



# Estithmar

Holding Q.P.S.C.

## Annual Governance Report 2023

**In accordance with the Corporate Governance Code for  
Companies and Legal Entities Listed on the Main Market  
issued by Qatar Financial Markets Authority (QFMA)  
pursuant to Resolution No. 5 of 2016.**

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**Transparency**

This principle is based on good faith, honesty, and openness; upholding of the values of self-censorship and integrity; exercising of great caution, diligence, and honesty in performing the tasks and functions assigned to each and every employee and official in the Company, including the Chairman, Board members, Senior Executive Management, all employees and other parties related to the Company. This principle determines the framework of disclosure and provision of the information required by the Authority, other regulatory bodies, or stakeholders at the right time and in the manner that enables the requester of information to take the proper decision. It also regulates insiders' way of dealing in the securities issued by the Company or any of its subsidiaries as well as serving to avoid and reduce conflicts of interest and achieve public interest under the concept of fair investment in the market.

**Responsibility Taking and Acknowledgement:**

This principle aims to determine the rights, duties and responsibilities in the Company; develop an appropriate control mechanism to hold each official/employee accountable for his work and assess his performance; and assess the Company's overall performance in accordance with best international standards whether the control process is carried out internally by the Board and its committees or by the internal audit, each within its scope of competence, or externally by an auditor. It also aims to make each official acknowledge his responsibility even when delegating some of his functions or powers to others since such delegation is only related to tasks not responsibilities. In addition, this principle aims to outline the social responsibility of the Company and its role towards the development and prosperity of society and preservation of the environment.

**Justice and Equality:**

Stakeholders, first and foremost shareholders, have equal rights and shall be treated without any discrimination whatsoever on the basis of race, gender or religion, and they shall have all the same rights arising from their share ownership or capacity in the Company. This principle also covers stakeholders' rights in the Company, whether shareholders or others that have a position or an interest in the Company, such as employees, creditors, clients, and suppliers. This is aimed to enable them to exercise and enjoy their rights, particularly the rights related to the General Assembly and accessible participation therein, including the rights to vote, candidacy and election of Board members, dividends, access information, and adopt the bonus and incentives policy in the Company, including bonuses of the Chairman and members of the Board and Senior Executive Management.

**Commitment**

The Company takes into account the protection of the rights of investors and stakeholders in general, enabling them to exercise such rights, as well as upholding of values of protecting the rights of minority shareholders and employees of the Company by adopting preferential treatment for small investors and minority shareholders. The pillars of such treatment involve: not allowing the majority to control the minority; not allowing one or more Board members to dominate the decision-making process; and adopting cumulative voting method in the election of Board members. This method of voting gives each shareholder voting rights equivalent to the number of shares owned by them and allows them to cast the said votes for a single candidate or divide them among selected candidates without any duplication of votes. The said method could increase the opportunities of minority shareholders to enjoy fair representation in the Board and provide an appropriate mechanism that enable all shareholders and other



stakeholders to access information to the extent that protects the interests and rights of the Company and others, as well as a mechanism for submitting appeals and complaints and reporting any violations or risks that might threaten the Company.

### **Definitions:**

1. **Company:** Estithmar Holding Q.P.S.C. .
2. **Chairman:** The Board chairman.
3. **Board:** The Board of Directors of the company
4. **Governance:** System by which a company is directed and controlled. The governance specifies the foundations and principles of the distribution of rights and responsibilities among the different participations in the Company – such as the Board of Directors, managers, shareholders, and other Stakeholders – and spells out the rules and procedures for making decisions of the Company’s affairs.
5. **Executive Board Member:** A Board member who performs an executive role and/or has a full-time position.
6. **Non-Executive Board Member:** A Board member who does not have a full-time management position at the Company or who does not receive a wage.
7. **Independent Board Member:** A Board member, who has complete independence.
8. **Corporate Governance Code:** Qatar Financial Markets Authority (QFMA) Resolution No. 5 of 2016 for Companies and Legal Entities Listed on the Main Market and its amendments.
9. **Law:** Commercial Companies Law No. (11) of 2015 Amended by Law No. (8) of 2021.
10. **Authority:** Qatar Financial Markets Authority (QFMA).
11. **Related Party:** A person is considered a Related Party to the Company if that person is a Board member of the Company or a company of its Company; is a Member of the Senior Executive Management of the Company or any company of its Company; owns at least (5%) of the Company shares or any of its Company; or is a relative of any of the former mentioned to the second degree. It also includes the legal persons controlled by a member of the Board of the Company or any company of its Company or of Senior Executive Management and their relatives to the second degree, or that participated in a project or a partnership of any kind with the Company or any company of its Company.

### **Disclosures in the Annual Report**

The Board is committed to submitting an annual governance report in accordance with the applicable regulations. In its annual report, the Company shall disclose its commitment to apply the principles and provisions of the Governance Code. In case of non-compliance with any principle or provision of the Code for reasons accepted by the Authority, taking into account the public interest, the market interest or the protection of investors, the Company shall specify in the Governance Report the article or articles that it has not complied with and express the justifications for non-compliance or the reasons for violation, as the case may be, provided that the Governance Report is part of the annual report of the Company, including the following:

**First: Procedures followed by the Company in implementing the provisions of this Code:**

In fact, the Company has adopted the Governance Code No. 5/2016 since the Constituent General Assembly of the Company held on May 8, 2017, which approved the Company's Articles of Association and finally announced the establishment of the Company.

In 2023, the Company adhered to the application of governance systems. To explain, during 2023, the Company held six (6) meetings for the Audit and Risk Management Committee, four (4) meetings for the Nominations and Remuneration Committee, Six (6) meetings for the Executive Committee, seven (7) Board meetings, two (2) Ordinary General Assembly meetings and two (2) Extraordinary General Assembly meetings.

At the level of the Board of Directors, the most important topics discussed were the discussion and approval of all the periodic financial statements at the specified times in accordance with the law and regulations, the Audit and Risk Management Committee reports during the fiscal year 2023 as well as the budget for Estithmar and its subsidiaries scheduled for the year 2024, and the business plan for the subsidiaries, especially with regard to the expansion plan outside Qatar. For this reason, the Board of Directors decided to establish several companies outside Qatar and approved important projects and partnerships.

The non-independent member of the Board of Directors, Mr. Mohammad Ghanem Al-Hudaifi Al-Kuwari, resigned on 6/6/2023, and a new non-independent member of the Board of Directors, Mr. Khaled Al-Non, was elected in the General Assembly held on 11/28/2023.

The Board of Directors has called for two (2) meetings for the Ordinary General Assembly and two (2) meetings for the Extraordinary General Assembly where the first Ordinary meeting according to the following:

- The Annual Ordinary General Assembly of the Company was held on 16/4/2023 to discuss the financial statements for the year 2022.
- The Ordinary General Assembly of the Company was held on 28/11/2023 to elect a non-independent Board of Directors member.
- The Extraordinary General Assembly of the company was held on 16/4/2023 to amend the Articles of Association, and authorize the Board of Directors, the Chairman of the Board of Directors and the Vice Chairman with some powers.
- The Extraordinary General Assembly of the company was held on 07/24/2023 to amend some decisions taken in relation to the Sukuk program.

In addition to the above, the Company made effective disclosures in a way ensuring justice and transparency, preventing conflicts of interest and exploitation of information not available to the public, and clarifying the rules to be followed when dealing in securities by insiders. The Board meetings, resolutions and recommendations, periodic financial statements, and the place and time of holding the General Assembly meetings were disclosed and all the essential data, the list of the names and data of the members

of the Board of Directors and its committees, the list of the insiders of material events, the recommendations of the committees, and the lawsuits. Also, the contracts signed by the company, the data of the subsidiaries that were established, all the periodic and immediate information, and the basic data of the Company were disclosed according to the applicable laws and regulations and notifications about essential matters.

During the Financial Year 2023, the Company carried out all disclosure procedures stipulated in the applicable laws and regulations, particularly to QFMA, Qatar Stock Exchange and Qatar Central Securities Depository. The Company's website was updated to keep the shareholders updated of all the news and disclosures issued by the Company.

**Second: Disclosure of any violations committed during the year, including violations and penalties imposed for non-compliance with the implementation of any of the principles or provisions of this Code, their reasons, the remedial measures taken and ways to avoid the same in the future**

Elegancia Group WLL ("Elegancia") announced in November 2021 that it, in partnership with IMG, had signed a contract with Qatari Diar and Qatar Tourism to establish and operate the "Winter Wonderland Project" on Al Maha Island in Lusail City. This advertisement was published in newspapers and on social networking sites.

The Company announced, in the Acquisition Circular prepared as part of the acquisition of Elegancia, the "Winter Wonderland Project" on page 30.

The Acquisition Circular was notified to the Qatar Financial Markets Authority and published on the Company's website on 3/16/2022 and is still published to date.

And since Elegancia has become, one of Estithmar Holding subsidiaries, in accordance with the disclosures made to the Qatar Financial Markets Authority and other regulatory authorities, the aforementioned project has become one of Estithmar Holding's project.

Accordingly, the marketing department in Elegancia published, on 10/5/2022, an announcement about the components of the Al Maha Island project and used the name of the parent company, i.e. Estithmar Holding.

It should be noted that the Elegancia team, which joined a public shareholding company at the time, less than a month ago, did not take into account the need for disclosure because the project had been previously announced several times and was the subject of discussion on social media for months due to its importance.

In addition to the foregoing, Estithmar Holding Q.P.S.C., addressed the Qatar Stock Exchange and explained the matter and disclosed the project on the stock exchange platform upon its knowledge of the publication of the aforementioned announcement.

By reviewing the financial market on the date of publication of the announcement and on the day preceding the publication and the day following it, the Company believes that the announcement did not constitute material news or affect the price of Estithmar Holding's share in any way as usual in material news and this is confirmed by the study conducted by the Company.

