

Assurance Reports

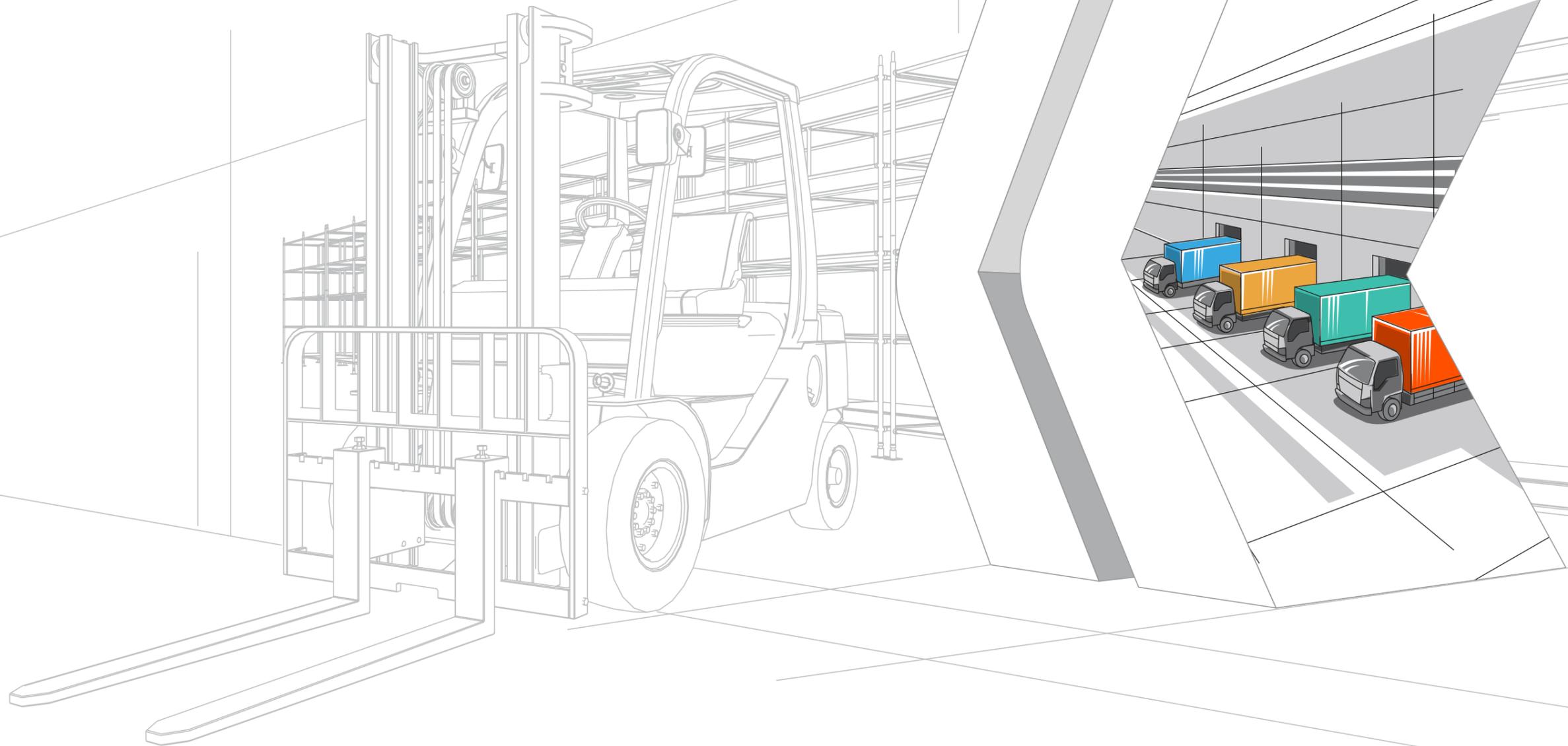
Independent Limited Assurance Report

Compliance Assessment by Milaha 2020

Corporate Governance Report

Independent Reasonable Assurance Report

Management Assessment of Internal Control
over Financial Reporting (ICOFR)



Independent Limited Assurance Report

To the Shareholders of Qatar Navigation Q.P.S.C (Milaha)

Report on Compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislation including the Corporate Governance Code for Companies & Legal Entities Listed on the Main Market

In accordance with Article 24 of the Governance Code for Companies Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Qatar Navigation Q.P.S.C (Milaha) ("the Company") to carry out a limited assurance engagement over the Board of Director's assessment whether the Company has a process in place to comply with QFMA's law and regulations and other relevant legislation and compliance with the Code as at 31 December 2020.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for preparing the corporate governance report that covers at the minimum the requirements of Article 4 of the Code. The Board of Directors provided its 'Report on compliance with QFMA's law and regulations and other relevant legislations including the Code' (the 'Statement'), which was shared with KPMG on 23 February 2021, which is to be included as part of the annual corporate governance report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Company and to issue a report thereon including an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain

a meaningful level of assurance about whether the Statement is fairly presented, in all material respects, in accordance with the Code, as the basis for our limited assurance conclusion.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Company's compliance with the Code and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Company's compliance with QFMA's law and regulations and other relevant legislation, the Company's compliance with the Code and other engagement circumstances, we have considered the process used to prepare the Statement in order to design assurance procedures that are appropriate in the circumstances.

Our engagement included assessing the appropriateness of the Company's process for compliance with QFMA's law and regulations and other relevant legislation and the Company's compliance with the Code, and evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Statement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the Code.

The procedures performed over the Statement include, but are not limited to:

- Examining the assessment completed by the Board of Directors to validate that the Company has process in place to comply with QFMA's law and regulations and other relevant legislation including the Code;
- Examining supporting evidence provided by the Board of Directors to validate the Company's compliance with the Code; and
- Conducting additional procedures as deemed necessary to validate the Company's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other Information

The other information comprises the information to be included in the Company's annual corporate governance report which is expected to be made available to us after the date of this report. The Statement and our limited assurance report thereon will be included in the corporate governance report. When we read the corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement is assessment of process for compliance with QFMA's law and regulations and other relevant legislation and compliance with the provisions of Code.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Board of Directors' Statement, does not present fairly, in all material respects, that the Company has a process in place to comply with QFMA's law and regulations and other relevant legislation and the Company's compliance with the provisions of the Code as at 31 December 2020.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

23 February 2021
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditor's Registration No.251
Licensed by QFMA:
External Auditor's License no. 120153

Compliance Assessment by Milaha 2020

To

KPMG Qatar
25 C-Ring Road
PO Box 4473
Doha, State of Qatar

February 23, 2021

Dear Sirs,

Qatar Navigation Q.P.S.C. ("the Company") carried out an assessment of its compliance with its Articles of Association, and the provisions of the Qatar Financial Markets Authority (QFMA)'s law and regulations and other relevant legislation, applicable to the Company, including the provisions of Governance code for Companies & Legal Entities Listed on the Main Market (The "Code") published on 15th May, 2017 and concluded that the Company has a process to ensure compliance with its Articles of Association, and the provisions of the QFMA's law and regulations and other relevant legislation, and is in compliance with the provisions of the Code as of 31 December 2020.

