



International  
Holdings  
Company  
الشركة العالمية القابضة

International Holdings Company (PJSC)

Corporate Governance Report – Year 2018

## INTERNATIONAL HOLDINGS COMPANY PJSC (Formerly: International Fish Farming Holdings Company – ASMAK (PJSC))



International  
Holdings  
Company

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018

Date:03/03/2019

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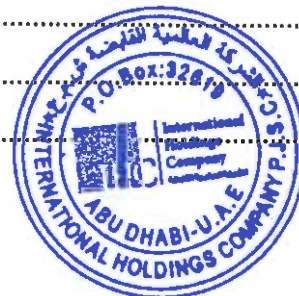
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## 1. Introduction

International Holdings Company (formerly: International Fish Farming Holdings Company) was established in 1999 and is a public joint stock company registered in Abu Dhabi Securities Exchange since 2005. The rules and provisions mentioned in the Board of Directors' Chairman of the Securities and Commodities Authority resolution No. 7 /C for 2016 regarding standards of corporate discipline and governance of public shareholding companies, do apply on the company.

International Holdings Company PJSC (hereafter referred to as the "Company") is committed to adopting sound corporate governance, accountability and responsibility principles and ensuring highest levels of transparency in its business. The following are the governance requirements to be fulfilled by the company

## 2. Corporate Governance Practices

A statement of how the company implements the principles stated in the resolution issued by the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7 / C) for the year 2016 on the standards of institutional discipline and the governance of public shareholding companies.

The company is committed to Corporate Governance and Ministerial Decision No. of 2016 on Corporate Governance and Institutional Discipline Standards, implementing best practices, reflecting the Boards of Directors and the Executive Management's commitment, through implementing its core values of transparency, fairness, accountability and responsibility, thus enhancing relationship between the shareholders, the Board of Directors and its clients.

The company is managed by the Board of Directors composed of seven independent members elected by the ordinary general assembly through cumulative secret ballot for a period of three years. The Board of Directors elect the Chairman and the Vice Chairman from among its members.





Taking into consideration, not to combine the position of the Chairman of the Board of Directors and the position of the Company Manager or Managing Director.

The company amended the Articles of Association in accordance with Federal Law No. 2/2015 regarding commercial companies, and its amendments.

An Audit Committee and a Nomination and Remuneration Committee have been established.

An Internal Control Department has been set up directly for The Board of Directors.

The International Holdings Company is committed to the highest standards of ethical and professional conduct, and the company employees are bound to adhere to such behaviors.

An invitation was made to all shareholders to attend the General Assembly through announcement in two local daily newspapers published in Arabic, and through registered letters, 15 (fifteen) days before the scheduled date. The announcement of the invitation was included on the agenda and the balance sheet and final accounts were presented on the website of Abu Dhabi Securities Exchange and the company's website.

The Board of Directors nominate the External Auditor on the recommendation of the Audit Committee. His appointment and fees shall be determined by the Company's General Assembly resolution.

#### **A. A Report on whether the company implements the provisions contained in the Ministerial Resolution No. (7) /2016.**

Yes, the Company is committed to implementing and executing the provisions contained in this resolution.





### 3.The Board of Directors Transactions in Securities

Transactions report of the members of the Board of Directors, their spouses and their sons in the company's securities during the year 2018:

No transactions or dealings were carried out in the year 2018 by members or their spouses or sons in relation to company shares.

**Statement of balance of shares owned by the directors and their spouses and their children as of 31/12/2018 according to the table in the report:**

S.	Name	Position/Relationship	Shares owned as of 31/12/2018	Total Sales Process	Total Purchase Process
1.	Mr. Hamad Abdulla Rashid Obeid Al Shamsi	Chairman	388,680	N/A	N/A
2.	Mr. Adel Hassan Mohamed Ali Al Nuwais	Board Member	30.000	N/A	N/A

#### 3.1 Rules and Procedures Governing the Transactions of Company Shares

Statement of business rules adopted by the Company regarding the transactions of the Board of Directors in securities issued by the Company or any of its affiliates or sister companies.

The rules and procedures governing the transactions of the Board of Directors of the Company and its employees in securities issued by the parent company or its affiliates or sister companies.

1. The Company and its Board of Directors, Managers and employees shall abide by the resolution of the Authorities' Management Board of Directors No. (2)/2001 regarding the special system for trading, clearing, settlement, transfer of ownership and custody of securities.



2. The Chairman and the members of the Board of Directors, directors and employees of the Company shall be prohibited from exploiting their company internal information to purchase or sell shares in the Market, and any transactions thereof shall be considered null and void.

The Chairman, members of the board of directors of the company, its general manager or any of the employees who are familiar with the basic data of the company may not act on their own or through others by dealing in the securities of the company itself or that of the parent company or affiliate or sister company during the following periods:

- Ten (10) business days before the announcement of any material information that would affect the price of the up or down share, unless the information is the result of abrupt and sudden events.
- Fifteen (15) days prior to the end of the quarterly, semi-annual and annual financial periods and until disclosure of its financial statements.

Considerations of the provisions of the law shall be taken, when the above-mentioned persons take action by themselves or through others to deal in the securities of the company itself or that of the parent company, affiliate or subsidiary or sister company, and any transaction contrary thereto shall be null and void.

In addition to the Board of Directors' commitment to ADX regulations relating to organization of transactions of the members of the listed companies' management, board of directors and other inside traders.

**A. The extent to which the Board members are committed to comply with disclosure requirements prescribed by the provisions of the Law and the regulations and decisions issued pursuant thereto in respect of their transactions in securities.**

Members of the Board of Directors have complied with the disclosure requirements prescribed by the provisions of the law, regulations and decisions issued pursuant thereto in respect of their transactions in securities issued by the Company. As no sale or purchase was made during the year 2018 to any of the members of the Board of Directors or their immediate relatives.





#### 4. The Board of Directors Structure

##### 4.1 Board of Directors Composition

The current Board of Directors consists of seven independent - non-executive members, who were elected to the General Assembly held on 17/04/2017 for a period of three years. All members signed the approval of the Independent Board Member.