This incident led to Qatar Stock Exchange calling the company to a hearing session, during

which the Company explained what was mentioned above, and Qatar Stock Exchange issued a warning letter to the Company. After that, the Company was summoned to a hearing for the same incident with the Qatar Financial Markets Authority and the Accounting Committee and. As a result, a warning letter was issued to the company.

As a result, the Company organized periodic meetings to confirm the provisions that the Company and employees are required to abide by with regard to trading important and material information and identifying information that is considered material.

**Third: Disclosure of information relating to Board Members and Committees and Senior Executive Management in the Company and their responsibilities, powers and work during the year, as well as their remunerations**

**A. BOD Members:**

The Board shall consist of eleven (11) members to be elected by the Ordinary General Assembly by secret ballot. During the year 2023, the Board of Directors consisted of the following members:

| SN. | Data, Brief CV, and Qualifications of Board Member   |
|-----|--|
| 1   | <p><b>Mr. Mohammad Moutaz Al-Khayyat</b><br/><b>Chairman</b></p> <p>Chairman of Power International Holding a business conglomerate that operates in several sectors being contracting, industries, services, agri-food industries, real estate, hospitality tourism, entertainment, and healthcare.</p> <p>Chairman of UCC Holding.</p> <p>Chairman of Baladna QPSC, Qatar's leading dairy company</p> <p>Chairman of Assets Group real estate development</p> <p>Chairman of Aura Group, Qatar's biggest F&amp;B and entertainment group</p> <p>Mr. Mohammad Moataz holds a bachelor's degree in Global Business from the University of West Scotland, United Kingdom</p>  |
| 2   | <p><b>Mr. Ramez Al Khayyat</b><br/><b>Vice Chairman</b></p> <p>Vice Chairman and Group CEO of Power International Holding a business conglomerate that operates in several sectors being contracting, industries, services, agri-food industries, real estate, hospitality, tourism, entertainment, and healthcare.</p> <p>Vice Chairman and Managing Director of UCC Holding.</p> <p>Managing Director of Baladna QPSC, Qatar's leading dairy company,</p> <p>Vice Chairman and Managing Director of Assets Group real estate development.</p> <p>Vice Chairman and Managing Director of Aura Group, Qatar's leading Hospitality and Entertainment Group.</p> <p>Mr. Ramez holds a bachelor's degree in Global Business from the University of West Scotland, United Kingdom.</p> |



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| 3 | <p><b>Mr. Khalid Ghanim S Al-Hodeifi Al-Kuwari</b><br/> <b>Board Member (Non-Independent, Non-Executive)</b></p> <p>Mr. Khalid has been a board member of Estithmar Holding since 2017. Mr. Khalid is a retired Officer in the Qatari Ministry of Interior. He is also a businessman.</p> <p>Mr. Khalid holds a bachelor's degree in Police Sciences from the Durham University College in England.</p>   |
| 4 | <p><b>Mr. Hamad Ghanim S Al-Hodeifi Al-Kuwari</b><br/> <b>Board Member (Non-Independent, Non-Executive)</b></p> <p>Mr. Hamad has been a board member of Estithmar Holding since 2017. Mr. Hamad is a former Officer at the Qatari Armed Forces from 2000 till 2006 as well as at the Qatari Police.</p> <p>Additionally, Mr. Hamad worked at Emiri Diwan of the State of Qatar. Mr. Hamad holds a Diploma in Military Science from the Royal Military Academy Sandhurst England.</p>  |
| 5 | <p><b>Mr. Mohammed Ghanim S Al Hodifi Al-Kuwari (until June 2023)</b><br/> <b>Board Member (Non-Independent, Non-Executive)</b></p> <p>Mr. Mohammed is a board member of Estithmar Holding since 2017 until his resignation from his position in June 2023.</p> <p>Mr. Mohammed is a former Leader in the Ministry of Interior from 1988 till 2003. Mr. graduated from Higher Technological Institute - Accounting Division, with a Management Information Systems Degree.</p> <p><b>Mr. Khaled Al Non (November 2023)</b><br/> <b>Board Member (Non-Independent, Non-Executive)</b></p> <p>Mr. Khaled commenced his career in Italy in international trade and moved to Qatar in 2017, as the Procurement Director at Baladna QPCS, where he played a pivotal role in the company's initial success. He then progressed to lead the Supply Chain Department as a General Manager, managing the end-to-end supply chain process. Subsequently, he took on the role of General Manager for the New Ventures Department, spearheading business diversification and expansion in Qatar and the international market.</p> |
| 6 | <p><b>Sheikh Suhaim Bin AbdulAziz Al Thani</b><br/> <b>Board Member (Independent, Non-Executive)</b></p> <p>Sheikh Suhaim is currently working in the position of managing the protocol for the visit and meeting of His Highness the Emir, in the Protocol Department at the Amiri Diwan.</p> <p>Vice President of Qatar Sports Club, Head of Al-Bidaa Group, Chairman of the Board of Directors of Al-Bidaa Switchgear.</p> <p>Sheikh Suhaim holds a bachelor's degree in business administration and marketing - Arab Academy of Sciences - Egypt, and a master's degree in business administration- University of Plymouth - United Kingdom</p>   |

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| 7 | <p><b>Mr. Abdulla Darwish Al Darwish</b><br/> <b>Board Member (Independent, Non-Executive)</b></p> <p>Chairman of the Board of Directors of Energy City Company, Member of the Executive Committee of Energy City Company, Vice President of Al-Bidaa Group, Vice Chairman of the Board of Directors of Al-Bidaa Electrical Switchgear, Chairman and CEO of the Andalusian Hospitality Company - Malaga - Spain. Mr. Abdulla holds a bachelor's degree in business administration from Northampton University - United Kingdom, he holds a Diploma in Business Administration from North Atlantic College</p>   |
| 8 | <p><b>Dr. Bothaina Al Ansari</b><br/> <b>Board Member (Independent, Non-Executive)</b></p> <p>Chairman of the Board of Directors of Just State Real Estate Company, Member of the Association to Promote the Role of Women in the Technological Sector - Hillary Clinton Initiative, Vice-Chairman of the Board of Directors of Graduates in Qatar and Secretary of the Fund, Vice President of the Association of MBA Alumni - Qatar University, Honorary Ambassador of the Qatar Cancer Society. She was awarded the title of 'Businesswoman of the Year 2011' - Entrepreneur magazine.</p> <p>Dr. Bothaina Al Ansari holds a PhD in Business Administration from Nottingham Trent University - United Kingdom and a master's degree in business administration - Qatar University, she holds a master's degree in strategic planning - the American University - Cairo - the Arab Republic of Egypt and graduated from Qatar Leadership Center - Executive Program</p> |
| 9 | <p><b>Mr. Ibrahim Abdulla Al Abdulla</b><br/> <b>Board Member (Independent, Non-Executive)</b></p> <p>Mr. Ibrahim has more than twenty-five years of experience in the real estate and administrative fields, especially in local and foreign human resources. He also held many high administrative positions during his work in the state.</p> <p>Mr. Ibrahim is a member of the Board of Directors of the Granada Trading Company, a member of the Board of Directors of the Lighting Design Company, and Director of Asian-African Human Resources in the Qatari Diar Company Mr. Ibrahim holds a bachelor's degree from the College of Science - Qatar University.</p>   |

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| 10 | <p><b>Mr. Eyad Abdulrahim representing Urbacon for Trading and Contracting WLL</b><br/> <b>Board Member (Non-Independent, Non-Executive)</b></p> <p>Mr. Eyad brings over 25 years of experience in leading Finance departments in the region. He has led major publicly listed companies and family business finance departments and has also assumed board and top management positions within. He has also performed on major regional and international boards of directors.</p> <p>Mr. Eyad has worked with some of the major institutions within the Middle East and GCC including Emaar, The Economic City, Al Futtaim Group Real Estate, Dubai Properties Group, Arabtec Holding, DEPA LTD, Standard Chartered Bank, and Arab Bank.</p> <p>He has led several IPOs in the region in addition to major restructuring, complex money market transactions, and growth responsibilities within his career.</p> <p>Eyad is a well-proven leader within the Finance community in the MENA area and the GCC in particular.</p> <p>He holds an MBA degree from UOWD in Dubai and a degree in Accounting and Finance.</p> |
| 11 | <p><b>Mr. Mohamad Mohamad Sadiq Al-Dawamaneh representing Highness Holding Company WLL</b><br/> <b>Board Member (Non-Independent, Non-Executive)</b></p> <p>Mr. Mohamad is the Business Development Manager of Power International Holdings.</p> <p>Mr. Mohamad holds a bachelor's degree in civil engineering - Geotechnical Engineering - College of Civil Engineering</p>  |

The Company is committed to the competence and effectiveness of Board members. It shall ensure that Board members are qualified with sufficient knowledge of administrative matters and relevant experience to perform their duties effectively, and that they devote enough time to do their job with integrity and transparency in order to achieve the Company's interest, goals and objectives. Board members shall meet the applicable requirements, namely: None is under twenty-one years of age; none has been sentenced to a criminal penalty, or an offence against honor or integrity, or any of the crimes referred to in Article 40) of Law No. 8 of 2012 on Qatar Financial Markets Authority, and Articles (334) and (335) of Law No. 11 of 2015 promulgating the Commercial Companies Law; none is banned from practicing any work in the entities subject to the Authority's oversight under Article (35 (paragraph 12) of Law No. 8 of 2012 referred to; and none has been declared bankrupt.

Moreover, all the Board of Directorss members, except for the independent members, are shareholders and owners of "100,000 shares" one hundred thousand shares of the Company's shares mentioned in the Company's Articles of Association.

Such shares shall be deposited with the Depository Authority with restriction of trading, mortgage, or seizure until the end of membership period and approval of the Financial Statements of the last fiscal year in which the member performed his duties. Such shares shall also be allocated to guarantee the rights of the Company, shareholders, creditors and third parties for the liability against Board members.