Summary of the assessment of the Company compliance completed by Management is Annexed below.

Mr. AbdulRahman Essa Al Mannai
President & CEO

Summary of assessment of the Company's compliance with its Articles of Association, and the provisions of the QFMA 's law and regulations and other relevant legislation, including the provisions of the Code completed by Management.

A. Assessment of compliance with the Articles of association, and the provisions of the QFMA 's law and regulations and other relevant legislation

The following is a description of the processes that are in place to ensure compliance with the Articles of Association, and the provisions of the QFMA's law and regulations and other relevant legislation:

The Company maintains a robust corporate governance framework to ensure compliance with its Articles of Association, and the provisions of the QFMA's law and regulations and other relevant legislation. The framework is in place to institutionalize corporate governance and includes the following components:

- The Articles of Association;
- The Corporate Governance Framework;
- The Board Charter;
- The Board Secretariat;
- The Code of Conduct;
- The Compliance Policy;
- The Board Committees;
- The Independent Control Functions;
- The Board Membership and Remuneration Arrangements;
- The disclosure of the related party transactions.

The legislation that are relevant to the Company includes:

1. The QFMA Law No. 8/2012;
2. All QFMA's applicable and relevant regulations including the provisions of the Code.

B. Assessment of compliance with the Code

#	Code Reference	Compliant	Non-Compliant	Not Applicable	Description of Non-Compliance
1.	Article (2)	x			
2.	Article (3)	x			
3.	Article (4)	x			
4.	Article (5)	x			
5.	Article (6)	x			
6.	Article (7)	x			
7.	Article (8)	x			
8.	Article (9)	x			
9.	Article (10)	x			
10.	Article (11)	x			
11.	Article (12)	x			
12.	Article (13)	x			
13.	Article (14)	x			
14.	Article (15)	x			
15.	Article (16)	x			
16.	Article (17)	x			
17.	Article (18)	x			
18.	Article (19)	x			
19.	Article (20)	x			
20.	Article (21)	x			
21.	Article (22)	x			
22.	Article (23)	x			
23.	Article (24)	x			
24.	Article (25)	x			
25.	Article (26)	x			
26.	Article (27)	x			
27.	Article (28)	x			
28.	Article (29)	x			
29.	Article (30)	x			
30.	Article (31)	x			
31.	Article (32)	x			
32.	Article (33)	x			
33.	Article (34)	x			
34.	Article (35)	x			
35.	Article (36)	x			
36.	Article (37)	x			
37.	Article (38)	x			
38.	Article (39)	x			

Corporate Governance Report

for the financial year ending 31 December 2020

Ladies and Gentlemen, Respected Shareholders,

It honors me to present to this meeting the Corporate Governance Report of Qatar Navigation Q.P.S.C. ("Milaha" or "the Company") covering the fiscal year ending 31 December 2020. The Corporate Governance Report has been prepared in accordance with the requirements of Articles (1 - 4) of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the Qatar Financial Markets Authority (QFMA) on 10th November 2016 and other relevant laws and regulations of the State of Qatar. A full copy of the Corporate Governance Report is available on Milaha's official website.

It honors us to say that the situations in Milaha are conforming significantly to the Governance Code. The Board of Directors continuously, in cooperation with the Executive Management, takes all measures necessary for enhancing the systems of optimal management and disclosure in order to ensure the confidence of Milaha Shareholders and Investors.

Thank you,

Jassim bin Hamad bin Jassim Jaber Al-Thani
Chairman

1. Introduction

- The Company's Corporate Governance requires ratification of certain regulations and processes necessary for implementing the policies, procedures and measures that will establish relations between the Management and the Stakeholders, and lead to maximizing the returns to the Stakeholders and various parties through exercising effective guidance on and control over the Company's activities, while maintaining integrity and objectivity. In broader terms, governance describes why developing of an organizational structure can enable a company to better manage its resources within a legal framework. It also ensures that adopting the international standards will enable the Company to realize transparency, integrity, and trust in the Company's financial statements and

Brief History

- Qatar Navigation Q.P.S.C ("Milaha" or "the Company") was incorporated on 5th July 1957 as a Qatari Shareholding Company; its shares are publicly traded in Qatar Exchange. The Company's operational and commercial activities include marine transport, shipping agency for foreign shipping lines, provision of overseas services, selling of transport vehicles and industrial equipment, ship repair and fabrication and installation of offshore facilities, land transport activities, vessel chartering, and investing in real estate. In 2016, the Company's Extraordinary General Assembly approved the activity of "Truck trading, and owning, selling, hiring, and leasing of all types of trucks." The Company already has branches in some GCC countries engaged in some activities of Milaha.
- The Company acquired all the shares of Qatar Shipping Company in 2010. Before that, the company was holding 15% of Qatar Shipping Company. Then, Milaha acquired the remaining 85% of the share capital of Qatar Shipping Company.
- As a result of the acquisition, Milaha gained full ownership of Milaha Offshore Support Services (Previously, Halul Offshore Services Company).
- The authorized and fully paid up capital of the Company amounts to Qatari Riyals 1.145.252.000 distributed over 1.145.252.000 shares. Currently, the total number of employees approximates 4,329.

thereby boost the confidence of debtors and lenders in the Company and encourage them to enter into transactions with the Company in line with their strategies. Qatar Navigation believes that applying a proper Corporate Governance framework and principles is essential to assist the Company in achieving its goals and realizing better performance. Moreover, this would improve its working environment internally and externally, safeguard the Shareholders' interests, assist the Company in assigning the roles and responsibilities perfectly, and will inevitably lead to substantiating the exact meaning of the principle of prioritizing public interest, Company's interest, and Stakeholders' interest before any other interest.

2. Compliance with Governance Principles

- Milaha is committed to strengthening its Corporate Governance practices in line with local and global standards. The Board of Directors is developing proper governance rules, which involve the highest standards of independence, supervision, and transparency in order to maintain the confidence of current and future Investors. In order to substantiate this commitment, the Board sought the help of an External Audit firm to develop a mechanism for monitoring the adherence to Corporate Governance practices as dictated by the new QFMA Corporate Governance Code and use it for improving the control on a regular basis. The Governance Report sheds light on the main elements of the control system, which have been designed and implemented for the fiscal year from 1 January 2020 to 31 December 2020.
- Further, the Board is committed to periodically review its policies, charters, and internal processes, which should be followed by the Board Member, Executive Management, and employees.
- The Company, as part of its method for protecting the Company's Stakeholders and in compliance with the Corporate Governance Code issued by QFMA, has established a separate section for Risk Management with the aim of monitoring and analyzing the risks and developing the internal control environment for ensuring the realization of all objectives of the Company.
- The Company also continued to pursue a succession plan of Milaha employees, in the year 2020 according to the agreed goals.
- The Company also has a list of policies and procedures that are applied to ensure the effectiveness of the Corporate System of Milaha, including:
 - Enterprise Risk Management Policy.
 - Dividends Distribution & Remuneration Policy.
 - Insiders Trading Policy.
 - Conflict of Interest & Contracting with Related Parties Policy.
 - Board of Directors Nomination Procedures.
 - Induction and Training Policy.
 - Compliance Policy.
 - Stakeholders Right Management Policy.
 - Board Evaluation Policy.
 - Disclosure Policy.
 - Shareholders Rights Policy.
 - Record Governance Policy.