##### Members of the Board of Directors

Board of Directors	Attribute	Category
Mr. Hamad Abdulla Al Shamsi	Chairman-Board of Directors	Independent, non-executive
Mr. Nadir Ahmed Al Hammadi	Vice Chairman	Independent, non-executive
Mr. Hamad Salim Al Ameri	Member	Independent, non-executive
Mr. Adel Hassan Al Nowais	Member	Independent, non-executive
Mr. Hamad Khalfan Al Shamsi	Member	Independent, non-executive
Mr. Laith Bin Jerry Al Fraih	Member	Independent, non-executive
Mr. Abdur-Raheem Mungrue	Member	Independent, non-executive







**The Board of Directors Membership and Positions in Other Companies /Establishments**

S.#	Name	Category	Experiences and Qualifications	Duration of term as a member of the Board of Directors of the Company from the date of his first election	Membership and positions in any other joint stock companies	Positions held in any other important regulatory, governmental or commercial positions
1.	Mr. Hamad Abdullah Rashid Obeid Al Shamsi	Chairman-Board of Directors  Independent-non-executive	<ul style="list-style-type: none"> <li>•Bachelor of Business Administration.</li> <li>•Holding master's degree in business administration, specializing in finance and banking.</li> </ul>	Since 2005	<ul style="list-style-type: none"> <li>• Marka Company - Board Member</li> <li>• Dubai Islamic Bank - Board Member</li> </ul>	

S.#	Name	Category	Experiences and Qualifications	Duration of term as a member of the Board of Directors of the Company from the date of his first election	Membership and positions in any other joint stock companies	Positions held in any other important regulatory, governmental or commercial positions
2.	Mr. Nader Ahmed AL Hammadi	Deputy Chairman of the Board  Independent – non-executive	<p><b>Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Post Graduate Award in Engineering Business Management – Warwick University – London, UK</li> <li>• Bachelor of Science in Avionics – Embry Riddle Aeronautical University – Florida, USA</li> </ul> <p><b>Experiences:</b></p> <ul style="list-style-type: none"> <li>• Currently- Managing Director &amp; CEO of Presidential Flight</li> <li>• Was the Managing Director of Abu Dhabi Aviation for 3 years.</li> </ul>	Since 2011	<ul style="list-style-type: none"> <li>• Abu Dhabi Aviation - Chairman</li> <li>• Tamouh Real Estate Company - Chairman</li> </ul>	

S.#	Name	Category	Experiences and Qualifications	Duration of term as a member of the Board of Directors of the Company from the date of his first election	Membership and positions in any other joint stock companies	Positions held in any other important regulatory, governmental or commercial positions
3.	Mr. Adel Hassan Al Nowais	Independent – non-executive	•Bachelor of Business Administration - USA	Since 2005	<ul style="list-style-type: none"> <li>•Emirates holding company - executive director</li> <li>•Al Nuwais investment LLC - executive director</li> <li>•Amircom company - director</li> <li>•Arab Development Corporation- Director</li> </ul>	





S.#	Name	Category	Experiences and Qualifications	Duration of term as a member of the Board of Directors of the Company from the date of his first election	Membership and positions in any other joint stock companies	Positions held in any other important regulatory, governmental or commercial positions
4.	Mr. Hamad Salem Al Ameri	Independent – non-executive	<ul style="list-style-type: none"> <li>• Bachelor degree in civil engineering from the American University in Dubai.</li> <li>• Holding a Master's degree in Business Administration from the Canadian University in Dubai.</li> </ul>	Since 2017	Member Board of Directors of the following companies: <ul style="list-style-type: none"> <li>• Tamouh Investment</li> <li>• Hydra Properties</li> <li>• ALDAR Properties</li> <li>• Al Reem Building Materials</li> <li>• Al-Jazeera Technical Solutions</li> <li>• Royal Development Company (RDC)</li> <li>• Eltizam Assets Management State LLC</li> <li>• Meena Holdings LLC</li> </ul>	Managing Director of Trojan Holding

S.#	Name	Category	Experiences and Qualifications	Duration of term as a member of the Board of Directors of the Company from the date of his first election	Membership and positions in any other joint stock companies	Positions held in any other important regulatory, governmental or commercial positions
5.	Mr. Laith Bin Jerry Al Fraih	Independent-non-executive	<ul style="list-style-type: none"> <li>• Bachelor of Finance and Accounting from UK.</li> <li>• Holding US Associate Degree as Chartered Accountant (CPA).</li> </ul>	Since 2011	<ul style="list-style-type: none"> <li>• Head of Internal Audit- Mubadala</li> </ul>	<ul style="list-style-type: none"> <li>• Abu Dhabi Securities Exchange Member of the Audit and Risk Committee (May 2016-Until now)</li> <li>• Twofour54 - Abu Dhabi Member of the Audit and Risk Committee (December 2015- until now)</li> <li>• Global Foundries Member of the Audit and Risk Committee (May 2014-Until now)</li> <li>• Department of Municipal Affairs Member of Internal Auditing Committee (May 2014 Until now)</li> <li>• Emirates Global Aluminum (EGA)- Member of the Audit and Risk Committee (January 2014 until Now)</li> <li>• Mubadala secretary of the Audit and Risk Committee -(April) 2013- until Now)</li> <li>• Emirates Nuclear Energy Corporation (ENEC) Member of the Audit and Risk Committee (July 2013 –until now)</li> </ul>





S.#	Name	Category	Experiences and Qualifications	Duration of term as a member of the Board of Directors of the Company from the date of his first election	Membership and positions in any other joint stock companies	Positions held in any other important regulatory, governmental or commercial positions
6.	Mr. Hamad Khalfan Al Shamsi	Independent – non-executive	Businessman	Since 2008	<ul style="list-style-type: none"><li>General Manager of "Sheikha Fatima Bint Mubarak Al Ketbi"</li><li>Ishraq Real Estate Company - Board Member</li></ul>	

S.#	Name	Category	Experiences and Qualifications	Duration of term as a member of the Board of Directors of the Company from the date of his first election	Membership and positions in any other joint stock companies	Positions held in any other important regulatory, governmental or commercial positions
7.	Mr. Abdur-Raheem Mungrue	Independent-non-executive	<ul style="list-style-type: none"><li>Bachelor of Finance degree from Boston, USA</li><li>Chartered Financial Analyst (CFA Fellow)</li><li>Financial Risk Management Charter (FRM Fellow)</li><li>MBA from the University of the West Indies</li><li>EMBA from INSEAD University</li></ul>	Since 2017	<ul style="list-style-type: none"><li>Head Risk Management - Investment Risk Management</li></ul>	<ul style="list-style-type: none"><li>Climax Company Ltd. (affiliated) to Royal Group</li></ul>





## 5. Report of Representation Percentage of Women in The Board of Directors For 2018

Currently there is no representation of the female component in the company's Board of Directors.

### 5.1 Reason for No Female Candidates in the Current Board of Directors:

During the opening of the candidacy for membership of the Board of Directors in 2018, the company has not received any female request to run for membership of the Board of Directors, knowing that the company has complied with all the procedures in accordance with the law and related instructions.