The members of the Board also acknowledged not occupying any position prohibited by

law to be combined with the membership of the Board, based on written declarations signed on 30/12/2023,

The Board shall ensure that no one or more members shall control the decision-making process in the Company by approving the Company's authority matrix. The authority matrix detailed the powers of the Board, Executive Management, general managers, and senior employees in the Company and its subsidiaries in terms of decision making, including plans and budget, corporate governance, periodic reports and control, policies and procedures, salary scales, employee relations and affairs, banking and financial matters, payment and contractual obligation signing powers, stock inventory pricing, contract amendments, financial and legal settlements and public relations. It also included a detailed analysis of the control systems and risk policies of the Company and its subsidiaries.

In addition to the above, the Company shall ensure that no Board member may combine any of the prohibited positions at the same time. That is, no Board member, whether in person or in capacity, may serve as a board chairman or a vice-chairman for more than two companies headquartered in the State, nor serve as a board member for more than three shareholding companies headquartered in the State, nor serve as a delegated director in more than one shareholding company headquartered in the State, nor combine two board memberships of two companies exercising a homogeneous activity. The Company shall not allow combining the position of the Board Chairman with any other executive position in the Company.

### **1. Board Charter:**

The Company committed to preparing the Charter of the Board in 2017 and published it on its website [www.estithmarholding.com](http://www.estithmarholding.com). It shall amend the Charter.

### **2. Board Responsibilities:**

The Board shall represent all shareholders and exert due diligence and care in managing the Company in an effective and productive manner so as to achieve the interest of the Company, partners, shareholders and stakeholders, and achieve public interest as well as promote investments in the State and enhance community development. The Board shall also bear the responsibility for protecting shareholders from illegal or arbitrary practices and business, or from any acts or decisions that may be harmful to them, cause discrimination among them, or let a Company dominate another.

The responsibilities of the Board are clearly defined in the Company's Articles of Associations and in "the Board Charter" referred to above.

Without violating the provisions of the law, the Board shall carry out its functions and duties and bear its responsibility according to the following:

- The Board shall carry out its duties responsibly, in good faith and with due diligence. Its decisions shall be based on sufficient information received from the Executive Management, or from any other reliable source.
- A Board member shall represent all shareholders and shall be committed to achieving whatever is in the interest of the Company, not the interest of the person he represents or the person that voted in favor of his appointment to the Board.
- The Board shall determine the powers to be delegated to the Executive Management and the procedures for taking any decision and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The Executive

Management shall submit to the Board periodic reports on the exercise of delegated powers in order to consider the proposed recommendations and make administrative decisions thereon.

- The Board shall ensure that procedures are laid down for familiarizing the new Board members with the Company's business and, in particular, the financial and legal aspects, and providing them with the necessary training.
- The Board shall ensure that sufficient information about the Company is made available to all Board members in general, and to non-executive members in particular, to enable them to perform their duties and roles efficiently.
- The Board didn't conclude any loan contracts with terms exceeding three years and did not sell or mortgaged the property of the Company, or discharged the Company's debtors from their obligations, unless it is authorized to do so under the Company's Articles of Association and according to the conditions stipulated therein and with the approval of the General Assembly, unless such acts fall within the normal scope of the Company's purposes.
- The Board assumed all the powers and authorities necessary to manage the Company and delegated some functions to its committees, particularly the Audit and Risk Management Committee, the Nominations and Remuneration Committee, and the Executive Committee.

### **3. Board Chairman:**

The Chairman serves as the head of the Company, represents it before others and before the judiciary, is primarily responsible for ensuring the proper management of the Company in an effective and productive manner, and works to achieve the interest of the Company, partners, shareholders, and stakeholders. The Board Charter defines the tasks and responsibilities of the Chairman as follows:

- Ensuring that the Board discusses all the main issues in an efficient and timely manner;
- Approving the agenda of the Board meeting, taking into consideration any matter proposed by any Board member;
- Encouraging all Board members to collectively and effectively participate in the conduct of the Board's affairs to ensure that the Board is undertaking its duties to achieve the best interest of the Company;
- Making available for the Board members all data, information, documents and records of the Company, and the Board and its committees;
- Creating effective communication channels with shareholders and communicating their opinions to the Board;
- Allowing effective participation by non-executive Board members in particular and promoting constructive relations between executive and non-executive Board members; and
- Keeping Board members constantly informed about the implementation of the provisions of the Governance Code, allowing the Chairman to authorize the Audit and Risk Management Committee or others in this regard.

### **4. Board Meetings:**

The Board shall meet at the invitation of its Chairman in accordance with the Company's Articles of Associations or at the request of two of its members. The invitation, accompanied by the agenda, shall be sent to each member at least one week prior to the appointed date of the meeting. Any member may request the addition of one or more items to the agenda, and the Chairman shall confirm the addition of such



new items to the agenda. During 2023, the Board held seven (7) Board meetings, at intervals not exceeding three months. Those meetings were attended by the majority of members. All members participated in the meetings of the Board in person or by means of modern communication technology, so that all members heard and participated in the proceedings of the Board and the issuance of its decisions.

The decisions of the Board were always passed by a majority vote of those present or their representatives. All meetings were signed by the Chairman and the Secretary, as well as all members present. Some decisions were issued in a written and valid form that is enforceable for all purposes, with at least half of the members signing in accordance with Article 33 of the Company's Articles of Association.

All the minutes of meetings were signed by the Chairman and the Secretary. Accordingly, the Board complied with the provisions of Article 104 of the Companies Law, Article 14 of the Governance Code, and Article 33 of the Company's Articles of Association. The schedule of Board meetings in 2023 is as follows:



| Meeting No. | Date      | Meeting Agenda   | Attended Directors |
|-------------|-----------|--|--------------------|
| 1/2023      | 17/1/2023 | 1- Approval of the minutes of the previous meeting held on October 27, 2022.<br>2- Approval of the decisions taken at the Council meeting held on October 27, 2022.<br>3- Approval of decisions taken by circulation.<br>4- Presentation and approval of the company's estimated budget for the year 2023<br>5- Approval to purchase shares in Al-Badaa Switch Gear Company<br>6- Any further matters.   | 9                  |
| 2/2023      | 20/3/2023 | Approval of the minutes of the previous meeting held on January 17, 2023.<br>2- Approval of the decisions taken at the Council meeting held on January 17, 2023.<br>3- Approving the results of the Nominations and Remuneration Committee meeting, including the committee's report regarding the performance of the Board of Directors and the Board's remuneration for the year 2022.<br>4- Approval of the results of the Executive Committee Meeting No. 2/2023<br>5- Approving the results of the work of the Audit and Risk Committee No. 2/2023, including the audit committee's report regarding the company's consolidated and audited financial statements for the period ending on December 31, 2022, as well as approving the report on the performance of the work of the Audit Committee during the year 2022.<br>6- Approval of the company's consolidated and audited financial statements for the period ending on December 31, 2022.<br>7- Presenting and discussing a proposal to distribute dividends for the period ending December 31, 2022, and submitting a recommendation regarding it to the General Assembly.<br>8- Presenting the company's governance report for the year 2022.<br>9- Presenting and approving the invitation, the agenda of the General Assembly and its related preparations.<br>10- Discussing offers to appoint auditors and submitting a recommendation regarding it to the General Assembly.<br>11- Any further matters. | 9                  |

| Meeting No. | Date       | Meeting Agenda   | Attended Directors |
|-------------|------------|--|--------------------|
| 3/2023      | 04/05/2023 | <p>1 Approval of the minutes of the previous meeting held on March 20, 2023.</p> <p>2- Approval of the decisions taken at the Council meeting held on March 20, 2023.</p> <p>3- Approval of the results of the Executive Committee Meeting No. 3/2023</p> <p>4- Approval of the results of the Audit and Risk Committee's work No. 3/2023, including the Audit Committee's report regarding the company's audited and unaudited consolidated financial statements for the period ending on March 31, 2023.</p> <p>5- Approval of the company's audited and unaudited consolidated financial statements for the period ending on March 31, 2023.</p> <p>6- Any further matters.</p>   | 8                  |
| 4/2023      | 21/06/2023 | <p>1. Approval of the minutes of the previous meeting held on May 4, 2023.</p> <p>2. Approval of the decisions taken at the Council meeting held on May 4, 2023.</p> <p>3. Elegancea Healthcare LLC's purchase of all complementary shares owned by MK International Agencies LLC (MK) in Korean Medical Center LLC</p> <p>4. Amending some provisions of the lease agreement concluded with regard to restaurants on Al Maha Island.</p> <p>5. Establishment of three subsidiaries owned by Elegancea Facilities Management LLC.</p> <p>6. Resignation of Mr. Mohammed Ghanem Al-Hudaifi from membership in the Board of Directors</p> <p>7. Discussing the bank facilities granted to, one of the subsidiaries of Estithmar Holding,</p> <p>8. Delegating some powers to the Executive Committee of the Board of Directors.</p> <p>9. Inviting the Extraordinary General Assembly to convene after obtaining the necessary legal approvals.</p> <p>10. Any further matters</p> | 9                  |

