

Corporate Governance Report

for the financial year ending 31 December 2019

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 2019. 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. Generally, the Governance Code issued by QFMA requires that Milaha, among the listed companies, shall prepare and present this report to the Shareholders of the company annually at the General Assembly meeting.

For the benefit of the new Shareholders and Investors, the report has some information repeated as stated in the Corporate Governance Report of previous year, which the Company is presenting again in compliance with regulatory requirements.

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 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 Halul Offshore Services Company as well.

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 4,004.

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 2019 to 31 December 2019.

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 has developed a plan for succession of Milaha employees, so that the plan will be implemented 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:

1. Risk Management Policy.
2. The Remuneration of the Board of Directors and the Executive Management Policy.
3. Insiders Trading Policy.
4. Dividends of the Shareholders Policy.
5. Stakeholders and Other Related Parties Policy.
6. Board of Directors Nomination Policy.
7. Induction and Training Policy.
8. Compliance and Framework 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 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	510,000	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]
7.	Mr. Sulaiman Haidar Sulaiman Al-Haidar	Board member	400,000	Mr. Sulaiman Haidar Sulaiman has occupied the position of Milaha Board's Member since 2003; besides, he is the Chairman of Sulaiman Brothers Company, and a Board Member of Gulf International Services and a Member of the Board of Directors in Islamic Holding Group. He is holding a Bachelor's in Business Administration 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
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 Vice-Chairman & Managing Director of Mohamed Hamad Al-Mana Group. Also he is a Board Member of each of Doha Bank and Qatar Insurance & Reinsurance Company. He is holding a University degree in Business Administration. [Non-executive, Non-independent member]
9.	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 Jaida 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]
10.	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]
11.	Mr. Hitmi Ali Khalifa Al Hitmi, representing Ali bin Khalifa Al-Hitmi & Partners Co.	Board member	7,250,000	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]

The following table shows information about the Executive Management Members:

SR	Name of the Executive Management Member	Position of Executive Management Member in the Company
1.	Mr. Abdulrahman Essa Al-Mannai	President & CEO
2.	Mr. Saleh Al-Haroon	EVP – Support Services
3.	Mr. Mohammed Swidan	EVP – Milaha Offshore & Marine
4.	Mr. Akram Iswaisi	EVP – Finance & Investment
5.	Mr. Joseph Coutinho	EVP – Milaha Gas & Petrochem
6.	Mr. Anders Lund Kristensen	EVP – Milaha Maritime & Logistics
7.	Mr. Gautam Bellur	EVP – Corporate Development & Strategy
8.	Mr. Asem Al Naser	Chief Internal Auditor

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 2019, the Board of Directors held six meetings, in addition to some resolutions adopted off-meeting.

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 Milaha, affairs of 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) by referring to the Governance Code, "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" of Qatar's Commercial Companies Law. 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 Board's 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 re-formed 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, ensure 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 four meetings in the year 2019. Below are Members of the Strategic & Investment Committee:

No.	Name of the Member	Position
1.	Sheikh Jassim bin Hamad bin Jassim Jaber Al-Thani	Chairman – Chairman of the Strategic & Investment Committee
2.	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 the financial data presented to the Shareholders and other relevant parties 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 2019. Below are Members of the Audit Committee:

No.	Name of the Member	Position
1.	Mr. Sulaiman Haider Sulaiman	Board Member – Chairman of Audit Committee
2.	Dr. Mazen Jassim Jaidah	Board Member – Member of Audit Committee
3.	Mr. Salman Abdullah Abdulghani	Board Member – Member of Audit Committee

The Board has updated the Audit Committee's Charter for incorporating the changes required by the 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 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 held two meetings in the year 2019.

Below are members of the Nomination and Remuneration Committee:

No.	Name of the Member	Position
1.	Mr. Adel Ali Bin Ali	Board member – Chairman of the Nomination & Remuneration Committee
2.	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 Governance Code, including submitting an annual report to the Board of Directors that contains an assessment of the performance of 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 Manager of Internal Audit 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 and the Audit program cover 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 freedom to examine any documents or records they deem necessary for carrying out their obligation.

The Internal Audit Department is responsible for executing the Audit plans and programs approved by the Audit Committee and submitting periodical 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 existence of a sound 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 Systems in Milaha and all its subsidiaries.

The Internal Audit Department is fully independent to function 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 statements, records, regulations, procedures, and internal regulations 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 internal controls applied for preventing the misuse of the Company's assets and properties. The 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 18 March 2018 the Shareholders approved the appointment of M/s KPMG as the Company's External Auditor for the year 2019, which is the third 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 2019

In 2019, Milaha had a strong focus on expanding its capabilities and portfolio of services across multiple core business activities – Offshore Marine, Logistics and Shipyard.

In March, Milaha expanded its geographic footprint into the Black Sea and Mediterranean region through new container shipping services. The service links important ports in Greece, Turkey, Georgia and Russia.

In April, Milaha completed its deployment of Robotic Process Automation Solutions.

In June, Milaha initiated its shipyard modernization campaign to provide best-in-class services for its clients.

In August, Milaha has partnered with Elite Paper Recycling to promote environmental sustainability and recycling across all their programs and activities. The two companies are also jointly developing and organizing initiatives to raise awareness on protecting the environment through sustainable practices.

In October, Milaha partnered with Microsoft to build a smart-logistics platform using Artificial Intelligence and Internet of Things Elements from Microsoft's cloud ecosystem.

In December, Milaha enhanced its operations in India through a new Management Structure, where the Company provides its customers with better services at competitive prices.

As of December, Milaha has divested 6 vessels and over 100 under-performing assets, and invested in newer, fit-for-purpose assets, from vessels to trucks. Further optimization of the asset base is planned in 2020.

In 2019, Milaha undertook its first subsea geophysical survey project. Milaha also expanded its offshore fleet while investing in its engineering services, particularly diving services.

The British Safety Council (BSC) awarded Milaha with six Swords of Honor for improved health & safety, and two Globes of Honor for environmental sustainability. Milaha also achieved 9 5-star audit ratings from the British Safety Council (BSC) in 2019.

Finally, following the integration of ship management operations, Milaha completed a significant restructure of its corporate functions.

7.2 We Disclose Below the Number of Shares Held by Members of the Board and by Major Shareholders as of 31/12/2019:

Number of shares held by the Board Members: 134,414,840

Number of shares held by Major Shareholders: 373,926,980

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 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

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 laws, charter, and relevant rules.

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 one of the leading Marine Shipping and Logistics Services Companies with various activities in the Middle East, is committed with a compliance 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 the requests for sponsorship and social responsibility 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 associate 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:

- Blood Donation Day
- First Aid Awareness Campaign
- Breast Cancer Awareness Campaign
- Mental Health Care Campaign
- Flu Vaccination Campaign
- Road Safety 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, regulations, and systems applicable in the State of Qatar.