### 5.2 Total Remunerations Paid to the Members of Board of Directors in 2018.

No additional fees or rewards have been paid to any committee member for years 2017 & 2018.

The Annual General meeting approved in April 2018 the distribution of bonuses to the members of the Board of Directors and was paid to them according to the table below in 2018:

Members of the Board of Directors	Fees paid in year 2018, which relate to fees of 2017 (AED)
Mohamed Helal Al Muhairi	29,589.00
Muammar Ibrahim Al Hadidi	29,589.00
Hamad Salem Al Ameri	70,411.00
Adel Hassan Al Nowais	100,000.00
Laith Bin Jerry Al Fraih	100,000.00
Abdur Raheem Mungrue	70,411.00
<b>Total</b>	<b>400,000.00</b>

The Board of Directors proposes to distribute AED 400,000 to board members as remuneration for year 2018, subject to the discussion and approval during the Annual General meeting to be held in 2019 and paid in the same year.





## 6. The Board of Directors Other Statements

### 6.1 Method of Determining the Remunerations of Board of Directors:

The Board of Directors' remuneration shall be set forth in the Articles of Association of the Company, subject to the provisions of Federal Law No. (2)/2015 regarding commercial companies. The remuneration of the members of the Board of Directors shall consist of a percentage of the net profit as provided for in Article (39) of this Law.

The Company may also pay additional expenses or fees or monthly salary to the extent determined by the Board of Directors for any of its members, if this member is working in any committee, or exerts exceptional efforts or performs additional work to serve the company, beyond his normal duties as a member of the board of directors of the company. In all cases, directors' remuneration should not exceed 10% of the net profit after deducting depreciation and reserve.

Total remunerations of the Board of Directors members for 2018: The proposed remunerations will be presented at the Annual General Assembly meeting, for approval, and accordingly, the Governance report will be updated and the Authority will be provided with the latest updates.

### 6.2 The Board Meetings

Statement of the number of meetings held by the Board of Directors during the fiscal year

The Board of Directors had convened five (5) meetings during 2018 as follows:

No.	Meeting Date	Attendance	Proxy	Names of Absent Members
1.	14/2/2018	6	-	Mr. Hamad Salem Al Ameri
2.	21/3/2018	4	-	Mr. Nadir Ahmad Al Hammadi Mr. Hamad Salem Al Ameri Mr. Laith Bin Jerry Al Fraih
3.	17/4/2018	7	-	N/A
4.	13/5/2018	5	-	Mr. Hamad Khalfan Al Shamsi Mr. Laith Bin Jerry Al Fraih
5.	5/11/2018	7	-	N/A





Below details of Board meetings attendance during the year 2018 as follows:

Board of Directors	No. of Absence/ No. of Meetings	First Meeting 14/2/2018	Second Meeting 21/3/2018	Third Meeting 17/4/2018	Fourth Meeting 13/5/2018	Fifth Meeting 5/11/2018
Mr. Hamad Abdulla Al Shamsi	-	√	√	√	√	√
Mr. Nadir Ahmad Al Hammadi	1	√	x	√	√	√
Mr. Hamad Salem Al Ameri	2	x	x	√	√	√
Mr. Adel Hassan Al Nowais	-	√	√	√	√	√
Mr. Hamad Khalfan Al Shamsi	1	√	√	√	x	√
Mr. Laith Bin Jerry Al Fraih	2		√	√	x	√
Mr. Abdur-Raheem Mungrue	-	√	√	√	√	√





### 6.3 Responsibilities Assigned to the Executive Management

Executive Management, represented by the Group's Chief Executive Officer, has been designated to perform the following functions:

Name	Responsibilities/Authorities	Authorization Validity
Mr. Mamoon Abdullah Othman	<ul style="list-style-type: none"><li>● Appointing and negotiating workers and employees, determining their salaries and ending their services when necessary.</li><li>● Registration of accounts and financial transactions, issuing periodic and analytical financial reports for submission to the Board of Directors.</li><li>● The normal daily business of the company.</li><li>● Concluding and signing purchase contracts from suppliers and sales contracts to customers.</li><li>● Work on the implementation of the company's strategic plans, approved by the Board of Directors.</li><li>● Representing the company before governmental and non-governmental entities in relation to the company's ordinary work.</li></ul>	October 2020

The mandate of the Administration shall be effective until the expiry of the current Board of Directors' term in April 2020.

**Report of transactions details carried out with relevant parties (stakeholders) during the year 2018 explaining the nature of the relationship and the type of dealing:**





Due to related parties	Related Party Name	2,018
		AED "000"
Asociates related to a major shareholder	Pal Technology Services L.L.C.	34,393
Asociates related to a major shareholder	Royal Group Companies	14,816
Asociates related to a major shareholder	Meena Holdings LLC	6,188
Asociates related to a major shareholder	National Projects and Construction L.L.C.	5,457
Asociates related to a major shareholder	Tafawuq Facility Management (Formerly Three 60 Estate Management)	3,695
Asociates related to a major shareholder	Zee Stores L.L.C.	1,356
Asociates related to a major shareholder	Mazara L.L.C.	757
Asociates related to a major shareholder	Paragon Mall LLC	749
Asociates related to a major shareholder	Tamouh Investments Company L.L.C.	162
Asociates related to a major shareholder	Trojan General Contracting L.L.C.	159
Asociates related to a major shareholder	YOSH Hospitality LLC	144
Asociates related to a major shareholder	Phoenix Timber Factory L.L.C.	122
Asociates related to a major shareholder	Royal Development Company L.L.C.	60
Asociates related to a major shareholder	Toshiba Elevator Middle East L.L.C.	49
Asociates related to a major shareholder	Royal Architect Project Management L.L.C.	41
Asociates related to a major shareholder	Abu Dhabi Mountain Gate Property Investment L.L.C.	21
	Less: allowance for expected credit loss	(757)
	Effect of change in accounting policy for IFRS 9	(85)
	Total	67,327
Due to Related Parties	Related Party Name	
Asociates related to a major shareholder	Hi-Tech Concrete Projects L.L.C.	2,750
Asociates related to a major shareholder	National Projects and Construction LLC	4,000
Asociates related to a major shareholder	Al Jaraf Travel and Logistic L.L.C.	230
Asociates related to a major shareholder	Royal Group Holding L.L.C.	452
Asociates related to a major shareholder	Royal Group - Corporate Office	141
Asociates related to a major shareholder	Reem Ready Mix Co. L.L.C.	81
Asociates related to a major shareholder	Zee Stores L.L.C.	13
Asociates related to a major shareholder	Dar Al Ummah Printing and Publishing	10
Asociates related to a major shareholder	Support Center & Catering LLC	7
Asociates related to a major shareholder	Loan to a related party	1,200
	Total	8,884