3. Board of Directors

- The Company's Governance System includes the Board of Directors' charter approved by the Board Members, which is matching with the provisions of the new QFMA Corporate Governance Code, incorporating the duties and responsibilities of the Board. One of the most important duties of the Board of Directors is that the Board Members should always be loyal to the interests of the Company and its Shareholders. This duty requires the Board Members to side with the interests of the Company and Shareholders counter to their personal interests. The Board of Directors are required to rely on clear and transparent information and with due diligence, and to act effectively to the interest of the Company and Shareholders. The Board has updated the charter of the Board of Directors for including all the duties and responsibilities provided for in the new Corporate Governance Code.
- The Board of Directors also directs Milaha's Investment Policy in general and is responsible for managing the Company and setting its strategical targets. The Board has been given all the powers and authorities necessary for managing and steering the whole business of the Company, under Qatar's Commercial Companies Law and the Company's Articles of Association.

3.1 Formation of the Board of Directors

- The Board of Directors consists of eleven members, all of them are non-executive members and more than a third of the Board are independent members; the term of membership for each Director is three years. A Board Member may be reelected more than once as per the Company's Articles of Association and the Commercial Companies Law. The current term of the Board started 18/3/2018 for the years 2018, 2019, and 2020. The Board of Directors next term (2021-2023) will start after the re-election of the Board Members that will take place in Milaha's General Assembly Meeting on 16th March 2021.

The following table shows information about the Board Members:

No.	Board Member and Entity he Represents	Position in Milaha Board	Number of Shares Represented	Other Information
1.	H.E Sheikh Jassim bin Hamad bin Jassim Jaber Al-Thani	Chairman	1,444,030	H.E Sheikh Jassim bin Hamad bin Jassim Jaber Al-Thani has occupied the position of Milaha Board's Member since 2000. Besides, he is the Chairman of QIB, and a Board Member of Qatar Insurance Company. H.E. is a graduate of Sandhurst Military Academy. In addition to several professional courses in the Arts of Administration and Finance. [Non-executive, Non- independent member]
2.	H.E Sheikh Khalid bin Khalifa bin Jassim Fahad Al-Thani, representing Qatar Petroleum	Vice-Chairman	98,639,640	H.E Sheikh Khalid bin Khalifa bin Jassim Fahad Al Thani has occupied the position of Milaha Board's Member since 2012; besides, he is the Chief Executive Officer of Qatar Gas Company, Chairman of Qatari Diar Company, and Board Member of Gulf International Services Company. [Non-executive, Non- independent member]
3.	H.E Sheikh Abdulrahman bin Saud Al Thani	Board Member	2,522,480	H.E Sheikh Abdul Rahman bin Saud Al Thani has occupied the position of Milaha Board's Member in 2018. Besides, he is a Minister of State in the Government of Qatar. He is a Board Member in each of Qatar National Bank and Qatar Insurance Company. Previously, H.E occupied the position of Chief of Staff of the Amiri Diwan. He is holding an MA in International Relations. [Non-executive, independent member]
4.	H.E Mr. Ali Ahmed Al Kuwari	Board Member	1,211,588	Mr. Ali Ahmad Al-Kuwari has occupied his position as Milaha Board's Member since 2005. H.E has been appointed Minister of Commerce and Industry in November 2018. He also occupies the position of Chairman of QDB, and the position of Vice-Chairmen in both QFMA and QE. Besides, he is a Board Member in QP, Nakilat (representing Milaha), and QRDI Council. Previously H.E was the CEO of QNB Group from 2013 to 2018. H.E. is holding a Master's in Management Information System and a Bachelor's in Mathematics and Computer Science. [Non-executive, Non- independent member]
5.	Mr. Adel Ali Bin Ali, representing M/s Ali bin Ali Establishment	Board Member	18,630,340	Mr. Adel Ali Bin Ali has occupied his position as Milaha Board's Member since 1994; besides, he is the President of Ali Bin Ali Establishment, and a Board Member of each of Doha Insurance and QEWC. He is holding a Bachelor's in Electrical Engineering. [Non-executive, Non-independent member]
6.	Mr. Saad Mohammad Saad Al-Romaihi	Board Member	460,000	Mr. Saad Mohammad Saad Al-Romaihi has occupied the position of Milaha Board's Member since 2010; besides, he is a Board Member of Qatar Manufacturing Industries Co. He is holding a Bachelor's in Trade and Economics. [Non-executive, independent member]

3. Board of Directors (continued)

3.1 Formation of the Board of Directors (continued)

No.	Board Member and Entity he Represents	Position in Milaha Board	Number of Shares Represented	Other Information
7.	Mr. Hamad bin Mohammad Al-Mana	Board Member	414,990	Mr. Hamad bin Mohammad Al-Mana has occupied the position of Milaha Board's Member since 2009; besides, he is the Vice-Chairman & Managing Director of Mohamed Hamad Al-Mana Group. Also, he is Chairman of the Board of Qatar Insurance & Reinsurance Company. He is holding a University degree in Business Administration. [Non-executive, independent member]
8.	Dr. Mazen Jassim Jaidah	Board Member	3,295,120	Dr. Mazen Jassim Jaidah has occupied the position of Milaha Board's Member since 2009; besides, he is the President of the Executive Council of Jaidah Holding. Also, he is a Board Member in Qatar Foundation. He is holding a PhD. Degree in Commercial Economy & Middle East History. [Non-executive, independent member]
9.	Mr. Salman Abdullah Abdulghani Al Abdulghani	Board Member	848,240	Mr. Salman Abdullah Abdulghani has occupied the position of Milaha Board's Member since 2015; besides, he is Project Consultant of the Board of Directors of Hadara, President of the Council of Trustees of same, and a Board Member of QEWC representing Qatar Navigation. He is the Vice-Chairman of the Board at Qatar First Bank. He is holding a Bachelor's in Engineering. [Non-executive, independent member]
10.	Mr. Hitmi Ali Khalifa Al Hitmi, representing Ali bin Khalifa Al-Hitmi & Partners Co.	Board Member	6,500,000	Mr. Hitmi Ali Khalifa Al Hitmi has occupied the position of Milaha Board's Member in 2018, representing Ali bin Khalifa Al Hitmi & Partners. Besides, he is a Board Member of Ali bin Khalifa Al Hitmi & Partners Group. Previously, he was a Board Member of Doha Insurance, Nakilat, and Barwa Real Estate Company. He is a Chairman of the Board at Al Hitmi Property Development. Also, he is a Member of the Board of Directors of Al Meera Group. Mr. Hitmi is holding a Bachelor's in Business Administration. [Non-executive, Non- independent member]
11.	H.E Sheikh Suhaim bin Khaled bin Hamad Al-Thani	Board Member	6,114,920	H.E Sheikh Suhaim bin Khaled bin Hamad Al-Thani has occupied the position of Board Member in Milaha since November 2020. He is also a Board Member in Qatar Central Markets Company. Besides, he previously occupied the position of Chairman of the Board in Dlala Holding. H.E is holding a Bachelor's in Business Administration. [Non-executive, independent member]