| Meeting No. | Date       | Meeting Agenda   | Attended Directors |
|-------------|------------|--|--------------------|
| 5/2023      | 03/08/2023 | <ol style="list-style-type: none"> <li>1. Approval of the minutes of the previous meeting held on June 21, 2023.</li> <li>2. Approval of the decisions taken at the Council meeting held on June 21, 2023.</li> <li>3. Approval of decisions taken by circulation.</li> <li>4. Approval of the results of the Executive Committee Meeting No. 4/2023.</li> <li>5. Approval of the results of the Audit and Risk Committee's work No. 5/2023, including the Audit Committee's report regarding the company's audited and unaudited consolidated financial statements for the period ending on June 30, 2023.</li> <li>6. Approval of the company's audited and unaudited consolidated financial statements for the period ending on June 30, 2023.</li> <li>7. Any further matters.</li> </ol>  | 8                  |
| 6/2023      | 05/10/2023 | <ol style="list-style-type: none"> <li>1. Approval of the minutes of the previous meeting held on August 3, 2023.</li> <li>2. Approval of the decisions taken at the Council meeting held on August 3, 2023.</li> <li>3. Approval of decisions taken by circulation.</li> <li>4. Approval of the results of the Nominations and Remuneration Committee meeting No. 3/2023.</li> <li>5. Considering the recommendation of the Nominations and Remuneration Committee regarding the resignation of the Board Member/Managing Director from his position and approval of the amended organizational structure of the Company.</li> <li>6. Considering the recommendation of the Nomination and Remuneration Committee regarding opening nominations for membership in the Board of Directors for the position of Board Member in one category (non-independent).</li> <li>7. Approval of the amended organizational structure of Estithmar Holding and its subsidiaries</li> <li>8. Approval of the transfer of ownership of the shares of some subsidiaries and the establishment of new companies.</li> <li>9. Approval of financing existing and new projects.</li> <li>10. Considering the recommendation of the Audit and Risk Committee regarding an indirect acquisition project.</li> <li>11. Any further matters.</li> </ol> | 8                  |

| Meeting No. | Date       | Meeting Agenda  | Attended Directors |
|-------------|------------|---|--------------------|
| 7/2023      | 30/10/2023 | 1. Approval of the minutes of the previous meeting held on October 5, 2023.<br>2. Approval of the decisions taken at the Council meeting held on October 5, 2023.<br>3. Approval of the results of the Executive Committee Meeting No. 5/2023.<br>4. Approval of the results of the Nominations and Remuneration Committee meeting No. 4/2023.<br>5. Approval of the results of the Audit and Risk Committee's work No. 6/2023, including the Audit Committee's report regarding the company's audited and unaudited consolidated financial statements for the period ending on September 30, 2023.<br>6. Approval of the company's audited and unaudited consolidated financial statements for the period ending on September 30, 2023.<br>7. Restructuring the committees affiliated with the Board of Directors.<br>8. Approval of the schedule of delegation of powers and responsibilities for Estithmar Holding Q.P.S.C., its subsidiaries, and the Arab Elegance Company in the Kingdom of Saudi Arabia.<br>9. Establishment of subsidiaries of Estithmar Holding Q.P.S.C. in the country and the Kingdom of Saudi Arabia.<br>10. Any further matters. | 9                  |

### **5. Board Secretary:**

The Secretary provided the needed assistance for the Chairman and all members of the Board in conducting their duties and committed to the conduct of all work of the Board, including:

- Recording the minutes of Board meetings, setting out the names of attending and absent members, indicating all that has taken place during meeting discussions, and recording members' objections to any decision issued by the Board.
- Recording Board decisions in the register prepared for this purpose as per issuance date.
- Recording the meetings held by the Board in a serial numbered register prepared for this purpose and arranged as per the holding date, setting out the names of attending and absent members, meeting discussions, and members' objections, if any.
- Keeping Board meetings' minutes, decisions, and reports, as well as all Board records and correspondence in paper and electronic records, as the case may be. Invitations were always sent electronically, and none of the Board members objected. The Secretary confirmed that invitations were delivered to all members.
- Sending to Board members and participants - if any - the meeting invitations accompanied with the agenda at least one week prior to the appointed date of the meeting and receiving members' requests to add one or more items to the agenda and indicating the submission date thereof.



- Fully coordinating between the Chairman and members, and among members themselves, as well as between the Board, Related Parties and Stakeholders in the Company, including shareholders, management, and employees.
- Enabling the Chairman and members to have timely access to all information, documents, and data of the Company.
- Keeping Board members' acknowledgments of not combining prohibited positions according to the law and the provisions of this Code.

## **6. Board Committees:**

The Board of Directors has the Audit and Risk Committee and the Nominations and Remunerations Committee and the Executive Committee. On 30/10/2023, the Board of Directors amended the Board's committees and added two committees: the Investment Committee and the Tenders Committee.

The Board prohibited chairing more than one of the Board Committees mentioned in the governance regulations. The chairmanship of the Audit Committee was not combined with the membership of any other committee. None of the committees held a meeting except with the attendance of its chairman and at least one member. Minutes were prepared for each meeting, indicating meeting discussions, and signed by the committee's chairman and the members present.

Committees shall submit annual reports to the Board, including their work and recommendations. The Board approved the recommendations of the committees at its first meeting after the convening of these committees. In this regard, the Board shall include the work of the committees in the annual report.

## **7. Internal Control System:**

The Company shall adopt the policy and proposal submitted by the Audit and Risk Management Committee on the Company's internal control system. The said proposal shall include a control mechanism; the duties and functions of the Company's departments and divisions as well as the provisions and procedures of responsibility therein; and awareness and education programs for employees about the importance of self-control and internal controls. It shall also include the Company's risk management plan that identifies, at least, the major risks that the Company may face, particularly those related to new technology; determines the Company's ability to take risks; sets up mechanisms to identify, measure and monitor risks; and implements awareness programs and develops ways to mitigate them. The Internal Control System of the Company shall include establishing one or more efficient and independent units to assess and manage risks, carry out financial audit, and oversee the Company's compliance with the controls of financial transactions, especially those done with any Related Party. The said unit shall be managed by one or more internal auditors enjoying competence and experience in financial audit, performance assessment and risk management. The internal auditors enjoy access to all the Company's departments to follow up their work. A decision was issued by the Board regarding the appointment, functions, and remuneration of internal auditors. They shall report to the Board.

The internal auditor shall submit to the Audit and Risk Management Committee a report every three months on the Company's internal control work. Based on the recommendation of the Audit and Risk Management Committee, the Board shall determine the data to be included in the report, including at least the following:

- Procedures of control and supervision in respect of financial affairs, investments, and

risk management.

- Review of the development of risk factors in the Company and the suitability and effectiveness of the systems adopted by the Company to face drastic or unexpected changes in the market.
- Comprehensive assessment of the Company's performance regarding its implementation of the Internal Control System in compliance with provisions of this Code.
- The Company's compliance with applicable market listing and disclosure rules and requirements
- The Company's compliance with Internal Control Systems when determining and managing risks.
- The risks faced the Company and their types, causes and the actions taken in relation thereto.
- Proposals for addressing violations and eliminating the causes of risks.

## **8. External Control:**

The Audit and Risk Management Committee shall review and study the offers of External Auditors registered in the Authority's External Auditors List, and then submit to the Board a recommendation with reasons to choose one or more offers to appoint the Company's external auditor. Once the Board has approved the recommendation, it shall be included in the agenda of the Company's General Assembly meeting. The General Assembly shall appoint one or more external auditors for one-year renewable for a similar period or other similar periods up to a maximum of five consecutive years, provided that no external auditor may be reappointed before the passing of two consecutive years.

## **9. Disclosure and Transparency Requirements:**

The Board shall comply with the disclosure requirements, including the financial reports, the number of shares owned by the Chairman, Board members, Senior Executive Management, and major shareholders or controlling shareholders. It shall also comply with the disclosure requirements regarding the information related to the Chairman, Board members and Board committees, as well as their academic and practical experiences as reflected in their CVs, and whether any of them is a member of the board, senior executive management, or board committees of another company.

The Company made all immediate and periodic disclosures in accordance with the QFMA's regulations, It disclosed the financial statements for the fiscal year ended 2022 as well as the financial statements for the first quarter, first half and third quarter of the fiscal year 2023. The Board disclosed the number of shares held by the Chairman, members of the Board and major shareholders, and the information related to the Chairman and members of the Board according to the law, especially on the Company's website [www.estithmarholding.com](http://www.estithmarholding.com). The Company also maintained updated copies of the Shareholders' Register at the end of each month.

The shares held by the Chairman and members of the Board, the Senior Executive Management and major shareholders, and their percentage of the Company's capital until 31/12/2023, are as follows:

| Name   | Title                                | Number of Shares | Capital Share (%) |
|--|--------------------------------------|------------------|-------------------|
| Mr. Mohammad Moutaz Al-Khayyat   | Chairman of the Board                | 670,509,225      | 19,70%            |
| Mr. Ramez Al Khayyat   | Vice Chairman of the Board           | 647,747,776      | 19,82%            |
| Mr. Khalid Ghanim S Al-Hodeifi Al-Kuwari   | Board Member                         | 7,666,120        | 0.23%             |
| Mr. Hamad Ghanim S Al-Hodeifi Al-Kuwari  | Board Member                         | 100,000          | 0,00%             |
| Sheikh Suhaim Bin AbdulAziz Al Thani   | Board Member-Independent             | -                | -                 |
| Mr. Abdulla Darwish Al Darwish   | Board Member-Independent             | -                | -                 |
| Dr. Bothaina Al Ansari   | Board Member-Independent             | -                | -                 |
| Mr. Ibrahim Abdulla Al Abdulla   | Board Member-Independent             | 268,500          | 0, 01%            |
| Mr. Eyad Abdulrahim representing Urbacon for Trading and Contracting WLL         | Board Member-Managing Director       | 637,504,375      | 18,73%            |
| Mr. Khaled Al Non  | Board Member                         | 100.000          | 0.00%             |
| Mr. Mohamad Mohamad Sadiq Al-Dawamaneh representing Highness Holding Company WLL | Board Member                         | 8,250,067        | 0,24%             |
| Mr. Hassan Morad Agha  | Secretary of the Board               | -                | -                 |
| Mr. Mohammad Badr Al Sadah   | Group Chief Executive Officer        | 479,197          | 0,01%             |
| Mr. Walid Nemr Shalan  | Group Chief Financial Officer        | -                | -                 |
| Mrs. Sanaa Daakour   | Group Chief Legal Officer            | -                | -                 |
| Mr. Riyadh Al Sowaity  | Group Chief Human Resources Officer  | -                | -                 |
| Mrs. Christine Salibi  | Senior Investor Relations Specialist | -                | -                 |

Major shareholders who own more than 5% of the Company's capital as of 31/12/2023 is:

| Name                                    | Number of Shares | Capital Share (%) |
|---|------------------|-------------------|
| Mrs. Sumaia Saber Hamcho                | 683,704,402      | 20.09%            |
| Mr. Mohammad Moutaz Al-Khayyat          | 670,509,225      | 19.70%            |
| Mr. Ramez Al Khayyat                    | 647,747,776      | 19.82%            |
| Urbakon for Trading and Contracting WLL | 637,504,375      | 18.73%            |

The Company is committed to disclosing transactions and dealings with Related Parties as well as the transactions made by Board members, Senior Executive Management and insiders.