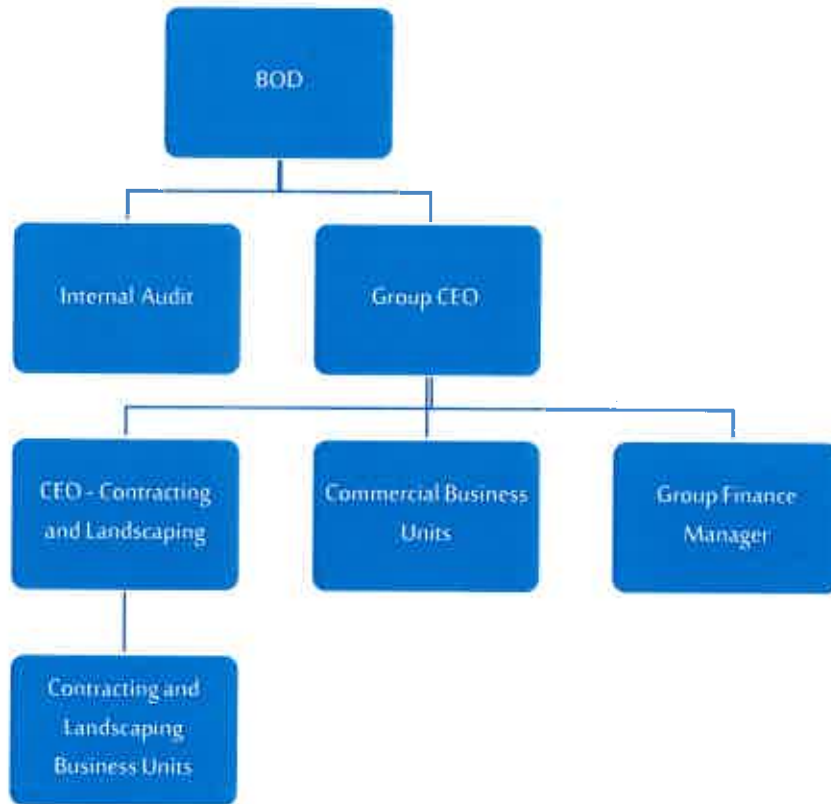
Transactions with Related parties during the year 2018	AED "000
Sales of fish and fish products	7,200
Contracting revenue	52,769
Cost of contracting revenue	41,097
Purchases	3,081







### 6.4 Group Organizational Chart





## 6.5 Executive Management

The following chart showing senior executives in the company, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2018:

Employee	Position	Appointment Date	Total salaries and allowances paid during the year 2018 - in dirham	Total bonuses paid during the year 2018 – in dirham	Any other bonuses to be paid in the future for the year 2018 – in dirham
Mr. Mamoon Othman	Group CEO	01/04/2012	1,741,419	190,937	NA
Mr. Sayed Basar	CEO for Construction and landscaping	01/01/2011	840,000	659,167	NA
Mr. Mohamed Yaser Bader	Group Finance Manager	24/03/2011	690,335	88,000	NA
Mr. Ishtiaque Ahmed	Internal Audit Manager	18/06/2017	85,343	NA	NA
Mr. Fadi Hammad	Chief Commercial Officer– trading business units	18/10/2017	1,231,384	NA	NA





## 7. External Auditor:

### 7.1 Brief About the Company's External Auditor

Deloitte & Touche (Middle East) is Deloitte Touche company, who is a member of Tohmatsu Limited (DTTL), the first Arab professional services company established in the Middle East with continuous presence since 1926.

Deloitte the leading professional service provider in the region, providing audit, taxation, consultancy and financial advisory services through 26 offices located in more than 150 countries worldwide and a number of partners, directors and employees exceeding 210,000. Deloitte Company is the first GCC tax advisor to be appointed in 2010 (in accordance with international ratings for international tax audit services). It has attained many awards in recent years, including Best Employer in the Middle East, Best Consulting Firm, and the Middle East Award for Training, Development and Excellence from Chartered Accountants' Institute in England and Wales (ICAEW).

### 7.2 List of Services Provided by the External Auditor:

The General Assembly held in April 2018 decided to appoint Deloitte & Touche to audit the accounts of the Company and its subsidiaries for the year 2018. Their fees were set at AED 425,000/=, including quarterly review fees (within the United Arab Emirates and Saudi Arabia).

Nature of services provided by the auditor is as follows:

- Ensure the preparation of final accounts and inventory works.
- Ensure that all financial transactions were organized, recorded and prepared in a sound rightful way in accordance with accounting standards.
- Ensure compliance with the accounting assumptions in handling all company business.
- Preparation of the external auditor's report.





Services were provided to the Company by other external auditors mentioned below, during the year 2018:

Company's Name	Amount Paid in AED	Services Provided
KPMG company	669,508/=	Provide Tax services, and evaluation reports for expansion plans.
PWC (Price Water-house Cooper)	274,228/=	Provide due diligence services for expansion plans.
EY (Earnest and Young)	437,850/=	Provide financials advices for the expansion plans.
<b>Total</b>	<b>1,381,586/=</b>	

Knowing that 2018 is the Fifth year that Deloitte & Touche has audited the consolidated financial statements of International Holding and its subsidiaries.

### 7.3 Summary of The Company's Auditors During the Year 2018:

Name of Auditor	M/s. Deloitte & Touche
Number of years spent as external auditor of the company.	Five years
Total audited financial statements for the year 2018.	AED 475,000/=
Fees and charges for special services other than auditing financial statements- 2018 paid to Deloitte & Touche	AED4,000/=
Details and nature of other provided services.	Deposit Services of audited financial statements of a subsidiary through the Electronic Portal of the Saudi Ministry of Commerce systems.





#### 7.4 Summary of Services Provided by Other External Auditors:

Company's Name	Paid Amount in AED	Services Provided
KPMG Company	669,508/=	Provide VAT services, and evaluation reports for expansion plans
PWC (Price Waterhouse Couper)	274,228/=	Provide due diligence services for the expansion plans
E & Y (Earnest and Young)	437,850/=	Provide financials advices for the expansion plans
<b>Total</b>	<b>1,381,586/=</b>	

**Clarification on the reservations made by the Company's auditor which were included in the interim and annual financial statements for the year 2018.**

The Company's external auditor did not have any reservations to any item of the interim financial statements during 2018.



