	4,054
Feb-16	4,075.050	4,351.410	4,351
Mar-16	4,353.760	4,587.700	4,390
Apr-16	4,390.420	4,637.240	4,544
May-16	4,536.480	4,536.480	4,250
Jun-16	4,250.200	4,587.870	4,498
Jul-16	4,501.080	4,621.500	4,575
Aug-16	4,574.460	4,593.720	4,471
Sep-16	4,471.010	4,517.590	4,476
Oct-16	4,475.170	4,476.370	4,300
Nov-16	4,299.680	4,349.910	4,309
Dec-16	4,308.770	4,589.910	4,546

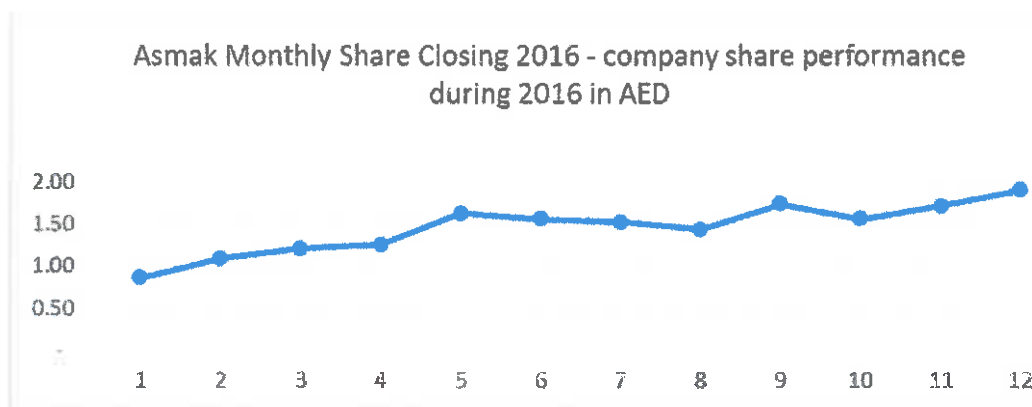


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- The following diagrams illustrate the performance during the year for each of the Company share, sector and the general index of the market:

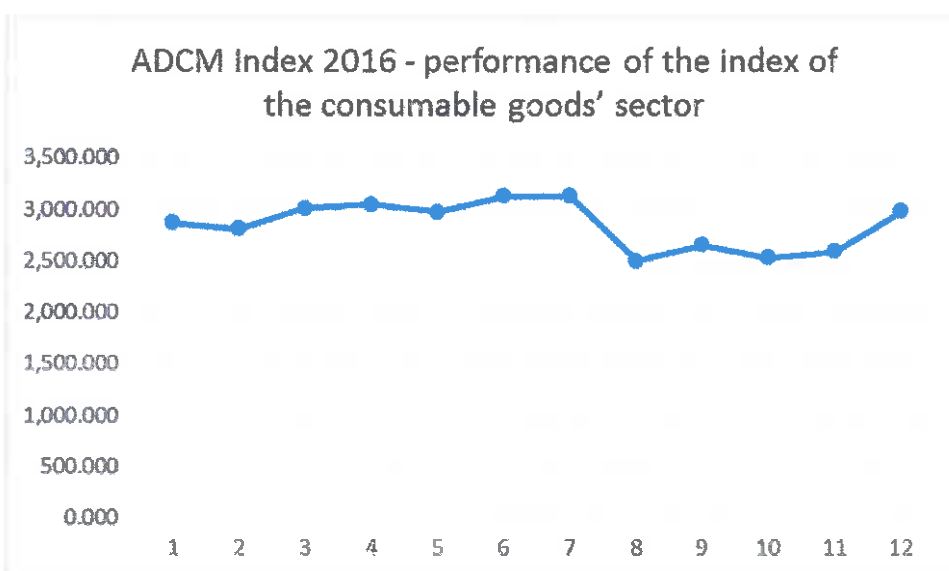
📌 Company share

Performance of the share of the International Fish Farming Holdings Company during 2016



- Sector index (consumable goods)

