

# Corporate Governance Report

for the year ended 31 December 2021

## 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 2021. 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

## 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 and air 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 current capital of the Company amounts to Qatari Riyals 1.136.164.750 distributed over 1.136.164.750 shares, based on the resolution of the Extraordinary General Assembly meeting held on 8\11\2021 to reduce the Company's capital by the value of the treasury shares. Currently, the total number of employees approximates 4,786 including the crew and divers.

## 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 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 2021 to 31 December 2021.
- 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 2021 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:
  1. Enterprise Risk Management Policy.
  2. Dividends Distribution & Remuneration Policy.
  3. Insiders Trading Policy.
  4. Conflict of Interest & Contracting with Related Parties Policy.
  5. Board of Directors Nomination Procedures.
  6. Induction and Training Policy.
  7. Compliance Policy.

8. Stakeholders Right Management Policy.
9. Board Evaluation Policy.
10. Disclosure Policy.
11. Shareholders Rights Policy.
12. Record Governance Policy.
13. Anti-Bribery Policy.
14. Anti-Modern Slavery and Anti-Human Trafficking 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 strategic 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 16/3/2021 for the years 2021, 2022, and 2023.

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.	<b>H.E Sheikh Jassim bin Hamad bin Jassim Jaber Al-Thani</b>	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. <b>[Non-executive, Non- independent member]</b>

No.	Board Member and Entity he Represents	Position in Milaha Board	Number of Shares Represented	Other Information
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. <b>[Non-executive, Non- independent member]</b>
3.	H.E Sheikh Abdulrahman bin Saud Al Thani	Board Member	2,522,480	H.E Sheik 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. <b>[Non-executive, independent member]</b>
4.	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. <b>[Non-executive, Non- independent member]</b>
5.	H.E Sheikh Hamad bin Mohammed Khalid Al-Thani	Board Member	423,000	H.E Sheikh Hamad bin Mohammed Al-Thani has occupied the position of Board Member in Milaha since 16 March 2021. H.E. occupies the position of Senior Vice-Chairman of Investment & Finance at Qatar Insurance Company. He is also the Chairman of the Board, Managing Director in Mazaya Qatar. Besides, he is also a Board Member in Nakilat. H.E is holding a Bachelor's in Business Management from Heriot University and SBUM Masters from HEC Paris. <b>[Non-executive, Non-independent member]</b>
6.	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. <b>[Non-executive, independent member]</b>
7.	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. <b>[Non-executive, independent member]</b>
8.	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 Chairman & Managing Director of Mohamed Hamad Al-Mana Group. He is holding a University degree in Business Administration. <b>[Non-executive, independent member]</b>

### 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
9.	<b>Dr. Mazen Jassim Jaidah</b>	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 Jaida Holding. Also, he is a Board Member in Qatar Foundation. He is holding a PhD. Degree in Commercial Economy & Middle East History. <b>[Non-executive, independent member]</b>
10.	<b>Mr. Hitmi Ali Khalifa Al Hitmi, representing Ali bin Khalifa Al-Hitmi &amp; Partners Co.</b>	Board Member	2,400,000	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. <b>[Non-executive, Non-independent member]</b>
11.	<b>Mr. Mohammed Ebrahim Al-Sulaiti</b>	Board Member	430,000	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. <b>[Non-executive, independent member]</b>

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.	<b>Mr. Abdulrahman Essa Al-Mannai</b>	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.

No.	Name of the Executive Management Member	Position of Executive Management Member in the Company	Number of Shares Represented	Other Information
2.	<b>Mr. Saleh Al-Haroon</b>	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. He also held the position of Director of Air Transport & Airports Affairs Department at Civil Aviation Authority. Mr. Al-Haroon holds a Degree in Political Science & Economics
3.	<b>Mr. Mohammed Abdulla Al Aqeedi</b>	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.	<b>Mr. Akram Iswaisi</b>	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 & Mihalala). 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.	<b>Mr. Rahul Bhargava</b>	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.	<b>Mr. Anders Lund Kristensen</b>	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.
7.	<b>Mr. Gautam Bellur</b>	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.	<b>Mr. Asem Al Naser</b>	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 2021, 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 Bachelor's degree in Law from the University of Leeds - UK, he has 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 and maintaining Board minutes of meetings 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 & Risk Compliance 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 16/3/2021. 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 Risk & Compliance 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 16/3/2021. 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 2021. 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.	H.E Sheikh Suhaim bin Khaled Al-Thani	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 Risk & Compliance 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 16/3/2021. 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 2021. Below are the Members of the Audit Committee:

No.	Name of the Member	Position
1	Dr. Mazen Jassim Jaidah	Board Member - President of Audit Risk & Compliance Committee
2	H.E Sheikh Hamad bin Mohammed Khalid Al-Thani	Board Member - Member of Audit Risk & Compliance Committee
3	Mr. Mohammed Ebrahim Al-Sulaiti	Board Member - Member of Audit Risk & Compliance Committee

- The Board has updated the Audit Risk & Compliance 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. Also, the Committee also submits an Annual Evaluation Report to the Board of Directors, based on the annual declarations submitted by the Chairman and Board Members of Milaha, which includes an annual performance evaluation and an acknowledgment not to combine positions, in addition to updating the data of each Board Member. The Committee held two meetings in the year 2021.

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 Purpose and Mission

The purpose of the Milaha Internal Audit Department (MIAD) is to provide independent, objective assurance and consulting services designed to add value and improve the operations of MILAHA.

The mission of Milaha internal audit department is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. MIAD helps Milaha accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

### 5.2 Independence and Objectivity

Internal Audit reports functionally to the Audit Risk & Compliance Committee and administratively (i.e., Day-to-day operations) to the President & Chief Executive Officer (P&CEO).

The Chief Internal Auditor ensures that the internal audit department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content.

### 5.3 Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Risk & Compliance Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Milaha. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of Milaha's strategic objectives are appropriately identified and managed.
- The actions of Milaha's officers, directors, employees, and contractors comply with Milaha's policies, procedures, applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Milaha.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired

economically, used efficiently, and protected adequately

MIAD audit universe includes all the entities, functions, departments, business processes, systems, projects, and activities of:

- Milaha.
- Milaha's subsidiaries, associate, and joint ventures and
- Requests from the Audit Risk & Compliance Committee, management, and other regulatory bodies.

### 5.4 Internal Audit Plan

Before the beginning of every financial year, the Chief Internal Auditor prepares a risk based Internal audit plan and the proposed related budget and presents both to the Audit Risk & Compliance Committee for approval.

The Audit plan covers Milaha 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 plan approved by the Audit Risk & Compliance Committee.

### 5.5 Reporting to Senior Management & Audit Risk & Compliance Committee

The Chief Internal Auditor reports periodically to senior management and the ARC Committee regarding:

- The internal audit department's purpose, authority, and responsibility.
- The internal audit department's plan and performance relative to its plan.
- The internal audit department's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the ARC committee.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to Milaha.

The Audit Risk & Compliance Committee periodically presents reports to the Board on significant audit issues including internal control failures and provides assurance to the Board about the design and effectiveness of the internal control system in the Company. In addition, there is an Independent Reasonable Assurance Report in the Company's Annual Report that is provided to the Shareholders by the External Auditor which includes

an assessment of the significance of any weakness in the Internal Controls.

#### **5.6 Incident Management Framework**

Milaha has an approved Incident Management Framework (IMF) which provides with the necessary policies and procedures to allow for the effective, efficient and consistent reporting and handling of all incidents.

Number, type and disposition of incidents is periodically reported to Audit Risk & Compliance Committee. The same is reported by Audit Risk & Compliance Committee to Board through its annual report.

### **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 16/3/2021 the Shareholders approved the appointment of M/s PwC as the Company's External Auditor for the year 2021, which is the first year of PwC as External Auditor of the Company. PwC 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 should 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 Risk & Compliance 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 2021**

- In 2021, Milaha awarded 1st place in Qatar Steel's HSSE awards.
- In Q1 of 2021, Expanded our global freight forwarding footprint through multiple strategic partnerships.
- In March 2021, Ship Agency received ISO 9001, 14001, and 45001 re-certification.
- Supporting North-Field expansion via key projects for Milaha's Offshore Marine, Ship Agency, Shipyard, and Logistics business units.
- In July 2021, Achieved 5 Star Audit Awards from the British Safety Council for Health and Safety and Environment across multiple business units.