## 8. Board of Directors Committees

### 8.1 Audit Committee

#### 8.1.1 Committee Members:

1. Mr. Laith Bin Jerry Al Fraih- Non-executive member/Independent/ Committee Chairman
  2. Mr. Hamad Khalfan Al Shamsi- Non-executive member /Independent/Committee Deputy Chairman
  3. Mr. Abdur Raheem Mungrue- Non-Executive Member/ Independent/ Committee Member
- Audit Committee meetings during the year 2018:

Board of Directors	No. of absence/ No. of Meetings	First Meeting 11/2/2018	Second Meeting 20/3/2018	Third Meeting 13/5/2018	Fourth Meeting 5/11/2018
Mr. Laith Jerry Al Fraih	-	√	√	√	√
Mr. Hamad Khalfan Al Shamsi	3	X	X	X	√
Mr. Abdur-Raheem Mungrue	-	√	√	√	√

#### 8.1.2 Committee Functions:

- Review policies, financial and accounting procedures of the company.
- Monitor the integrity of the company's financial statements and reports (annual, semi-annual and quarterly) and review them as part of its normal work during the year, and should particularly focus on the following:
  - Any changes in accounting policies and practices.
  - Highlight areas subjugated to management's discretion.
  - Substantial adjustments resulting from the audit.
  - Assuming continuity of business.





- Compliance with accounting standards determined by the Authority.
- Compliance with management and disclosure rules and other legal requirements related to the preparation of financial reports.
- Coordinating with the company's board of directors, senior executive management, financial director and the existing manager with the same tasks in the company in order to perform its duties.
- Consider any important and unusual items that should be included in such reports and accounts and shall give due attention to any matters raised by the CFO of the company, the manager with the same functions, the compliance officer or the auditor.
- The Board of Directors has issued a recommendation on the selection or resignation of the auditor. If the Board of Directors does not approve the recommendations of the Audit Committee, the Board of Directors should include in its report a statement explaining the recommendations of the Audit Committee and the reasons for the Board of Directors, not to adopt it.
- Develop and apply the contracting policy with the auditor and submit a report to the Board of Directors, identifying issues it considers important to take action about, recommending necessary steps to be taken.
- Ensure that the auditor fulfils the conditions stipulated in the laws, regulations and decisions in force and the company's articles of association, following up and monitoring his independence.
- Meeting with the company's auditor without the attendance of any of the senior executive management or its representatives, at least once a year, and discuss the nature and scope of the audit and its effectiveness in accordance with the approved auditing standards.





- Investigate all matters relating to the auditor's work, his work plan and correspondence with the company, his observations, suggestions and reservations, and any material questions raised by the auditor to senior executive management, regarding the accounting records, financial accounts or control systems, and follow up the response of the company management, providing necessary facilities to carry out his work.
- Ensuring that the Board of Directors responds in a timely manner to the clarifications and material issues raised in the auditor's letter.
- Review and evaluate the Company's internal control and risk management systems.
- Discuss the internal control system with the Board of Directors and ensure that it fulfils its duty to establish an effective internal control system.
- Consider the results of the main investigations in the internal control matters assigned to them by the Board of Directors or are initiated by the Committee and approved by the Board of Directors.
- Review the auditor's assessment of the internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.
- Ensure that resources are available for internal control management and to review and monitor the effectiveness of this department.
- Studying internal control reports and following up the implementation of the corrective measures of the observations contained therein.
- Establish controls that enable company employees to report any potential irregularities in financial reports, internal controls or other matters in secret, and steps to ensure independent and fair investigations of such violations.
- Monitor the company's compliance with the Code of Professional Conduct.







- Review the transactions of related parties with the company and ensure that there is no conflict of interest and recommend them to the Board of Directors before they are concluded.
- Ensure implementation of the work rules related to its functions and powers entrusted to it by the Board of Directors.
- Present reports and recommendations to the Governing Council on the above issues mentioned in this Article.
- Consider any other topics determined by the Board of Directors.



## 8.2 Nominations and Remunerations Committee

### 8.2.1 Committee Members:

1. Mr. Adel Hassan Al Nowais – non-executive member/ Independent/ Committee Chairman
2. Mr. Hamad Salem Al Ameri- non-executive member/ Independent/Committee Vice-Chairman
3. Mr. Abdur Raheem Mungrue- non-executive member/ Independent/ Committee member

Members of Nominations and Bonuses Committee	Number of Absences/ Number of meetings	Meeting dated 27/8/2018
Mr. Adel Hassan Al Nowais	-	√
Mr. Hamad Salem Al Ameri	-	√
Mr. Abdur-Raheem Mungrue	-	√

### 8.2.2 Committee Functions:

- 1.1 To establish a policy on membership candidacy for the Board of Directors and Executive Management, which aims at taking into account gender diversity within the formation and encouraging women through motivations and incentive programs and providing the Authority with a copy of this policy and any amendments thereto.
- 1.2 Organizing and following up the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the provisions of this resolution.
- 1.3 Ensure continuous independence of independent members.
- 1.4 If the Committee finds that a member has lost the conditions of independence, it must submit the matter to the Board to notify the member of a registered letter to the company's fixed address for reasons of non-independence. The member must respond to the Board



within fifteen days from the date of notification. The member is independent or not independent at the first meeting following the member's reply or the expiration of the period referred to in the preceding item without a reply.

- 1.5 Subject to the provisions of Federal Law No. 2 of 2015 and the corporate governance procedures issued by Resolution 7 (M), if the Board of Directors' decision to deny the reasons or justifications for the independence of the Member has an effect on the minimum percentage required of its independent members, If the member refuses to submit the resignation, the board of directors shall submit the matter to the General Assembly for a decision to approve the appointment of another member or to open the door for the election of a new member.
- 1.6 To prepare the policy for the granting of bonuses, benefits, incentives and salaries for the members of the Board of Directors of the Company and its employees, and to review them on an annual basis. The Committee shall verify that the remuneration and benefits granted to the Senior Executive Management are reasonable and proportionate to the performance of the Company.
- 1.7 Annual review of the required skills requirements for Board membership and preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time required to be assigned by the member to the work of the Board of Directors.
- 1.8 Review the structure of the Board and make recommendations regarding possible changes.
- 1.9 Identify the company's needs of competencies at the level of senior executive management and employees and the bases of their selection.
- 1.10 Develop and review the HR policy and training in the company, control its implementation and review it annually.
- 1.11 Any other matters determined by the Board of Directors.