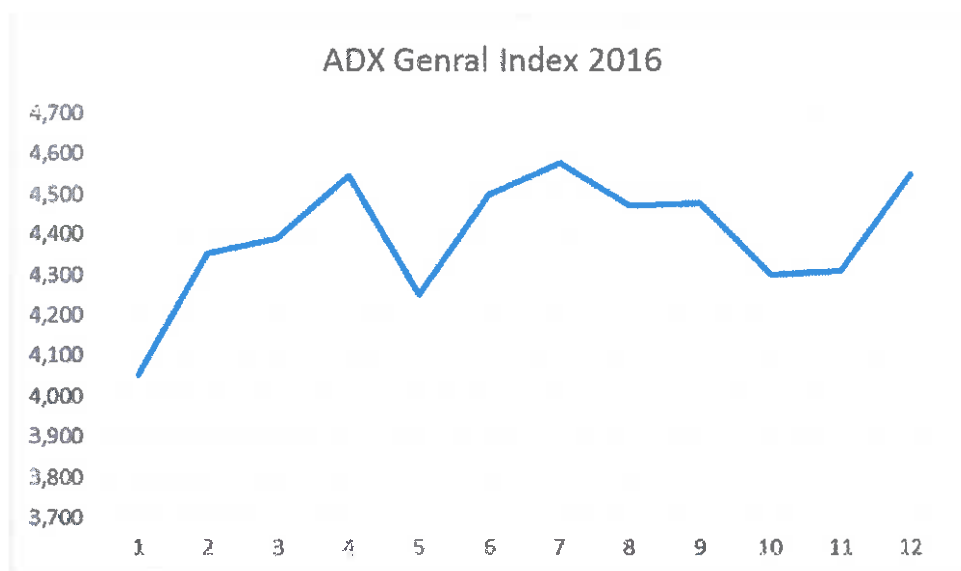
Performance of the index of the consumable goods' sector during 2016 (point)



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- Abu Dhabi Securities Exchange index (general index during 2016)

Performance of the index of Abu Dhabi Securities Exchange for 2016



Distribution of shareholders' ownership on 31/12/2016

	Governments	Individuals	Companies	Total	Percentage
Local	-	45,852,163	459,787,011	505,639,174	99.15%
Gulf	-	500	-	500	0.00%
Arabic	-	1,810,051	20,000	1,830,051	0.36%
Foreign	-	364,092	2,166,183	2,530,275	0.50%
Total	-	48,026,806	461,973,194	510,000,000	100%
Percentage				100.00%	



Statement of Shareholders owning more than 5% on 31/12/2016

Shareholder's name	Shareholder's share
Royal Group Companies Management L.L.C.	41.18%
Powerhouse for Companies Management L.L.C.	22.65%
Chimera investment LLC	11.80%
Infinity TV FZ-LLC	5.55%
Total	81.17%

Statement of the Shareholders' distribution method according to the ownership size on 31/12/2016

Shareholding (share) no. of shareholders no. of owned shares no. of owned shares of capital	No. of shareholders	No. of owned shares	Percentage of owned shares
Less than 50,000	8,516	17,541,093	3.44%
From 50,000 to less than 500,000	86	12,311,981	2.41%
From 500,000 to less than 5,000,000	24	30,686,305	6.02%
More than 5,000,000	8	449,460,621	88.13%
Total	8,634	510,000,000	100%

Investors Relations Controls

The Company has established a department concerned with managing the affairs of shareholders. The following summary illustrates what has been accomplished in

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compliance with the provisions of law, the Articles of Association and resolution no. 7 R M in terms of the Corporate Governance Controls and relevant generalizations:

1. An employee in charge of the shareholders' relationships has been appointed and he has the following qualifications:
 - a) Holding a scientific degree suitable for work.
 - b) Having an experience in managing the affairs of shareholders and legal matters within the state, including companies and banks.
 - c) Fully aware of the relevant legal and regulatory requirements.
 - d) Having full knowledge of the company activities and the opportunities available.
 - e) Having the ability to use different communication channels, and enjoying the skills to communicate with investors regarding the securities exchange.
2. A special page for the investors' relations has been created on the Company's website so as to update and maintain it on a regular basis in line with the international standards so as to include: data and means of communication the investors relations department such as: the phone number and the email address, providing all reports on financial results, whether the recorded ones in the archives or the published ones, fiscal year data so that it includes the publishing dates of financial results, the minutes of meetings of the General Assemblies and any other important events.
3. The information and data disclosed to the regulatory authorities, markets or the public will be published on the company website at the following link:

<http://asmak.biz/investor1.html>
4. Contact details of Inventors relationship affairs officer (Ms. Haiam Al Shora):
 - UAE, Ajman – new industrial area, Asmak factory
 - Tell 067435727 ext 228 / fax 067435522 / mob 0554282700
 - Email investors@asmak.ae



Resolutions presented to the General Assembly in April 2016:

During its last meeting in April 2016, the Assembly approved the following resolutions:

1. Amending the Company statute to be in line with the Federal Law no. 2 of 2015 regarding Commercial Companies.
 - a) Latest developments: the Company statute has been amended and all approvals have been obtained from the relevant authorities.
2. The company share has been divided so that the nominal value became one dirham per share instead of - /6 dirhams per share.
 - a) Necessary actions have been taken and the division has been conducted and the relevant article in the Company statute has been amended.

Statement of substantial events faced by the company during 2016

2016 did not witness any substantial event requiring disclosure.

Note: Copies of this report (after approval) will be provided to shareholders in the Company main office and on the website, in addition to other copies that will be provided to shareholders during the General Assembly.



Hamad Abdulla Al Shamsi

Chairman

International Fish Farming Holdings Company (PJSC)