- H.E. Sheikh Suhaim bin Khaled Al-Thani has been accepted as a successor to Mr. Sulaiman Haidar who resigned as Board Member on 26\10\2020.

The following table shows information about the Executive Management Members:

No.	Name of the Executive Management Member	Position of Executive Management Member in the Company	Number of Shares Represented	Other Information
1.	Mr. Abdulrahman Essa Al-Mannai	President & CEO		Mr. Abdulrahman Essa Al-Mannai has been the President and CEO of Milaha Group (Qatar Navigation) since September 2015. He leads all the business areas of Milaha. In addition, He is on the board of Nakilat (largest LNG Shipping Co in the world) and QTerminals (a joint venture between Mwani and Milaha). Prior to joining Milaha, Mr. Al-Mannai held various leadership positions at Qatargas, the world's largest liquefied natural gas company, where he oversaw the largest LNG supply chain, Europe's largest regasification terminal, South Hook LNG Terminal, amongst other roles. Throughout his career, Mr. Al-Mannai developed extensive experience in multiple fields, including shipping, energy markets, and commercial activities, achieving a strong record of success. Mr. Al-Mannai has a degree in Aeronautical Engineering.
2.	Mr. Saleh Al-Haroon	EVP - Support Services		Mr. Saleh Abdulla Al-Haroon has been EVP, Support Services in Milaha Group (Qatar Navigation) since 2017. Prior to joining Milaha, he held Senior Management positions with Gulf Air & Qatar Airways. Mr. Al-Haroon holds a Degree in Political Science & Economics
3.	Mr. Mohammed Abdulla Al Aqeedi	EVP - Milaha Offshore & Marine		Mr. Mohammed Abdulla Al Aqeedi has been EVP, Offshore & Marine in Milaha Group (Qatar Navigation) since 2018. Prior to becoming EVP, Mr. Al Aqeedi occupied the position of Vice President of Operations at Halul Offshore Services Company in 2014 and the position of Senior Commercial Manager at the Halul Offshore Services Company as well. Mr. Al Aqeedi holds a Degree in Maritime Management.
4.	Mr. Akram Iswaisi	EVP - Finance & Investment		Mr. Akram Bashir Iswaisi has been EVP, Finance & Investment in Milaha Group (Qatar Navigation) since 2015. He is on the Board of QTerminals (A joint venture between Mwani & Milaha). He is also the Vice Chairman of the Board of United Arab Chemical Carriers as well as Chairman of the Audit Committee. Mr. Iswaisi holds a Degree in Accounting from Kennesaw State University, USA.
5.	Mr. Rahul Bhargava	Acting EVP - Milaha Gas & Petrochem		Mr. Rahul Bhargava has been Acting EVP, Gas & Petrochem in Milaha Group (Qatar Navigation) since 2020. Prior to joining Milaha, Mr. Bhargava occupied the position of Senior Technical Manager at Qatar Shipping Company Limited. Mr. Bhargava holds a Degree in Electrical Engineering.
6.	Mr. Anders Lund Kristensen	EVP - Milaha Maritime & Logistics		Mr. Anders Lund Kristensen has been the EVP, Maritime & Logistics in Milaha Group (Qatar Navigation) since 2018. Prior to joining Milaha, Mr. Kristensen occupied various leadership positions in different Companies, such as CEO of Damco in Sweden and COO of Maersk Line in The Netherlands and Singapore. He also occupied the position of Director of A.P. Moller-Maersk in Denmark, Product Manager & General Manager of Maersk Logistics in China, Trade Manager of Maersk Line in Denmark. Mr. Kristensen holds a Degree in International Shipping Management and a Degree in International Management & Economics.

No.	Name of the Executive Management Member	Position of Executive Management Member in the Company	Number of Shares Represented	Other Information
7.	Mr. Gautam Bellur	EVP - Corporate Development & Strategy		Mr. Gautam Bellur has been EVP, Corporate Development & Strategy in Milaha Group (Qatar Navigation) since 2010. Prior to joining Milaha, Mr. Bellur held the position of Associate Partner in Oliver Wyman in USA and UAE. Also, he occupied the position of Consultant in Kestnbaum Consulting in the US. Mr. Bellur holds a Degree in Economics.
8.	Mr. Asem Al Naser	Chief Internal Auditor		Mr. Asem Al Naser has been the Chief Internal Auditor in Milaha Group (Qatar Navigation) since 2014. Mr. Al Naser has been working as Head of Internal Audit in MASDAR, UAE. He also occupied the position of Internal Audit Manager of Dunai World (Istithmar, Dubai Customs, Limitless, Kingdom Hotel Investment Co., El Ajou Holding Co.) and Senior Auditor of Deloitte and Touche M.E. in Saudi Arabia in 2004. He holds a Degree of Business Administration.

3.2 Powers of the Board of Directors

The Board of Directors has the widest authorities necessary for reviewing and outlining the Company's strategic goals and targets, and it is responsible for achieving these goals and targets by monitoring the implementation of the policies through the Executive Management. Under Qatar's Commercial Companies Law and the Company's Articles of Association, the Board of Directors invites the Shareholders to Ordinary or Extraordinary General Assembly Meetings in order to obtain their approval on the issues and resolutions, which are not within the Board's authority. The Chairman will practice his responsibilities independent of the responsibilities of the Company's President & CEO, who is appointed by the Board of Directors. The organizational structure of the Company reflects the official responsibilities of either of them separately.

3.3 Duties of the Chairman

According to the Company's Articles of Association and the Board's Charter, the duties of the Chairman include, for example but not limited to, ensuring that the Board is fulfilling its duties efficiently and effectively, including that he should make sure that the Board Members are timely obtaining full information about the Board's work, and that essential issues are discussed properly and effectively as per the agenda of each meeting, and that any issue proposed by any Board Member is taken into consideration. The Chairman may delegate this role to another Board Member.