### 8.3 Follow-Up and Insider Transaction Supervision Committee

The Board of Directors has formed a committee to manage, follow up and observe the transactions of interested persons and their property, maintain their register and submit statements and periodic reports to the market.

The Committee is composed of the following members:

No.	Member Name	Position in the Committee	Position according to Organizational Chart	Meeting date 25/9/2018
1.	Mr. Laith Al Fraih	Committee Chairman	Chairman Audit Committee	Attended
2.	Mr. Mamoon Othman	Member	Group Chief Executive Officer	Attended
3.	Mr. Mohamed Yaser Bader	Member	Group Finance Manager	Attended

#### 8.3.1 Committee Functions and Responsibilities:

1. The Committee shall include the names of persons familiar with any data pertaining to the company that may have an effect on the price of the company's shares in the market, in a manner that ensures the highest standards of transparency and disclosure.
2. The Committee shall maintain a special register recording all necessary data for the insiders and determining the period of their knowledge, the number of securities traded in the sale and purchase during the year, the dates of execution of trading operations, and other relevant data.
3. The Committee shall have the right to include the name of the conversant person if he is from within the company employees or an external party.
4. The Committee shall be entitled to determine the nature of the person's term of office (permanent / temporary).





5. The Committee shall abide by the rules and procedures of corporate governance and discipline and all instructions and laws issued from time to time.
6. An annual report shall be sent to the Board of Directors stating the names of the interested persons and the volume of their transactions in the company's securities.
7. The Committee shall ensure that all persons who have expressed their wishes have made the necessary representations.
8. The Committee meets at least once a year.

### 8.3.2 Summary of The Committee Work During the Year 2018

The committee reviewed the rules of dealing for controlling private transactions of conversant persons, reviewing the mechanism of keeping related records. In addition, the committee has taken necessary procedures to ensure the highest levels of compliance with legislation and best practice for corporate governance.

## 9. Internal Control System

### 9.1 The Board of Directors' Acknowledgement of its Responsibility for the Internal Control System and its review and effectiveness

The Board of Directors acknowledges its responsibility for the Company's internal control system and its review and effectiveness.

### 9.2 Internal Control Department In-charge's Profile:

Mr. Ishtiaque Ahmed is an Internal Control Manager and Compliance Officer: (Date of appointment 18/06/2017), performing the duties of the Internal Control Department Manager, in addition to the work of compliance officer.



He holds Bachelor of Commerce, and Certified Internal Auditor (CIA) from the Institute of Internal Auditors (USA), He has more than ten years of experience in accounting, finance and auditing with chartered accountant firm, commercial companies and contracting companies.

The Internal Control Department's mechanism in tackling any of the major problems that may occur in the company or those disclosed in the annual reports and accounts:

The Internal Control Department shall promptly inform the Audit Committee in the event of any significant problem (if any), and the senior management of the company, as well as the mechanism of processing and following up the implementation of the proposed solutions and procedures, for the he Audit Committee to play its role by taking necessary measures to preserve the shareholders' rights in accordance with best practices and standards.

### 9.3 Working Mechanism of the Internal Control Department:

The company adopts international standards of internal control in order to achieve the required objectives, represented in the Internal Control bases to ensure:

- Compatibility of information and data.
- Adherence to policies, plans, procedures and laws.
- Appropriate range of operations and activities with specific objectives and check extent of their applicability.
- Emphasize preventive control to avoid undesirable events.

### 9.4 The Annual Review Includes the Following Components in Particular:

1. Key control elements including financial control, operations and risk management.



2. Changes since the last annual review on the nature and extent of the major risks and the Company's ability to respond to changes in its business and external environment.
3. The scope and quality of the Board's ongoing control of risks, the internal control system and the internal auditor' work.
4. The number of times the Board of Directors or its committees have been informed about audit work results to enable it assess the internal control position of the Company and the effectiveness of risk management.
5. Failures or weaknesses in the detected control system or unexpected contingencies which have affected or may have a material impact on the performance or financial position of the Company.
6. The effectiveness of the Company's financial reporting and compliance with listing and disclosure rules.
7. Verifying all transactions in terms of whether they are carried out with a related party or involving a conflict of interests and verifying compliance with the procedures governing such transactions.

#### 10. Violations Committed by the Company During the year 2018

No violations were recorded during 2018.





## 11. Statement of Cash and Kind Contributions

A statement of cash and kind contributions made by the company during the year 2018 in the development of the community and preservation of the environment.

- a. The company is one of the most important sponsors of the Food Security Alliance, which was established in 2015 under the auspices of the Abu Dhabi Food Control Authority.
- b. The company participated in the number of seminars and lectures related to environment, fish farming and food security, some of which are within the country and some are beyond.
- c. Participation in the "SEFEX 2018" food exhibition by displaying the company's products in all categories.
- d. Participation in Food Exhibition (Gulf food 2018) by introducing fresh, frozen and value-added products.
- e. Participation in the number of seminars and lectures specialized in environment and sustainability.
- f. The company provides comprehensive quality management systems and has attained the following certificates:
  - Certificate of integrated management systems for quality management system according to the ISO 9001: 2000 standard
  - Certificate of environmental management systems according to ISO 14001: 1996 standards
  - Health and safety management system certificate according to OHSAS 18001: 1999
  - ISO 22000: 2005 - processing, packaging and distribution of fresh and frozen seafood.
  - Certificate (HACCP) 2006 - processing, packaging and distribution of fresh and frozen seafood
  - European union approval for the processing and packing of seafood and fresh and frozen fish.







### 11.1 Projects and Innovative Initiatives Undertaken by The Company or Those Under Development During 2018.

The company is currently working on the establishment of a plant specialized in the production of seafood within the country through one of its subsidiaries. The Board of Directors approved the design of the new plant (which is under construction) with a design based on modern technology to generate part of the energy for the lighting of plant through solar system.

### 12.General Information

Comparative Performance Statement of the Company's Shares with the Market and Sector during the Year 2018.