The Company is also committed to determining its policy on dealing with rumors by denying or confirming. Moreover, the Company is committed to making clear disclosures in writing and in a manner not inconsistent with the Authority's relevant legislation. The Board shall ensure the accuracy and validity of the Company's disclosures and its commitment to all disclosure rules.

#### **10. Stakeholder Rights:**

The Company is committed to ensuring equal treatment of all shareholders. Its Articles of Association include the shareholders' rights to cumulative voting, dispose of shares, receive dividends, and attend General Assembly meetings and participate in deliberations and vote on their decisions. The Company is also committed to allowing shareholders to request any information but with no harm to the interests of the Company. In this respect, the Company has a website that enables all shareholders to view its documents and information, including but not limited to:

- List of Board members, showing independent and non-independent members and executive and non-executive members, and determining the term of Board seat for each member separately and indicating whether the member occupies a seat in any of the boards of other companies.
- The Secretary of the Board and the decision to appoint him, along with his academic qualifications or experience certificate in accordance with Article 16 of the Corporate Governance Code and the legal entities listed on the Main Stock Market.
- List of the Company's authorized signatories.
- List of Insiders.
- Shareholding ratio of Board members in capital.
- Capital structure and major shareholders' share in the Company's capital.
- An explanatory statement detailing the Company's structure of ownership in any subsidiary and determining ownership ratios.
- The Company's organizational structure showing senior executives.
- Articles of Association.
- Commercial Register.
- List of the Company's policies and procedures.
- External Auditor.
- Contact data.
- Articles of Association and Memorandum of Association and the amendments thereof.

- Governance Charter.
- Financial Statements.
- Copies of the minutes of the company's general assembly meetings and a summary of the decisions issued pursuant there to

### **11. Shareholders' Rights Related to General Assembly:**

The Company's Articles of Association include regulating the shareholders' rights related to the General Assembly Meeting, including:

- Articles 45 and 55 of the Company's Articles of Association of the Company provide for the right of shareholder(s) owning at least 10% of the Company's capital, and for serious reasons, to invite the General Assembly to convene, and the right of shareholders representing at least 25% of the Company's capital to invite the Extraordinary General Assembly to convene pursuant to the procedures prescribed by the law and regulations in this regard.
- Article 46 of the Articles of Association provides that if a number of shareholders representing at least 5% of the Company's capital require the inclusion of certain matters on the meeting agenda, the Board must include them. Otherwise, the General Assembly may decide to discuss these matters at the meeting.
- Article 49 of the Company's Articles of Association provides for the right to attend meetings of the General Assembly; to have the opportunity to participate actively in these meetings and in deliberations taking place therein; to discuss the matters on the agenda; and to be informed about the date and place of the General Assembly meeting, the issues included in the agenda and the rules governing discussions and asking of questions. Moreover, shareholders are entitled to ask questions to Board members and receive answers from them to the extent that this does not jeopardize the interests of the Company. They are also entitled to appeal to the General Assembly if the answer to their questions is deemed insufficient, and the General Assembly's decision shall be binding in this respect.
- Article 48 of the Company's Articles of Association provides for the right of a shareholder to appoint, by virtue of a written special and fixed proxy, another shareholder who is not a member of the Board to attend the meeting of the General Assembly on his behalf, provided that the number of shares held by the proxy shall not exceed 5% of the Company's capital shares. In addition, minor and interdicted shareholders are entitled to attend the meetings of the General Assembly, and they are represented by their legal representatives. Shareholders are also entitled to vote on the General Assembly's resolutions and to receive all information on the rules and procedures governing the voting process.
- Shareholders have the right to object to any decision that is deemed to be issued for the interest or harm of a certain Company of shareholders, or that brings a special benefit to the members of the Board or others without regard to the Company's interests. They are also entitled to demonstrate this in the meeting minutes and to invalidate the decisions to which such shareholders objected in accordance with the provisions of the law in this regard.

### **12. Facilitating Effective Participation in General Assembly & Voting:**

The Company enables shareholders to review the minutes and results of the General Assembly meetings by immediately disclosing them to the Qatar Financial Markets Authority, the Qatar Stock Exchange and the Ministry of Commerce and Industry. It also places the minutes on the Company's website.

There is no impediment to any shareholder using his right to vote, especially since the voting process is cumulative and it is done through secret ballot.



### **13.Shareholders' Rights Regarding Dividends Distribution:**

Article 69 of the Company's Articles of Association stipulates that the remainder of the net profits after deducting the legal reserve and the optional reserve shall be allocated for the distribution of profits to the shareholders or to rotate them in part or in full according to what is proposed by the Board of Directors and approved by the General Assembly. The shareholder is entitled to his share of the profits in accordance with the regulations and controls applied by the Qatar Financial Markets Authority and the financial market in which the shares are listed.

The eligibility to obtain the profits approved by the General Assembly for distribution, whether in cash or free shares, shall be for the shareholder registered in the Shareholders Register at the depository at the end of trading on the day of the General Assembly.

It is also permissible, by virtue of a decision of the Ordinary General Assembly, based on a proposal by the Board of Directors, to distribute interim profits to the shareholders who own the company's shares on the maturity date, with a maximum of 85% of the net profits for that period. The decision determines the maturity date in accordance with the regulations and controls in force at the Qatar Financial Markets Authority. And the Qatar Stock Exchange, if the Board of Directors finds that such distribution is justified.

### **14.Shareholders' Rights Regarding to Major Transactions:**

In accordance with Article 27 of its Articles of Association, the Company guarantees by virtue of cumulative voting the protection of shareholders' rights in general and minority shareholders in particular. Also, the Company is committed to protecting shareholders' rights in general, as it complies with the laws, especially the Commercial Companies Law and the laws and regulations of Qatar Financial Markets Authority.

The Company's Articles of Association provide protection to shareholders in the event of concluding major transactions or actions that may prejudice the interests of shareholders, such that:

1. Neither the Chairman nor any member of the Board may engage in any business that would compete with the Company's business, or trade for their own account or for the account of others in one of the activities of the Company. Otherwise, the Company may claim compensation or consider the operations undertaken by them as if being carried out for their account.
2. Neither the Chairman of the Board, one of its members nor one of the directors may engage in any work similar to that of the Company's activity, or have a direct or indirect interest in contracts, projects and engagements made to the Company's account.
3. The Company shall not provide any monetary loan of any kind to any member of its Board or guarantee any loan made by one of them with third parties. Any act contrary to the provisions of this Article shall be considered null and void without prejudice to the right of the Company to claim compensation from the violator if necessary.
4. The Chairman and members of the Board or employees of the Company shall be prohibited from exploiting any information acquired by any of them, by virtue of their membership or position, to make a gain for himself, his spouse, or children or for any of his relatives up to the fourth degree either directly or indirectly as a result of dealing in the Company's securities. Moreover, none of them shall have a direct or indirect interest with any entity that carries out operations intended to affect the prices of securities issued by the Company. Such prohibition shall remain valid for three years after the expiration of the member's term of office on the Board or the end of his employment in the Company.

5. The Board shall disclose the transactions and dealings concluded by the Company with any related party where the latter has an interest that may conflict with the interests of the Company.
6. Shareholders shall have the right to object to any decision that is deemed to be issued for the interest or harm of a certain Company of shareholders, or that brings a special benefit to the members of the Board or others without regard to the Company's interests. They are also entitled to demonstrate this in the meeting minutes and to invalidate the decisions to which such shareholders objected in accordance with the provisions of the law in this regard.
7. Each shareholder may individually file a case if the Company does not file the same, in the event that the fault that has occurred may cause damage thereto as a shareholder, provided that the shareholder shall notify the Company of his intention to file the lawsuit. Any provision in the Company's Articles of Association contrary to this shall be considered null and void.

Further, under Article 45 of its Articles of Association, the Company shall prohibit any kind of discrimination among shareholders for any reason and shall treat small and minority shareholders on an equal footing with major shareholders in all cases, especially when the Company intends to enter into major transactions that may harm their interests or prejudice the ownership of the Company's capital. That is, it is not permitted to enter into major transactions that involve owning, selling, leasing, exchanging or otherwise disposing of (except for the establishment of collaterals) the assets of the Company or assets to be acquired by the Company, or those transactions that would change the essential nature of the Company's business, or those whose gross value exceeds 10% of the lesser value of either the market value of the Company or the net asset value of the Company's assets according to the latest announced financial statements, except through the following actions:

1. A decision to this effect shall be taken by the General Assembly.
2. Such transactions shall be preceded by the disclosure of the agreement to be entered into.
3. Approvals shall be obtained from the regulatory authorities on major transactions and the instructions of the official bodies to protect the rights of the minority shall be followed.

### **15.Stakeholders' Rights (Non-Shareholders):**

The Board stated in the Corporate Governance Charter that it adopts an "early warning" policy to encourages the Company's employees to report any suspicious, immoral, or illegal behavior that harms the Company's reputation through the mechanism approved for this purpose. Moreover, the Board shall ensure the confidentiality and protection of reports made by employees against any negative reactions by their colleagues or by the employees responsible.

### **16.The Company's Corporate Social Responsibility:**

As a responsible national establishment, the Company believes in the principle of corporate social responsibility towards the community within which it operates. The Company is also committed to continuously promoting the values of development, protecting, and preserving human life, health, natural resources, and the environment, as well as adding value to the community in which it operates.