3.4 Meetings of the Board

The Board holds its periodic meetings according to a schedule pre-approved by the Board. At least six meetings per year should be held, under the provisions of the Company's Articles of Association, and if necessary and on emergency grounds the Board may pass resolutions of meeting which shall be included in the agenda of the next meeting as per the Qatari Commercial Companies Law.

A meeting of the Board shall be held upon an invitation from the Chairman or from the Vice-Chairman in his absence. Meeting shall also be invited to when two Board Members request a Board meeting to be held. Such invitations should be sent at least seven days ahead of the scheduled meeting date along with a detailed agenda of the meeting. In the financial year ending 31 December 2020, the Board of Directors held six meetings, in addition to some resolutions adopted off-meeting and all Board Members were obligated to attend all meetings according to the requirements.

3.5 Secretary of the Board

The Board has appointed a Board Secretary working under the direct supervision of the Chairman. The Secretary has a Certified Accountant Certificate, extensive work experience in both Milaha's affairs and the listed companies, in addition to his experience in Corporate Governance processes and Board of Directors Secretariat, for example preparing the Board meeting agenda, ensuring that the invitations for Board meetings are delivered to all Board Members. As well as recording, maintaining, and distributing the Board resolutions to the competent departments after Board's approval. The Secretary is also required to follow up on the execution of the Board resolutions and shall present a report on the results to the Board in every meeting for review and ensuring that all resolutions issued by the Board has been executed, otherwise he shall provide the reasons of failure of executing the resolution(s). The Secretary is also responsible for distributing the relevant Company information demanded by Members of the Board.

The Board Members have the right to utilize the services of the Board's Secretary and his advice. The Board's Secretary can be appointed or dismissed only by a Board of Directors' resolution.

3.6 Board of Directors Remuneration

The Remuneration for the Board Members is determined under Article (40) of the Company's Articles of Association and Article (119) of Qatar's Commercial Companies Law. The Articles of Association of the Company shall specify the manner of determining the remuneration of the Members of the Board of Directors, provided such remuneration does not exceed (5%) of the net profit after deducting reserves, legal deductions and distributing a profit of not less than (5%) of the Company's paid up capital among its Shareholders. The Board of Directors also proposes the amount of cash allowances for Members of the Board who are assigned any administrative responsibilities within the Company in accordance with the Dividends Distribution & Remuneration Policy. The Remunerations of the Board of Directors and the Executive Management are disclosed in the combined annual report of the Company.

3.7 Duties and Other Obligations of the Board

- The Board shall ensure that Members of the Strategic & Investment Committee, Nomination & Remuneration Committee, Audit Committee, the Internal Auditors, and representatives of the External Auditors to attend the General Assembly Meetings.
- The Board shall hold induction session for the new Board Members including a

visual display in order to ensure that they understand the Company's activities and operations and become fully aware of their obligations.

- The Board Members are responsible for understanding their roles and duties and for having knowledge about the financial, commercial, and industrial issues, and about the operations and activities of the Company. For this purpose, the Board shall approve and implement adequate official training courses aimed at enhancing the skills and knowledge of the Board Members.
- The Board members should always be aware of the latest developments in the area of Governance and of the best relevant practices.
- The Board Members are committed to attending the meetings of the Board regularly. In the event of absence, the provisions of Article No. (36) of the Company's Articles of Association and the Board's Charter shall be applied.

3.8 Appointing of Board Members

As per the conditions mentioned in the Commercial Companies Law and the Company's Articles of Association, the following should be observed:

- Nomination and appointment of the Board Members should take place in accordance with the procedures stated in the Commercial Companies Law and the Company Articles of Association.
- The Board of Directors formed a Nomination Committee in 2014, which has been reformed after election of the Board of Directors on 18/3/2018. The Nomination Committee verifies the applications for nomination to the Membership of the Board of Directors, ensures the applications' conformity with the conditions provided for in the Commercial Companies Law, Company's Articles of Association, as well as the stipulation of Article No. (5) of the Governance Charter. (Nomination through the Committee does not prevent any Shareholder of the Company from standing by himself or from being nominated to the election).
- The Nomination Committee should take into consideration, among other things, the ability to give the candidates enough time for carrying out their duties as Board Members, in addition to their skill, knowledge, experience, and their professional, technical and academic qualifications, and personality. The Nomination Committee should also take into consideration "the appropriate guidelines for nominating the Board Members" which are subject to changes by the Authority from time to time.

4. Board of Directors Committees

- The Board of Directors establishes Committees reporting to the Board and the performance of each Committee is based on the standards set in the Governance Charter. Generally, the Board committees do assist the Board in carrying out its duties, and the overall responsibilities of the Board in managing the Company.
- The Board of Directors has established three Committees for assisting the Board and facilitating the execution of the Board's obligations and responsibilities. The Committees are:
 1. Strategic & Investment Committee.
 2. Audit Committee.
 3. Nomination & Remuneration Committee.

The tables below show the Committees' formation and brief description of the duties assigned to each:

4.1 The Strategic & Investment Committee

This Committee was initially formed in March 2009, then it has been reformed in the subsequent terms of the Board, and last formation occurred after election of the new Board of Directors on 18/3/2018. According to the Strategic & Investment Committee's Charter, the most important duties of the Committee is overseeing the investment activities exceeding the value limit authority of the Chairman and the Chief Executive Officer, for protecting the interests of the Company from any future risks, and the Committee raises its recommendations in this regard to the Board. The Committee held six meetings in the year 2020. Below are the Members of the Strategic & Investment Committee:

No.	Name of the Member	Position
1.	H.E Sheikh Jassim bin Hamad bin Jassim Jaber Al-Thani	Chairman - President of the Strategic & Investment Committee
2.	H.E Sheikh Khalid bin Khalifa Al-Thani	Vice- Chairman - Member of the Committee
3.	Mr. Ali Ahmed Al-Kuwari	Board Member - Member of the Committee
4.	Mr. Adel Ali Bin Ali	Board Member - Member of the Committee
5.	Mr. Hamad bin Mohammad Al-Mana	Board Member - Member of the Committee

4.2 Audit Committee

This Committee was initially established in 2003, and then has been repeatedly reformed in all subsequent terms of the Board, and last formation occurred after election of the new Board of Directors on 18/3/2018. The duties of the Committee include assisting the Board in carrying out its supervisory responsibilities by reviewing internal controls on financial reporting to ensure that the financial data presented to the Shareholders and other relevant parties are free from material misstatement and monitoring the findings and comments in the Audit Reports prepared by the Internal Audit and External Auditors. The Committee ensures the compliance of the departments and employees with the Board Policies, applicable laws, regulations, and instructions. The Committee submits to the Board periodical reports about the results of its activities. The Committee does not include any Member who was previously employed by the Company's External Auditor. The Committee held six meetings in the year 2020. Below are the Members of the Audit Committee:

No.	Name of the Member	Position
1	Dr. Mazen Jassim Jaidah	Board Member - President of Audit Committee
2	Mr. Salman Abdullah Abdulghani	Board Member - Member of Audit Committee
3	H.E Sheikh Suhaim bin Khalid Al-Thani	Board Member - Member of Audit Committee

- H.E Sheikh Suhaim bin Khaled Al-Thani has been accepted as a successor to Mr. Sulaiman Haidar who resigned as Board Member on 26\10\2020.
- The Board has updated the Audit Committee's Charter for incorporating the changes required by the QFMA new Governance Code.