The following table shows the performance of the company's share with the sector index and the general index of the market:

Month الشهر	OPEN (AED) سعر الافتتاح	CLOSE (AED) سعر الاغلاق	HIGH (AED) الاعلى	LOW (AED) الادنى	Value (AED) القيمة المتداولة	VOLUME عدد الاسهم المتداولة	TRADES عدد العقود	مؤشر السوق ADX	ADCM مؤشر القطاع
Jan-18	1.430	1.440	1.540	1.400	25,616,772	17,589,181	322	4,602	2,088
Feb-18	1.440	1.400	1.460	1.370	9,232,383	6,522,627	206	4,598	2,070
Mar-18	1.400	1.480	1.490	1.390	25,410,594	17,610,726	273	4,585	2,086
Apr-18	1.450	1.450	1.480	1.300	8,775,218	6,161,881	137	4,670	2,065
May-18	1.390	1.360	1.440	1.300	5,516,419	4,076,998	138	4,605	2,114
Jun-18	1.310	1.280	1.360	1.170	5,626,775	4,377,722	104	4,560	2,074
Jul-18	1.280	1.250	1.340	1.240	7,254,739	5,639,638	104	4,859	2,064
Aug-18	1.170	1.230	1.310	1.120	3,267,833	2,696,896	117	4,987	2,090
Sep-18	1.220	1.190	1.240	1.040	3,784,774	3,235,052	108	4,935	1,935
Oct-18	1.190	1.170	1.230	1.080	2,772,944	2,441,001	76	4,902	1,825
Nov-18	1.100	1.140	1.200	1.070	2,626,241	2,274,687	75	4,770	1,736
Dec-18	1.090	0.948	1.130	0.880	7,302,750	7,426,779	246	4,915	2,026
المجموع Total					107,187,442	80,053,188	1,906		





## 12.1 Consumer Goods Index during 2018

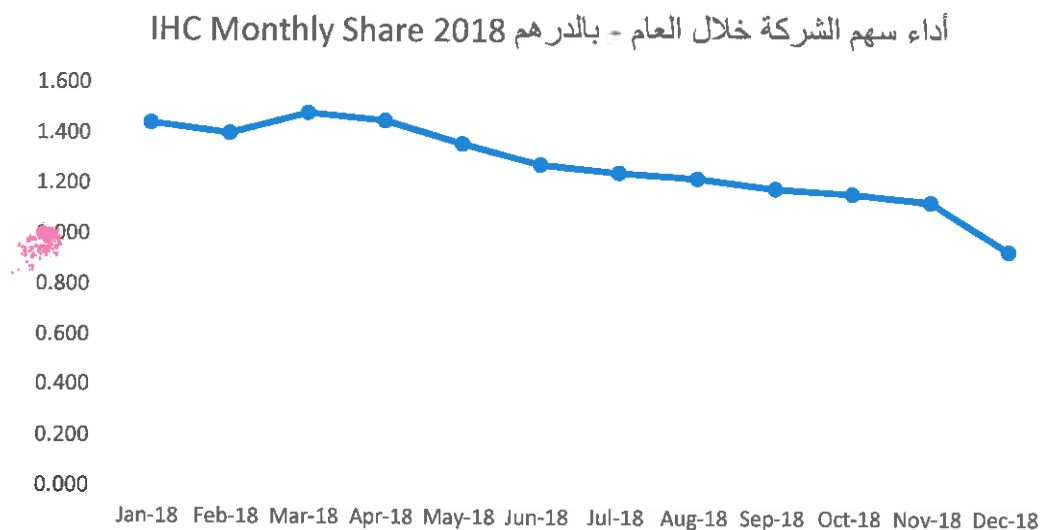
Month/الشهر	High/الأعلى	Low/الأدنى	Close/إغلاق
Jan-18	2,219.080	2,061.590	2,088
Feb-18	2,085.430	1,931.410	2,070
Mar-18	2,204.130	1,841.400	2,086
Apr-18	2,204.720	1,989.470	2,065
May-18	2,197.940	2,008.890	2,114
Jun-18	2,152.880	1,983.970	2,074
Jul-18	2,118.840	2,031.180	2,064
Aug-18	2,134.740	1,999.980	2,090
Sep-18	2,113.710	1,853.520	1,935
Oct-18	1,913.860	1,684.800	1,825
Nov-18	1,858.060	1,649.010	1,736
Dec-18	2,031.430	1,577.250	2,026

## 12.2 The Overall Index for Abu Dhabi Securities Exchange During the Year 2018

Month/الشهر	High/الأعلى	Low/الأدنى	Close/إغلاق
Jan-18	4,637.58	4,595.86	4,602
Feb-18	4,616.16	4,591.65	4,598
Mar-18	4,585.44	4,486.78	4,585
Apr-18	4,688.34	4,664.30	4,670
May-18	4,619.24	4,555.83	4,605
Jun-18	4,565.81	4,537.67	4,560
Jul-18	4,859.72	4,824.74	4,859
Aug-18	5,039.83	4,955.99	4,987
Sep-18	4,951.51	4,929.73	4,935
Oct-18	4,902.12	4,851.90	4,902
Nov-18	4,915.41	4,770.08	4,770
Dec-18	4,915.07	4,823.81	4,915