#### **7.2 Disclosure regarding Corona Virus (Covid-19)**

- As of September 2021, there are zero active Covid-19 cases in Milaha due to stringent monitoring of COVID protocols and safety measure.

#### **7.3 We Disclose Below the Number of Shares Held by the Members of the Board and by Major Shareholders as of 31/12/2021:**

- Number of shares held by the Board Members: 134,774,520
- Number of shares held by Major Shareholders: 449,170,699

#### **7.4 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 1,136,164,750 distributed over 1.136,164,750 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.

## 7.5 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.

## 7.6 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.
- All grievances, complaints, and communications that have reached litigation, are closely followed up by the Law firm entrusted with this matter, however, the number of cases filed against the Company as of 31 December 2021 is eight (8) cases including the litigation case referred to in the Financial Statements, all cases were investigated and the necessary measures taken to develop the internal control environment to ensure that it is not repeated.

- There are no violations to mention except what it has been disclosed on the QFMA website.

## 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.
- Article no. (44) of the Company's Articles of Association states the following: "In the event of approving substantial transactions which the minority Shareholders had voted against, the minority Shareholders may submit a grievance to the Board of Directors for ensuring that they would not be impaired by such transitions".
- 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**

- 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.
- 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](http://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 to supporting the communities in which it operates.
- 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 further clarification of this Law 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 is responsible for managing and coordinating 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 of the Company's business.

### **12.2 Corporate Social Responsibility Focus Areas**

- **Environment & Sustainability**
- Milaha is working diligently to minimize impacts on the environment associated with its operations and increase the sustainability of the business through the implementation of its environmental management system, which provides the framework for:

- Reduction of the carbon intensity of its operations
- Management of wastes and emissions (reduction, re-use, recycle and the support circular economy)
- Management of resources
- Sustainable procurement
- Compliance with national and international regulations and other obligations

#### - HSSEQ

Milaha is committed to protecting and improving the safety and health of all individuals associated to the Company by providing a safe, secure, and healthy work environment. The integration of safety principles into everyday business activities and striving to continually improve to ensure that our activities are carried out in a safe and ethical manner, is recognized as essential to achieve health and safety excellence. 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 Management Campaign.
- ✓ COVID-19 Precautions and Procedures Guidelines.
- ✓ Blood Donation Day.
- ✓ "Ramadan Kits" Campaign for Milaha's employees to celebrate the Holy month of Ramadan.
- ✓ Breast Cancer Awareness Campaign.
- ✓ Sports Day virtual event to promote mental and physical health.
- ✓ "First Aid" virtual seminar.
- ✓ "Safe Travel During Covid-19" campaign.
- ✓ First Aid campaign in corporation with Qatari Red Crescent.
- ✓ Supporting the "Plant Million Tree" initiative in corporation with the Ministry of Municipality.

Through undertaking of operations in a manner reflecting Milaha's values this has resulted in the achievement of numerous awards and industry recognition, including:

- British Safety Council Sword of Honour (2018, 2019, 2020)
- British Safety Council Globe of Honour (2019, 2020)
- British Safety Council 5 Star Safety Audit (2018, 2019, 2020, 2021)
- British Safety Council 5 Star Environmental Audit (2019, 2020, 2021)
- British Safety Council International Safety Award (2019)
- British Safety Council CoVID Assurance Audit (2020)
- Qatar Petroleum 7 Star Contractor Safety Award (2020 - 1st and 2nd place)
- Qatar Steel - HSE 2020 Contractor of the Year Award

#### - Employee Welfare

Milaha views its employees as its most valuable asset and is fully compliant with Labor Laws and Regulations relevant to the Company. Milaha also sets internal rules and controls for the protection of the legal rights and interests of all our employees, care for our employees' affairs, and provision of facilities for a 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. Where we are complaint with Law no. (8) of 2021 amending some provisions of the Commercial Companies Law promulgated by Law no. (11) of 2015, and the Company's Articles of Association as amended according the requirements of Law no. (8) of 2021 based on the approval of the Company's Extraordinary General Assembly meeting held on 8 November 2021.