4.3 The Nomination & Remuneration Committee

- The Nomination Committee has been merged with the Incentives & Remuneration Committee in 2018 to become one Committee named Nomination & Remuneration Committee. The Nomination duties are represented in verifying the nomination applications submitted by Shareholders for participation in the election of Members of the Board of Directors and ensuring that the applications are meeting the prescribed conditions and controls under Qatar's Commercial Companies Law, Company's Articles of Association, and QFMA Corporate Governance Code. The Committee presents its recommendation on these applications for election in the General Assembly Meeting.
- The Remuneration Committee duties include setting the policies for Remunerating the Board Members, Executive Management, and Company employees, and ensuring proper implementation of these policies. The remuneration for the Executive Management will be based on the profit recognized at the end of the financial year, and the Committee raises its recommendations in this regard to the Board of Directors, the Committee also submits an Annual Evaluation Report to the Board of Directors. The Committee held three meetings in the year 2020.

Below are the members of the Nomination and Remuneration Committee:

No.	Name of the Member	Position
1	Mr. Adel Ali Bin Ali	Board member - President of the Nomination & Remuneration Committee
2	H.E Sheikh Abdulrahman bin Saud Al Thani	Board member - Member of Committee
3	Mr. Saad Mohammad Al-Romaihi	Board member - Member of Committee

- The Nomination Committee should approve and publish its scope of work in a way that describes its authority and work, in accordance with the Nomination Charter approved by the Board of Directors.
- The role of the Nomination Committee will include conducting an annual self-assessment of the Board's performance. There is a mechanism set for self-assessment of the Board of Directors.
- The Nomination Committee must observe any conditions or requirements in connection with nominating, electing, or appointing the Board Members issued by any other authority.
- The Board has updated the Charter of the Nomination & Remuneration Committee for incorporating the changes required by the new QFMA Governance Code, including submitting an annual report to the Board of Directors that contains an assessment of the performance of the Board Members.

In addition to the Board Committees, and as part of the overall Governance framework, Qatar Navigation has formed certain Management Committees to oversee the core business activities.

5. Internal Audit

5.1 Internal Audit Plan

- Before the beginning of every financial year, the Chief Internal Auditor prepares a risk based Internal audit plan, including the Audit program and the proposed related budget, and presents both to the Audit Committee for approval.
- The Audit plan covers the Company and all its business units, and no activity is excluded from the scrutiny of Internal Audit. The Internal Audit Staff Members have full access to examine any documents or records they deem necessary for carrying out their responsibilities.
- The Internal Audit Department is responsible for executing the Audit plans approved by the Audit Committee and submitting periodic reports, which include their observations and recommendations to the Audit Committee. The Audit Committee periodically presents reports to the Board on significant audit issues and provides assurance to the Board about the design and effectiveness of the internal control system in the Company.

5.2 Roles and Responsibilities of the Internal Audit Department

- The Internal Audit Department is responsible, in connection with disclosing the procedures followed in identifying the risks, for providing Milaha's Board of Directors with reasonable assurance on the effectiveness of the Governance System, Internal Controls, and Risk Management process in Milaha and all its applicable subsidiaries.
- The Internal Audit Department is fully independent, functions without limitation and express its opinion objectively, through reporting directly to the Audit Committee formed by Milaha Board of Directors. The Management of Milaha is supporting the Internal Audit Department for ensuring its independence.
- The Internal Audit Department is responsible for performing an independent review on the Company's financial and operational process, and the related records, regulations, procedures, and internal policies in the Company's head office or any other premises and submitting the findings to the Audit Committee.
- The Internal Audit Department is responsible for evaluating the design and effectiveness of internal controls applied for preventing the misuse of the Company's assets and properties. The Internal Audit Department also conducts surprise warehouse inventory stock taking and cash counts at different locations. These activities are conducted to verify the existence of the fixed assets and ensure that they are recorded properly. The Internal Audit is responsible for ensuring that the operational processes are in line with approved policies and procedures, which involve robust internal controls corresponding to each process of operations. The Internal Audit plays a role in strengthening the integrity and effectiveness of all business units of the Company.
- The Internal Audit Department is responsible for ensuring that all activities of the Company are matching with the Company's policies and procedures, applicable laws in the State of Qatar, and the obligations arising from the contracts signed by the Company, and also responsible for ensuring that the Company follows the best business standards and practices.

- The Internal Audit Department is responsible for evaluating the Company's operational procedures for identifying how the results are matching with set targets and identifying how the procedures implemented are in line with the approved plans.
- The Internal Audit Department is responsible for evaluating the designs of the Company's electronic data processing systems, and for making essential modifications to the current systems required for determining the efficiency and effectiveness of the internal control system.

6. The External Auditors

- The External Auditors are appointed by the General Assembly upon recommendations of the Board of Directors. In the General Assembly meeting held on 22 March 2020 the Shareholders approved the appointment of M/s KPMG as the Company's External Auditor for the year 2020, which is the fifth year in a row. KPMG is a licensed and accredited audit firm working independently from the Board of Directors and the Company's Management.
- The Company usually ensures the nonexistence of any conflict of interests between the Company and the External Auditors before appointing them. If it appears, after their appointment, that the matter had been otherwise, the External Auditor shall be replaced. The External Auditor or any of his staff may not be a Member of the Board or occupy any position in the Company.
- The External Auditors perform an Independent Audit of the annual financial statements and a review of the half yearly financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), in addition to the requirements of Qatar Financial Markets Authority (QFMA) and in accordance with the Governance System. The financial reports are published in local newspapers in both Arabic and English languages and are posted on the websites of both the Company and Qatar Exchange in order to allow the Shareholders and the public in general to access the Company's information.
- The External Auditors have the right to examine any records, books, and documents in the Company and to ask for any information deemed necessary for carrying out their duty as Auditor.
- Further, the External Auditors are eligible to have meetings with the Audit Committee and with the Board. They also attend the General Assembly meetings for answering questions raised by the Shareholders regarding the Company's financial statements.

7. The Disclosure

- The Company is fully committed to QFMA disclosure requirements. The major events of the Company are disclosed to Qatar Exchange and to the media according to the instructions of QFMA and requirements of the Company's Articles of Association, as follows:

7.1 Disclosure of Qatar Navigation Achievements in 2020

- In May, Milaha Demonstrates Digital Transformation with First-Ever Virtual Town Hall.
- In July, Milaha expands partnership with Microsoft to drive operational excellence and transform supply chain industry.
- In September, Milaha Signs Key Deal with Major Oilfield Services Firm.
- In October, Milaha Obtains "ISO 27001" Certification for Information Security Management System.
- Finally, in December, Milaha Obtained the British Safety Council COVID-19 Assurance Assessment Certificate.