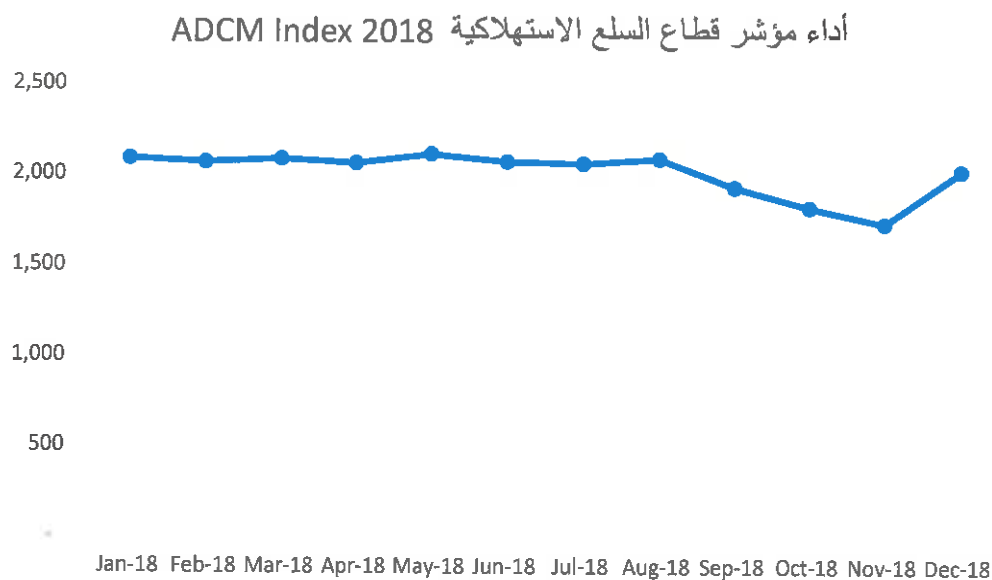


### 12.3 International Holdings Company's Share Performance During the Year 2018



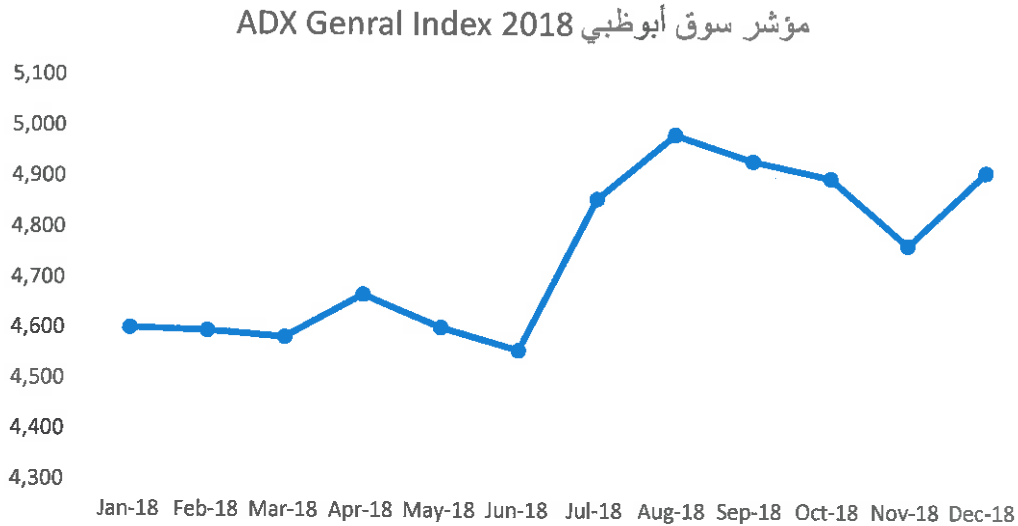
### 12.4 Sector Index (Consumer Goods)

#### The Consumer Price Index (CPI) during 2018 (point)



## 12.5 Abu Dhabi Securities Exchange Index (2018)

### Performance of Abu Dhabi Securities Exchange Index for 2018 (point)



## 12.6 Distribution of Shareholders' Ownership as on 31/12/2018:

Description	Governments	Individuals	Companies	Total	Percentage
Local	-	145,247,078	342,401,597	487,648,675	96%
GCC	-	568,208	751,106	1,319,314	0%
Arabs	-	13,800,949	102,000	13,902,949	3%
Foreigners	-	5,220,609	1,908,453	7,129,062	1%
<b>Total</b>	-	<b>164,836,844</b>	<b>345,163,156</b>	<b>510,000,000</b>	<b>100%</b>
Percentage		32%	68%	100%	



### 12.7 Statement of Shareholders Who Own More Than 5% as on 31/12/2018:

Name of Shareholders	Shareholders Share %
Royal Group for Corporate Management LLC	33.4%
Shimira Investment LLC	11.3%
Humaid Darwish Ahmed Al Ketbi	6.0%
TV Infiniti Free Zone LLC	5.6%
AL BAZI HOLDINGS RSC LTD	5.25%
<b>Total</b>	<b>61.55%</b>

### 12.8 A Statement of The Distribution of The Shareholders as Per the Volume of Ownership as on 31/12/2018:

Ownership of Shares	Number of Shareholders	Number of owned shares	Ownership %
Less than 50.000	8,540	19,984,797	3.92%
From 50.000- Less than 500.000	178	30,801,958	6.04%
From 500.000- Less than 5.000.000	50	89,947,885	17.64%
More than 5.000.000	12	369,265,360	72.40%
<b>Total</b>	<b>8,780</b>	<b>510,000,000</b>	<b>100%</b>

### 13. Investor Relations Affairs

The company has established a department specialized in managing the affairs of the shareholders. The following summary clarifies what has been achieved in compliance with the provisions of the law and the Memorandum of Association and Resolution No. 7 regarding corporate governance regulations and related circulars:

1. The Shareholder's Relations Officer has been appointed and holds the following qualifications:
  - Holds a degree suitable for work.





- Has experience in managing the affairs of shareholders and legal matters within the State, including companies and banks.
  - Aware of the relevant legal and legislative requirements.
  - Has full knowledge of the company's activities and opportunities.
  - Has the ability to use different channels of communication, and has the skills to communicate with investors in securities.
2. A special investor relations page has been created on the company's website to be constantly updated and maintained in line with international standards, including: Investor Relations Department data and contact information such as: a dedicated phone number and e-mail, providing all reports on financial results whether recorded or published , Financial year data, including the dates of publication of financial results data, minutes of meetings of the General Assemblies, and any other important events.
3. Information and data disclosed to regulators, markets or the public are posted on the company's website at the following link:
- <http://asmak.biz/investor.html>
4. Contact details with Shareholder's Relations Officer, Miss Linda Ballout  
Address: Unit# 404, 4<sup>th</sup> floor, Silver Wave Tower Meena Road,  
Abu Dhabi – United Arab Emirates  
Tel.: 02-6448090  
Fax 02-6447060  
P.O. Box 32619, Abu Dhabi – United Arab Emirates  
Email: [linda.b@ihcuae.com](mailto:linda.b@ihcuae.com)  
Email: [investors@asmak.ae](mailto:investors@asmak.ae)  
Responding to Shareholders' enquiries from Sunday to Thursday, 10am to 2pm.





#### 14. The Special Resolutions That Were Presented at The General Assembly in April 2018:

There were no special resolutions at the General Assembly meeting.

#### 15. Rapporteur of Board Meetings:

**Name of Rapporteur:** Mr. Mohamed Yaser Bader

**Job title:** Group Finance Manager

**Appointment Date:** 24/3/2011

Highlights of Company's Major Events During 2018:

During 2018, there was no significant event that requires disclosure.

#### 16. Emiratization at the End of The Year (excluding construction workers)

Number of Employees	Emirates Citizens	Non-Emirates	Total
Total	6	470	476
Ratio	1%	99%	100%

#### 17. Highlights of the Company's Major Events During 2018:

During 2018 there was no significant event requiring disclosure.





International  
Holdings  
Company

الشركة العالمية القابضة

International Holdings Company (PJSC)

Corporate Governance Report - Year 2018

**Note: Copies of this report (after approval) will be provided to the shareholders at the Company's Head Office and on the Company's website, as well as other copies to be provided to shareholders at the Annual General Assembly.**

**Report Issue Date: 03/03 / 2019**

A handwritten signature in blue ink, appearing to read 'Hamad Abdulla Al Shamsi', is written over a horizontal line.

**Hamad Abdulla Al Shamsi**

**Chairman Board of Directors**

**International Holdings Company PJSC**