Estithmar Holding is wholly committed to supporting the Qatar National Vision 2030

across its four pillars: social, human, environmental, and economic. Our commitment is translated into tangible support for Corporate Social Responsibility (CSR) initiatives that foster sustainable contributions, positively impacting the Qatari society.

Recognizing that CSR must transcend traditional philanthropy and revenue generation, we strategically align our efforts to create genuine social impact. Estithmar Holding focuses on supporting initiatives that bring about meaningful change within the Qatari community.

During the year 2023, the Company organized activities aimed at community development according to the following:

- Estithmar Holding has actively supported major local sports events and clubs, where the Company contributions aimed to enrich the nation's most valuable resource – its people. These included Estithmar Holding being the main sponsor of one of the major sports clubs in Qatar; “Qatar Sports Club” for three seasons aimed at fostering sportsmanship and community engagement.
- In an aim to further add value and positive impact to the Qatari community, Estithmar Holding also supported the “Amir Cup 2023” championship which is the biggest football competition in the country. These sponsorships fall under the umbrella of the Estithmar Holding social initiatives to support sports events in the country.
- This commitment extends to healthcare partnerships, where Estithmar Holding through its subsidiary, Elegancia Healthcare (through The View Hospital), proudly served as the healthcare partner for the Oreedo Marathon 2023, showcasing our dedication to promoting health and well-being alongside our support for sportsmanship and community engagement.
- Estithmar Holding extends its support to social and cultural events as it proudly sponsored the “Lusail Museum: Tales of a Connected World” exhibition. This innovative museum, designed by Herzog & de Meuron, is a testament to Qatar's emphasis on preserving culture, heritage, and traditions.- These cultural initiatives significantly contribute to the development of a knowledge-based economy, while positively impacting the Qatari community.
- Moreover, Estithmar holding has led the world class project Al Hosh Gallery's Promenade initiative in collaboration with Qatari Diar and Qatar Tourism, in which local artists painted a 5km-long road on Al Maha Island. This exemplifies our strategic approach to creating genuine social impact and contributing to the aesthetic development of Qatar's public spaces.
- Estithmar Holding maintains a steadfast commitment to humanitarian causes, offering support to Qatar Charity's Aoun wa Sanad Earthquake Relief Campaign for Syria and Turkey. These contributions highlight our dedication to making a meaningful difference in the lives of those affected by humanitarian crises.
- Additionally, we firmly believe that nurturing and endorsing local content is pivotal for a sustainable economy in Qatar. As gold sponsors of the “Qatar Entrepreneurship Conference 2023,” we aim to foster collaboration among emerging businesses in the GCC region and promote entrepreneurial capabilities. Such initiatives play a crucial role in supporting the development of the local entrepreneurship ecosystem and the national economy.

The Company also paid the amounts owed to the Fund for Supporting Sports, Cultural and Social Activities, which amounted to /7,180,727/ Qatari riyals for the year 2022. Once the financial statements for the fiscal year ending on 31/12/2023 are approved,

the amounts due to the Sports, Cultural and Social Activities Support Fund for the year 2023 will be paid.

## **B. Board Committees:**

### **1. Audit & Risk Management Committee:**

The Committee shall consist of at least three (3) members appointed by the Board with financial and accounting expertise. Committee meetings shall be held in the State of Qatar and can be held in-person or by using any modern means of technology communication. Meetings shall be held at intervals not exceeding two months. The Committee shall send its report to the Board. As defined in its charter, the Audit and Risk Management Committee shall have several powers, particularly those related to financial reporting, internal control system, internal audit system, compliance control system, oversight over external auditors, direction of attention to key issues, and handling of risk management and compliance matters.

The Committee shall submit its reports to the Board, document its minutes in writing by a Secretary, and take its decisions by simple majority. Meetings of the Committee shall be convened by the Chairman or two members of the Committee, and quorum shall be constituted by the presence of two members.

In 2023, the Audit and Risk Management Committee held six (6) meetings.

| Member                         | Title   |
|--------------------------------|---|
| Mr. Abdulla Darwish Al Darwish | Chairman of the Audit & Risk Management Committee - Independent Board Member      |
| Mr. Ibrahim Abdulla Al Abdulla | Member of the Audit and Risk Management Committee - Independent Board Member      |
| Mr. Eyad Abdulrahim            | Member of the Audit and Risk Management Committee - Non- Independent Board Member |

### **2. Nominations and Remuneration Committee:**

The Committee shall consist of at least three members and shall hold its meetings in the State of Qatar at least twice a year. The Committee shall report to the Board. As defined in its charter, the Committee shall develop the rules and criteria adopted by the General Assembly for the election of the best candidates for membership of the Board, nominate those whom it deems appropriate for the membership of the Board in the event of vacancy of any of its seats develop the succession plan of the management of the Company to ensure quick appointment of replacements nominate those it deems appropriate to fill any of the Executive Management posts, receive candidature applications to the Board and submit the same to the Board along with recommendations, prepare and submit an annual report to the Board containing a comprehensive analysis of the Board's performance; and determine the role of the annual bonus policy in the Company, as well as the bases for granting allowances and incentives across the Company.

The Committee shall submit its reports to the Board, keep minutes for its meetings, and take its decisions by simple majority. Meetings of the Committee shall be convened by the Chairman or two members of the Committee at least one week prior to its meeting. Quorum shall be constituted by the presence of two of its members.

In 2023, the Nominations and Remuneration Committee held four (4) meetings. The current members of the committee are:

| Member                         | Title  |
|--------------------------------|--|
| Dr. Bothaina Al Ansari         | Chairman of the Audit & Risk Management Committee - Independent Board Member |
| Mr. Ibrahim Abdulla Al Abdulla | Member of the Nominations and Remuneration Committee                         |
| Mr. Eyad Abdulrahim            | Member of the Nominations and Remuneration Committee                         |
| Mr. Mohamad Al-Dawamaneh       | Member of the Nominations and Remuneration Committee                         |
| Mr. Murad Sahawneh             | Member of the Nominations and Remuneration Committee                         |

### **3. Executive Committee:**

The Executive Committee consists of at least three members, and its meetings are held in the State of Qatar at least four (4) times a year and its reports are sent to the Board of Directors. The Committee shall have the powers stipulated in the Charter of the Executive Committee, particularly reviewing the long-term strategies, the annual work plan, and the Company's budget in line with the Company's strategy, economic and market changes, and regulatory requirements, approving the reallocation of the budget and matching it with the approved elements according to the quarterly reports of the departments, reviewing the promotion of business and product developments, and distributing resources.

The Committee keeps records of its meetings, takes its decisions by simple majority, and its chairman or two of its members invite to its meetings at least a week in advance. Its quorum shall be the presence of two of its members, including the chairman.

The Executive Committee of the company held (6) meetings during the year 2023.

The current members of the committee are:

| Member               | Title                               |
|----------------------|-------------------------------------|
| Mr. Ramez Al Khayyat | Chairman of the Executive Committee |
| Mr. Eyad Abdulrahim  | Member of the Executive Committee   |
| Mr. Khaled Al Non    | Member of the Executive Committee   |

Mr. Mohammad Al-Dawamneh, Board member, was a member of the Executive Committee until October 2023, when the Board of Directors restructured the Executive Committee, and the member of the Board of Directors, Mr. Khaled Al Non, took this position.

### **4. Investment Committee**

It consists of at least three members, and its meetings are held in the State of Qatar at least four (4) times a year and its reports are sent to the Board of Directors. The Committee shall have the powers stipulated in the Charter of the Investment Committee, particularly reviewing the new investments that the company wishes to enter into to present them to the Board with recommendations.



The Committee keeps records of its meetings, takes its decisions by simple majority, and its chairman or two of its members invite to its meetings at least a week in advance. Its quorum shall be the presence of two of its members, including the chairman. The Executive Committee of the company didn't hold any meetings during the year 2023.

The current members of the committee are:

| Member               | Title                                |
|----------------------|--------------------------------------|
| Mr. Ramez Al Khayyat | Chairman of the Investment Committee |
| Mr. Eyad Abdulrahim  | Member of the Investment Committee   |
| Mr. Khaled Al Non    | Member of the Investment Committee   |
| Mr. Ismaeel Makdisi  | Member of the Investment Committee   |

## 5. Tenders Committee

It consists of at least three members, and its meetings are held in the State of Qatar at least four (4) times a year and its reports are sent to the Board of Directors. The Committee shall have the powers stipulated in the Charter of the Tenders Committee, particularly reviewing the tenders conducted in the company to present them to the Council with the appropriate recommendation .

The Committee keeps records of its meetings, takes its decisions by simple majority, and its chairman or two of its members invite to its meetings at least a week in advance. Its quorum shall be the presence of two of its members.

The Executive Committee of the company didn't hold any meetings during the year 2023.

The current members of the committee are:

| Member                   | Title                             |
|--------------------------|-----------------------------------|
| Mr. Khaled Al Non        | Chairman of the Tenders Committee |
| Mr. Eyad Abdulrahim      | Member of the Tenders Committee   |
| Mr. Mohammad Al dawamneh | Member of the Tenders Committee   |

## **C. Senior Executive Management in the Company and their responsibilities, powers, and work during the year, as well as their remunerations:**

From 1/1/2023 until 10/5/2023, the organizational structure of the Executive Management included the position of Managing Director, which was held by Mr. Eyad Ihsan Abdel Rahim. However, after his resignation, the Board of Directors took a decision to abolish the position of Managing Director from the Executive Management structure. In addition to the above, the CEO, Mr. Henrik Hallager Christiansen (in September 2023) and the Chief Financial Officer, Mr. Nicholas McLaren (in October 2023), resigned during the year 2023. The executive management, as of 12/31/2023, consisted of: The Organizational Structure consists of:

1. Mr. Mohamad Badr Al Sadah: Group Chief Executive Officer
2. Mr. Walid Nemr Shalan: Group Chief Financial Officer
3. Mrs. Sanaa Daakour: Group Legal Affairs Director
4. Mr. Riad Al Sowaity: Group Chief Human Resources Officer.
5. Mrs. Christine Salibi: Senior Investor Relations Specialist.