7.2 We Disclose Below the Number of Shares Held by the Members of the Board and by Major Shareholders as of 31/12/2020:

- Number of shares held by the Board Members: 140,081,348
- Number of shares held by Major Shareholders: 404,750,691

7.3 Capital Structure, Shareholders Rights, and Major Transactions

- The Capital structure of Milaha is disclosed in the Company's Annual Report, which is presented to the Shareholders General Assembly according to the International Accounting and Auditing Standards. The Company's authorized and fully paid-up capital amounts to QR 1,145,252,000 distributed over 1,145,252,000 shares.
- In the event that substantial transactions are approved, against which the Minority Shareholders vote, the Board of Directors should ensure the protection of the Minority Shareholders.
- The Board is compliant with the stipulation of Article (7) of the Company's Articles of Association through a mechanism ensuring equal rights to all Shareholders in the sense that ownership of a single Shareholder, whether a natural or legal person, may not exceed 10 % of the share capital.

7.4 Conflict of Interest and Third Party Trading

In addition to the provisions of Milaha's Articles of Association and the Board of Director's Charter, the Company adopts the policy detailed below regarding its processes for preventing conflict of interests and third party trading:

- The Company's policy for preventing conflict of interests and Insider(s) Trading comprise general rules and procedures that govern the Company's involvement in any commercial transaction with a related party. In general, the Company may not enter into any commercial transaction or contract with a related party, without fully observing the terms and conditions provided for in the Commercial Companies Law and the Company's Policy on related parties, including the principles of transparency, equity, and disclosure.
- In the event of presenting to the Board's meeting an issue of conflict of interests or a commercial transaction between the Company and a Member of the Board or a related party, this matter should be discussed in the absence of the concerned Board Member. This Member should never participate in voting on the transaction. In all cases, the transaction should be made at market prices and on absolute commercial basis, and with no conditions contrary to the interests of the Company.
- On the occurrence of such transactions, they should be disclosed in the Annual Report, which will be presented in the General Assembly Meeting held after these commercial transactions.
- The trading in the Company's shares and other securities by Members of the Board, Executive Management and key Staff is disclosed. The Company is adopting clear rules and procedures governing such trading based on the procedures in force in Qatar Exchange.

7.5 Legal Claims

- The Company's Legal Department is following up on the legal claims filed against the Company and those filed by the Company against other persons. None of the claims referred above has material impact on the company.

8. Rights of Other Stakeholders

- The Company's Executive Management is safeguarding the rights of the Stakeholders and related parties i.e. Shareholders, Employees, Creditors, Clients, Customers, Suppliers, Investors, etc.
- The Board of Director effectively ensures the application of the principles of fairness and equality among all employees without discrimination based on race, gender or religion; further, the Executive Management is ensuring the distribution of incentives to the employees according to the Dividends Distribution & Remuneration Policy approved by the Board.
- Under the provisions of the Company's Personnel Regulations the Executive Management is required to train and encourage the employees by creating helpful work environment in the Company, resolve their problems without affecting their productivity and performance, and encourage them to unfold their problems frankly to their managers. The Board is adopting a mechanism allowing the Company's employees to notify the Board about any suspicious behavior, which may constitute legal violations or cause damages to the Company. The Board ensures confidentiality to such employees and will protect them from any harmful reaction by their Managers or from other Company employees.

9. Shareholders Rights

- The Shareholders surely enjoy the rights secured to them by the Commercial Companies Law and the Articles of Association, and Governance Charter of Milaha. Each Shareholder attending the General Assembly Meeting has the right to discuss the topics listed in the agenda and direct questions to the Board Members and to the Auditors. The Board Members must answer the questions and queries raised by the Shareholders without endangering the Company's interest.
- The Shareholders may also exercise their voting rights at the General Assembly Meeting and may delegate their voting rights to another member who is attending the meeting.
- The Annual General Assembly Meeting of Shareholders is held in accordance with Articles (46), (47), (48), and (49) of the Company's Articles of Association and the provisions of the Commercial Companies Law. The Shareholders

will receive notification of this meeting in advance. The notification shall be sent to the Stakeholders, Qatar Exchange, and QFMA and shall be published in the local newspapers and the Company's website. Copies of the Annual Report and the financial statements shall be provided to the Shareholders before the meeting date in order to enable them to participate in the discussions about the contents of the report with the Board of Directors.

9.1 Shareholder Rights Regarding Distribution of Dividends

- The Board of Directors presents to the General Assembly a clear policy on the distribution of dividends as per the Company's Articles of Association and the Commercial Companies Law and gives the ground that justify such policy based on the benefit of both the Company and Shareholders.

9.2 Obtaining of Information

- o Every Shareholder has the right to view the Company's Memorandum of Association and the Articles of Association and to obtain general information about the Company as per the controls provided for in this regard.
- o Milaha has a website where documents, disclosures and general information that should be made public are posted, in accordance with applicable laws, the charter of the Board of Directors, and relevant regulations.

10. The Records of Shareholdings

- 10.1 The Company maintains correct and up-to-date records of the Shareholdings based on information we get from Qatar Exchange.
- 10.2 According to the instructions issued by Qatar Exchange to Listed Companies, the Shareholder records are deposited with Qatar Central Securities Depository Company, which is the party responsible for Shareholder Affairs. The Company has delegated to Qatar Central Securities Depository Company the task of maintaining and organizing this record, under Articles (159) and (160) of the Commercial Companies Law. Any Shareholder has the right to approach Qatar Central Securities Depository Company for viewing the record book as per the controls issued by Qatar Financial Markets Authority.

11. Investor Relations

- The Company maintains good relations with the Shareholders and Investors through open and transparent communication channels. Information is regularly provided to the existing and prospective Investors and related parties through the website of Qatar Exchange and various media venues in addition to the Company's website: www.milaha.com. The website provides detailed information to the Shareholders about the Company's governance, financial statements, and other important information. These can be accessed through Shareholders & Investor Relations window on the Company's website. In addition, phone conferences are held periodically for informing the Shareholders and Investors with the Company's reports and performance, after the Company has published all its annual, half yearly, and quarterly reports.

12. Corporate Social Responsibility Policy

- Milaha as a leading Maritime and Logistics Service Provider with various activities in Qatar and the Middle East, is committed for supporting the communities in which it operates.
- The Corporate Social Responsibility is an integral part of our strategy, as Milaha provides abundant annual financial support to the Social and Sports Support Fund (DAAM) under Law No. (13) of 2008 and related explanations issued in January 2010, in addition to the initiatives in the areas of environment, HSSEQ, employee welfare, and equal employment opportunities.

12.1 Governance of Corporate Social Responsibility

- The Corporate Communications Department shall be responsible for managing and coordinating the Corporate Social Responsibility initiatives and managing all events in the Company, including conferences and speech events.
- The Corporate Communications Department shall request the Company's social responsibility budget, which shall be approved by the Board of Directors within the annual budget for the Company's business.

12.2 Corporate Social Responsibility Focus Areas

- Environment
- Milaha is working diligently to mitigate the negative impacts on environment through continuous attempts for power saving, encouraging the recycling of used materials, and adopting "Green" initiatives in the workplace.

- HSSEQ

Milaha is committed to protecting the safety and health of all individuals associated to the Company by providing a safe, secure, and healthy work environment. Our objective is to conduct our operations with ensuring employee safety and zero accidents, mitigate the negative impacts through encouragement to practicing the activities with due responsibility and stimulate improvements through initiatives such as:

- ✓ COVID-19 Awareness Campaign.
- ✓ COVID-19 Precautions and Procedures Guidelines.
- ✓ Blood Donation Day.
- ✓ "Stay Safe This Ramadan" Campaign amid the COVID-19 pandemic.
- ✓ Breast Cancer Awareness Campaign.
- ✓ Mental Health Care Campaign.
- ✓ Sports Day Event.
- ✓ Safety and Health at Work Campaign.

- Employee Welfare

Milaha employees are viewed as its most valuable assets. We are completely complying with Labor Laws and Regulations relevant to the Company. We also set internal rules and controls for protecting the legal rights and interests of all our employees, care for our employees' affairs, and provide comfortable facilities for healthy and safe work environment.

- Equal Employment Opportunities

Milaha aims at protecting the rights of employment for qualified applicants, given that the priority is for Qataris and for Milaha employees irrespective to race, color, gender, age, home country, disability and/or other categories protected by applicable laws.

13. Compliance with Laws and Regulatory Regulations

The Company is fully compliant with all laws and regulations applicable in the State of Qatar.

Independent Reasonable Assurance Report

To the Shareholders of Qatar Navigation Q.P.S.C (Milaha)

Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal entities Listed on the Main Market ("the Code") Issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Qatar Navigation Q.P.S.C (Milaha) ("the Company") and its subsidiaries (together referred to as "the Group") to carry out a reasonable assurance engagement over Board of Directors' description of the processes and internal controls and assessment of the suitability of the design, implementation and operating effectiveness of the Company's internal controls over financial reporting (the 'ICOFR') as at 31 December 2020 (the "Statement").

Responsibilities of the Board of Directors

The Board of Directors are responsible for fairly stating that the Statement is free from material misstatement and for the information contained therein.

The Statement, signed by the Group President & CEO and Board of Directors Chairman, which was shared with KPMG on 23 February 2021 and is to be included in the annual report of the Group includes the following:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of the ICOFR;
- the description of the process and internal controls over financial reporting for the processes of:
 - Investments;
 - General ledger & financial reporting;
 - Information technology;
 - Entity level controls;
 - Human resources and payroll;
 - Cash & treasury;
 - Revenue, receivable & receipts;
 - Purchasing, payables & payment; and
 - Property, plant & equipment.
- Inventories
- Disclosures
- designing, implementing and testing controls to achieve the stated control objectives;
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and

- planning and performance of the management's testing, and identification of the control deficiencies.

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO" or "COSO Framework").

This responsibility includes designing, implementing, maintaining and testing internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework; designing, implementing and testing controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Group's ICOFR.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Group and to issue a report thereon including an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement whether due to fraud or error.

Our engagement included assessing the appropriateness of the Group's ICOFR, and the suitability of the control objectives set out by the Group in preparing and presenting the Statement in the circumstances of the engagement. Furthermore, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed and implemented and are operating effectively as of 31 December 2020 based on the COSO Framework.

The procedures performed over the Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Group to gain an understanding of the risk assessment and scoping exercise conducted by management;
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level;
- Assessed the adequacy of the following:
 - Process level control documentation and related risks and controls as summarized in the Risk & Control Matrix ("RCM");
 - Entity level controls documentation and related risks and controls as summarized in the RCM;
 - Information Technology risks and controls as summarized in the RCM;
 - Disclosure controls as summarized in the RCM.
- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing;

- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary;
- Assessed the significance of any internal control weaknesses identified by management;
- Assessed the significance of any additional gaps identified through the procedures performed.
- Examined the management plans for testing the operating effectiveness to evaluate the reasonableness of tests with respect to the nature, extent and timing thereof, and whether the testing responsibilities have been appropriately assigned;
- Examined the management's testing documents to assess whether the operating effectiveness testing of key controls has been performed by the management in accordance with the management testing plan; and
- Re-performed tests on key controls to gain comfort on the management testing of operating effectiveness.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

We have made such enquiries of the auditors of significant components within the Group concerned and have reviewed their work to the extent necessary to form our conclusion. We remain solely responsible for our conclusion.

Other information

The other information comprises the information to be included in the Group's annual report which are expected to be made available to us after the date of this report. The Statement and our reasonable assurance report thereon will be included in the annual report. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

The Group's internal controls over financial reporting, because of their nature, may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

Historic evaluation of design, implementation and operating effectiveness of an internal control system may not be relevant to future periods if there is a change in conditions or that the degree of compliance with policies and procedures may deteriorate.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement are the control objectives set out therein against which the design, implementation and operating effectiveness of the controls is measured or evaluated. The control objectives have been internally developed by the Group, based on the criteria established in the COSO Framework.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's ICOFR was properly designed and implemented and are operating effectively as at 31 December 2020.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Group and QFMA for any purpose or in any context. Any party other than the shareholders of the Group and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Group and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Group and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Group's own internal purposes) or in part, without our prior written consent.

23 February 2021
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditor's Registration No.289
Licensed by QFMA:
External
Auditor's License No. 120153

Attachment: Management Statement on ICOFR

Management Assessment of Internal Control over Financial Reporting (ICOFR)

General

The Board of Directors of Qatar Navigation Q.P.S.C. and its consolidated subsidiaries (together "the Group") is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make based on the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group's ICOFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded account balances are included in the consolidated financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;

- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- are preventative or detective in nature;
- have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and

- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design, Implementation and Operating Effectiveness of Internal Control

For the financial year 2020, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:

- The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement;
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design,

implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from pro-cedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including Revenue, Receivable and Receipts, Procurement to Pay, Treasury, Inventories, Investments, Human Resources and Payroll, Property, Plant and Equipment, General ledger and Financial Reporting. The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General Controls, and Disclosure Controls.

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as of December 31, 2020.

Jassim bin Hamad bin Jassim Jaber Al-Thani
Chairman

Abdulrahman Essa Al-Mannai
President & CEO