The directors of the Executive Management have performed all the tasks assigned to them to the fullest, and each of them has fulfilled the responsibilities assigned thereto throughout the year.

#### **D. Remunerations**

Article 36 of the Company's Articles of Association states that the General Assembly shall be entitled to determine the bonuses of the members of the Board, provided that the percentage of such bonuses shall not exceed 5% of the Company's net profit after deduction of statutory reserves and deductions and distribution of dividends to shareholders by not less than 5% of the paid-up capital.

The bonuses of the Senior Executive Management shall be based on the same criteria adopted for the Company's employees, provided that the evaluation is conducted by the Nominations and Remuneration Committee based on the approved Executive Management Performance Appraisal System.

Accordingly, the entitlement to bonus depends mainly on the overall assessment of employee performance, which varies in terms of objectives from time to time in light of the circumstances and challenges faced by the Company and based on the recommendation of the Nominations and Remuneration Committee and approval by the Board.

The Company did not distribute any bonuses to the members of the Board of Directors for the year 2022, at the Ordinary General Assembly held on 16/04/2023, as a result of not distributing any profits for the year 2022.

The value of the Board members' remuneration for the year 2023, if granted to them, will be determined in the Governance Report for the year 2024.

#### **Fourth: Disclosure of the procedures of risk management and internal control of the Company, including the supervision of financial affairs, investments, and any relevant information:**

The Board of Directors appointed the members of the Audit and Risk Management Committee as indicated previously and appointed an internal auditor for the Company submit a report on the Company's internal control work every three months in support of the provisions of Article 22 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market. The Internal Auditor prepared the internal audit reports, and the general managers were invited to discuss the reports in the Audit and Risk Management Committee and the necessary recommendations were taken for each company apart. The Company works on studying its investments in all sectors and cooperates with its subsidiaries to reduce risk level by studying the contracts of supply, import, contracting and other contracts in the Company in terms of legal, financial, administrative, and operational aspects. The Company also started to develop computational systems that link all subsidiaries to the Holding Company for effective and productive communication. In addition, it began to link the subsidiaries together to

reduce the cost of work undertaken by them, including the unified systems of financial and legal affairs, personnel, and supply, as well as to standardize the way of dealing with banks to ensure the most successful distribution of the Company's resources and financial and technical capabilities.

**Fifth: Disclosure of Committees' work, including number of meetings and their recommendations:**

As explained above.

**Sixth: Disclosure of the procedures followed by the Company in identifying, assessing, and managing risks; comparative analysis of the Company's risk factors; and discussion of the systems in place to address drastic or unexpected market changes:**

The risk management policy aims to identify potential weaknesses and risks, and procedures to avoid them, as well as actions to address and reduce their effects upon occurrence thereof. The risk management policy also studies the status of subsidiaries and identifies the high, medium and low risk points in order to contain them and not allow their adverse effects to exacerbate. This includes the study of external auditors' reservations, profitability ratios, liquidity rates, financial management policy, procurement management policy, and other operational, technological, and environmental risks, as well as crises management procedures.

The Company shall assess the operational risks at the Company level. The internal auditor shall also study the risks in cooperation with the Executive Management and the managers of subsidiaries in order to identify the weaknesses and their seriousness and make the necessary recommendations. These risks shall be addressed and followed up by the Executive Management, committees, and the Board, each according to their functions and in coordination with the executive management in each subsidiary apart. The Board has overall responsibility for the development and supervision of the Company's risk management framework, which includes the Company's main financial liabilities, such as loans, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations and provide guarantees to support its operations.

In this regard, the Company is exposed to the following risks as a result of its utilization of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk

**1. Credit Risk:**

Credit risk is the risk of a financial loss to the Company as a result of a customer's or counterparty's failure to meet its contractual obligations. These risks arise mainly from the Company's trade and other receivables.

**2. Liquidity Risk:**

Liquidity risk is the risk that arises from the Company's inability to meet its obligations as they become mature. The Company's approach to liquidity management is to ensure, to the extent possible, that sufficient liquidity is always available to meet liabilities when

due under both normal and difficult circumstances without incurring unacceptable losses or damage to the Company's reputation.

The Company uses an activity-based cost method to determine the cost of its products and services, which helps to monitor cash flow requirements and optimally invest cash proceeds. Moreover, the Company typically ensures that it has sufficient cash available on demand to meet expected operating expenses, including servicing the financial liabilities but excluding the potential impact of extremely difficult conditions that are not reasonably foreseeable, such as natural disasters.

### **3. Market Risk:**

Market risk is the risk arising from changes in market prices, such as foreign exchange rates and interest rates and shares' prices that affect the Company's income or the value of its financial instruments.

#### **• Currency Risk:**

The Company's exposure to currency risk arises from sales, purchases and loans in currencies other than the functional currencies used by the concerned companies of the Company. Most of the Company's transactions are affected in currencies used by the Company's companies or in currencies with a fixed exchange rate with the currency used.

#### **• Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market interest rate risk arises mainly from interest bearing loans and facilities. The Company adopts a policy ensuring that the interest rate risk is reviewed on a regular basis.

### **4. Operational Risk:**

Operational risk is the risk of direct or indirect loss arising from a wide range of causes associated with the Company's operations, employees, technology, and infrastructure, or from external events other than credit, market, or liquidity, such as those arising from legal and regulatory requirements and generally accepted standards of corporate conduct. Operational risks arise from all the operations of the Company.

The objective of the Company is to manage operational risks in order to avoid financial losses and damage to the reputation of the Company and ensure overall cost effectiveness as well as avoid control restriction measures that limit the spirit of initiative and creativity.

The main responsibility for developing and implementing controls to address operational risks is assigned to the senior management in each business unit. This responsibility is supported by the development of Company-wide operational risk management standards in the following areas:

- Requirements for proper segregation of duties including independent authorization of transactions;
- Requirements for transaction settlement and monitoring;
- Adherence to regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for periodic assessment of operational risks faced by the Company and adequacy of controls and procedures to address identified risks;

- Requirements for reporting operational losses and proposed procedures to address them;
- Development of an emergency plan;
- Training and professional development;
- Ethical and business standards, and
- Risk mitigation, including insurance when this is effective.

Compliance with the Company's standards is supported by a periodic review program carried out by the Internal Audit Department. The findings reached by the Internal Audit Department are discussed with the business unit management concerned, and reports are submitted to the Audit Committee, the Executive Committee, the Board and Senior Management of the Company.

**Seventh: Disclosure of the Board's performance assessment, Board members' commitment to achieving the Company's interest, performing Committees' work, and attending the meetings of the Board and its Committees; and disclosure of the Senior Executive Management's performance assessment regarding the implementation of the internal control system and risk management including identification of the number of appeals, complaints, proposals, notifications and the way followed by the Board to address regulatory issues**

The Nominations and Remuneration Committee shall be responsible for assessing the performance of the Board and the extent to which Board members are committed to achieving the Company's interests and fulfilling their obligations stipulated in the Corporate Governance Code, the Commercial Companies Law, the Company's Articles of Association, and the relevant laws and regulations. The Board held seven (7) meetings during 2023. Members of the Board attended most meetings, which were held at intervals not exceeding two months.

The Board approved the financial statements for the fiscal year ending 2022, as well as the financial statements for the first quarter, the first half and the third quarter of the financial year 2023. The auditors' reports were reviewed and discussed. In addition, the Board discussed the governance systems extensively. Those decisions were issued after a thorough discussion and consensus, and no reservation was made about any of the Board's decisions.

During 2023, the Company disclosed the recommendations of the Board and the work of the Committees in accordance with the approved regulations. The Audit and Risk Management Committee studied the risks in the subsidiaries through the internal auditor and discussed them with the Executive Management of the Company and with the general managers of the subsidiaries. Steps were taken to reduce risk levels and followed up at successive meetings of the Audit and Risk Management Committee, as well as in the regular meetings of the Executive Management in the Company with the general managers of subsidiaries where the minutes of the meetings were recorded. These steps were followed up closely and periodically.

No complaints, grievances or communications were submitted to the Board during the year 2023.



**Eight: Disclosure of failures in the internal control system, wholly or partly, or weaknesses in the implementation thereof; and disclosure of contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing internal control failures (particularly the problems disclosed in the Company's annual reports and financial statements):**

Internal control aims to verify the extent of the Company's compliance with the financial and legal procedures and systems. The internal units of the Company carry out internal control operations according to their financial or legal powers. The Company assigned an internal audit to assess the risks associated with the Company's activities, accounting operations, main business risks, internal audit plan of the Company and its subsidiaries, and comprehensive financial audit; and review the performance of the Company and its subsidiaries in a precise manner. Recommendations shall then be presented to the Board to reduce risks and improve the performance of the Company and its subsidiaries.

**Ninth: Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements:**

The Company complied with all the applicable market listing and disclosure rules and requirements. All periodic and immediate reports were disclosed, and material information was immediately disclosed. The Company established an Investor Relations Division to keep the Company updated with the laws and regulations adopted in this regard.

**Tenth: Disclosure of any conflict or dispute to which the Company is party, including arbitration and lawsuits**

The following are the disputes and conflicts in which Estithmar Holding is either a plaintiff or defendant:

1- Estithmar Holding Company Q.P.S.C.

Plaintiff: Against Six Construct/Midmac JV

Defendant: Ahli Bank.

(A) In February 2011, a subsidiary of the Company, Debbas Contracting Qatar WLL, entered into a sub-contract for executing the electromechanical works of Doha Convention Center Project within 22 months (by the joint venture of Debbas Contracting and ETA Star Engineering & Contracting WLL (under liquidation)), with the "Main contractor" (Six Construct/Midmac JV).

The absence of a solution to resolve the dispute in an amicable manner resulted in the Subcontractor filing lawsuit No. 568/2016 in January 2018 against both Qatari Diar (the "Employer") and the Main Contractor, demanding the payment of QR625,861,657.

(B) In October 2018, QNB Al Ahli filed lawsuit No. 2926/2018 against the Subcontractor, the Company and others, requesting the payment of the total outstanding amount of the loan.

On 9/29/2022, the first instance judgment was issued, ruling for the plaintiffs (Debbas Contracting and ETA Star Engineering & Contracting WLL, and Estithmar Holding) with

an amount of /61,096,281.39/ Qatari riyals, and dismissing the case filed against the plaintiffs from the Midmac and Six Construct Consortium.

The first judgment was also issued in the lawsuit filed by Al-Ahli Bank, which obligated all defendants jointly and severally, including the company, to pay an amount of /154,045,151.5/ Qatari riyal.

The company has appealed against the two judgments mentioned in Appeal No. 1901/2022, The appeal ruling upheld the first judgment, so the Company filed a cassation appeal against the appeal judgment, and the cassation is still under discussion..

2 Estithmar Holding Q.P.S.C.

Defendant with several companies, Al-Hodaifi Company and Falcon Ready Mix Concrete Company.

From the plaintiff Dukhan Bank (Formely International Bank of Qatar) before the Civil Court of First Instance (Third Circuit) with the number 3110/2020.

The Company signed with QIIB in December 2012 a banking facility agreement and it was agreed upon in accordance with the aforementioned agreement between the bank and the Company and a list of subsidiary companies that were specified in a separate annex to grant the Company and some subsidiary companies, including Falcon Ready Mix Concrete Company, banking facilities. Falcon Company used an amount of /12,550,993.51/ Qatari riyals and stopped paying, so it was entitled to the aforementioned amount as of 5/28/2019.

The lawsuit is still under discussion in court.

### **Eleventh: Disclosure of operations and transactions entered into by the Company with any “Related Party”:**

Without prejudice to the provisions of the law in this regard, the Board shall comply with the principles of governance and with the disclosure of the transactions and dealings entered into by the Company with any “Related Party”. The auditor shall review all transactions and dealings entered into by the Company with any Related Party and they shall be disclosed in the periodic financial statements.

The Board shall constantly and regularly review and update governance applications, apply the best principles of governance and uphold the fair-trading principle among shareholders. The Board shall also update professional conduct rules embodying the Company's values, and constantly and regularly review its policies, charters, and internal procedures which shall be binding upon the Company's Board members, Senior Executive Management, advisors, and employees. The most important of which are the charters of the Board and its committees, the policy of the Company's dealings with Related Parties, and the Insiders' trading rules.

The Company discloses its dealings and transactions with any related party according to the following:

- The Company and some of its subsidiaries signed lease contracts according to which the Company's headquarters and some of its subsidiaries were rented in the Eighteen Tower located in the Lusail area, owned by Mrs. Somaya Hamsho, Owner of shares in the Company exceeding 5%. The aforementioned lease contracts were signed in exchange for fair rental rates consistent with what is circulating in the Qatari market in order to

unify the headquarters of all subsidiaries, as Elegancia companies have been based in the aforementioned tower since before the completion of the reverse acquisition transaction.

-The signing of a management and operation agreement between The Palace Company W.L.L., one of the Company's subsidiaries, and Assets Hotels and Resorts Management W.L.L to manage and operate Maysan Hotel - Doha, as Assets is a company specialized in hotels management. The aforementioned agreement was signed, after seeking the assistance of a third party, who confirmed that it preserves the company's rights and confirms that it was carried out on arms length basis.

- The signing of a management and operation agreement between Tilal WLL, one of the Company's subsidiaries, and Assets Hotels and Resorts Management W.L.L to manage and operate Katara Hills Hotel, as Assets is a company specialized in hotels management. The aforementioned agreement was signed, after seeking the assistance of a third party, who confirmed that it preserves the company's rights and confirms that it was carried out on arms length basis.

- The signing of lease agreements for Al Maha Island restaurants and operation agreement between Al Maha Island WLL, one of the Company's subsidiaries, and Aura International For Hospitality Services and Restaurants Management WLL. The rents have been set at an agreed-upon minimum guaranteed amount or a percentage of the revenues generated, whichever is higher, and the agreements were carried out on an arm's length basis.

## **Twelfth: MANAGEMENT' REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING:**

In accordance with the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) Of 2016, the Board of Directors of Estithmar Holding Q.P.S.C., its consolidated subsidiaries are responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR").

The management of Estithmar Holding Q.P.S.C., and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR). Our internal control over financial reporting is a process designed under the supervision of our Company Chief Executive Officer and Company Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes our disclosure controls and procedures designed to prevent misstatements.

To determine whether a material weakness in internal controls over financial reporting exists as of 31 December 2023, we have conducted an evaluation of the suitability of design, implementation and operating effectiveness of internal controls over financial reporting, based on the framework and the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

We have covered all the material business and operating companies in our assessment

of internal control over financial reporting of significant process as of December 31, 2023.

### **Risks in Financial Reporting:**

The main risks in financial reporting are that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud) or the publication of financial statements is not done on a timely basis. These risks may reduce investor confidence or cause reputational damage and may have adverse consequences. A lack of fair presentation arises when one or more amounts in a financial statement or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the financial statements.

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

The COSO Framework includes 17 basic principles, and 5 components:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

Controls covering each of the 17 principles and 5 components have been identified and documented.

As a result, in establishing ICOFR, the management has adopted the following financial statement objectives:

- Existence/Occurrence – assets and liabilities exist, and transactions have occurred.
- Completeness – all transactions are recorded; account balances are included in the financial statements.
- Valuation / Measurement – assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
- Rights, Obligations and Ownership – rights and obligations are appropriately recorded.
- Presentation and Disclosures – classification, disclosure and presentation of financial reporting is appropriate.

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

**Organization of the Internal Control System:****Functions Involved in the System of Internal Control over Financial Reporting:**

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

The processes that were determined as significant are entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill Impairment, legal contingencies and commitments, financial reporting, and periodic closing of the financial records.

In determining the above processes, the management exercised professional judgement and considered the amount of balances and transactions, that if materially misstated would influence economic decisions that users make on the basis of the financial statements.

**Controls to Minimize the Risk of Financial Reporting Misstatement:**

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

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties,
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process,
- are preventative or detective in nature,
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include entity level controls and IT general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item,
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application- enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or Company of individuals such as authorization of transactions.

**Measuring Design and Operating Effectiveness of Internal Control:**

The Company has undertaken a formal evaluation of the adequacy of the design of the system of ICOFR. This evaluation incorporates an assessment of the design of the control environment as well as individual controls, which make up the system of ICOFR taking into account:

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



These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the design of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence either may bring additional control issues to the attention of management or may corroborate findings.

### **Conclusion:**

As a result of the assessment of the design, implementation, and operating effectiveness of Internal Controls over Financial Reporting (ICOFR), management did not identify any significant deficiency/ material weaknesses in the Company's design and implementation and operating effectiveness of Internal Controls over Financial Reporting for significant processes and concluded that ICOFR is appropriately designed, implemented, and operating effectively as of December 31, 2023.

This report on Internal Control over Financial Reporting was approved by the Board of Directors on February 21st, 2024, and was signed on its behalf by the Chairman.

### **External Auditors:**

Russell Bedford and Partners external auditors of the Company, has issued a reasonable assurance report on the management's assessment of suitability of design, implementation and operating effectiveness of internal controls over financial reporting as of 31 December 2023 in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). The external auditors also issued an independent assurance report to the shareholders regarding the company's compliance with the Qatar Financial Markets Authority Law and related legislations including the corporate governance system for companies and legal entities listed in the main market.

The independent auditor read out the two aforementioned reports after declaring the quorum and the president of the meeting reciting his speech.

### **Thirteenth: Managements' Report on Compliance with QFMA Law and Relevant Legislations Including the Code:**

In accordance with the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, the Board of Directors of Estithmar Holding Q.P.S.C. has prepared the attached Corporate Governance Report 2023.

This report is the outcome of Estithmar Holding Q.P.S.C.'s continuous commitment towards the implementation of sound governance that embraces best practice guidelines and engrains concrete values into its internal governance policies. Such achievements, we believe, not only fulfil Estithmar Holding Q.P.S.C., compliance with the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, but also reflects Estithmar Holding Q.P.S.C., responsibilities towards its Shareholders and Stakeholders.

### **Responsibilities of the Board**

The Board of Directors are committed to implementing governance principles set out in the Code, which are: justice and equality among Shareholders and Stakeholders without discrimination regardless of their race, gender, and religion. Transparent information and required disclosures are provided to QFMA, Shareholders and Stakeholders within the required timeframe and in accordance with the relevant laws and regulations. The principles also include upholding the values of corporate social responsibility and prevailing the public interest of the Company, Shareholders and Stakeholders over any personal interest. The Company is guided by these principles, as it endeavors to exercise its duties conscientiously and with integrity. In parallel, the Company also strives to project these values in its dealings with Shareholders, Stakeholders and eventually society.

### **Management's assessment on compliance with QFMA's relevant regulations including the Corporate Governance Code as of December 31, 2023.**

In accordance with Article 2 of the Code, we have carried out an assessment of its compliance with QFMA's relevant regulations applicable to the Company including the Code.

### **Conclusion**

As a result of the assessment, the management concluded that there is a process in place to ensure compliance with the QFMA's laws and relevant regulations including the Code as of December 31, 2023.

### **External auditors**

Russell Bedford and Partners, the external audit firm of the Company, has issued a limited assurance report on the management assessment on compliance with the QFMA's relevant regulations including the Code as of December 31, 2023.

- End -

**Mr. Mohammad Moataz Al-Khayyat**  
**Chairman**



**► Estithmar**  
Holding Q.P.S.C.