



ALRAMZ
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Al Ramz Corporation Investment and Development P.J.S.C.

Corporate Governance Report 2019

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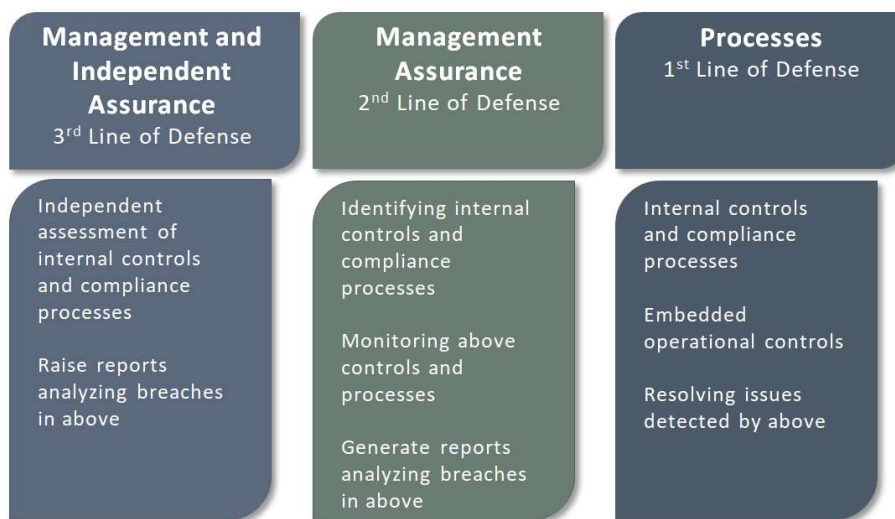
1. Procedures to adopt and implement corporate governance in 2019

The corporate governance guidelines applied by Al Ramz Corporation Investment and Development PJSC and its subsidiaries (the “Company”) provide a basis for promoting and maintaining the highest standards of corporate governance at the Company, through creating and protecting shareholders value as well as other stakeholders. The Board of Directors (the “BOD”) strive to provide the right leadership, strategic oversight and control environment to produce and sustain the delivery of value to all the Company’s shareholders.

The Company’s corporate governance framework, represented in the BOD’s charter, consists of the following:

Internal Controls

The Company’s Internal Controls system consists of several frameworks, policies and procedures established by the Board of Directors to enhance the Company’s objectives and performances. The Company has adopted the “three lines of defense” principle in relation to corporate governance and risk management as follows:



Board of Directors

The role of the BOD is to govern the Company and is directly committed to comply with all corporate governance guidelines and rules issued by the Securities and Commodities Authorities. Its role includes overseeing and directing executive management as well as implementing the Company’s strategies and objectives.

Board Committees

The BOD delegates oversight of key areas of responsibility to specific committees who will report to the BOD with their analysis and recommendations. Such committees shall be formed in accordance with the Chairman of the Securities and Commodities Authority’s Board of Directors’ Resolution No. (7 R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies; and consist of the Audit Committee, Nomination and Remuneration Committee and the Risk and Investment Committee.

1. Procedures to adopt and implement corporate governance in 2019

Audit Committee

The Audit Committee is committed to review the Company's financial statements, internal controls and risk management processes as well as represent the Company with the external auditor. Its duties include the obligations set out in Article (49) of SCA Resolution No. 7 of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee primarily oversees the Company's organization structure, the development of the succession plan, evaluating the recruitment process and remuneration policies as well as the independence of the Board's independent directors in accordance with its obligations set out in Article (47) of SCA Resolution No. 7 of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

Name:	Dhafer Sahmi Al-Ahababi
Position:	Chairman
Category:	Independent non-executive
Total shares owned at 31 December 2019:	2,956,889
Total Sale Transactions	-
Total Purchase Transactions	2,956,889
Share capital of the Company:	549,915,858
Ownership percentage the Company's total share capital:	0.5377%

Name:	Ahmed Ali Khalfan Al Dhaheri
Position:	Board Member
Category:	Independent non-executive
Total shares owned at 31 December 2019:	15,200,000
Total Sale Transactions	15,200,000
Total Purchase Transactions	-
Share capital of the Company:	549,915,858
Ownership percentage the Company's total share capital:	2.7641%

Name:	Mohammad Al Mortada Al Dandashi
Position:	Board Member / Managing Director
Category:	Executive
Total shares owned at 31 December 2019:	80,468,589*
Total Purchase Transactions	-
Total Sale Transactions	21,000,000
Share capital of the Company:	549,915,858
Ownership percentage the Company's total share capital:	14.6329 %

* 59,468,589 shares are directly owned by Mr. Dandashi and 21,000,000 shares are owned by him under the name of a UAE local bank.

2. Board of Directors Composition

A. Statement of the current Board formation

- The Board of Directors was formed on 20 December 2018 by the Company's Annual General Meeting. The Board consists of Seven (7) members whose term is until 20 December 2021;
- Mr. Dhafer Sahmi Al Ahababi was elected as the Board Chairman and H.E Hamad Rashid Al Nuaimi was elected as a Vice Chairman by the Board of Directors in their meeting held on 21 January 2019. The aforementioned changes to the Board of Directors are listed below:

Board Members				
Name	Category	Experience	Credentials	Starting from
Mr. Dhafer Al-Ahababi	Independent non-executive	Investments	Bachelor's in economics	20/12/2015
HE Hamad Rashid Al Nuaimi	Non-executive	Investments	Bachelor's in accounting	30/10/2017
Dr. Ali Saeed Bin Harmel Al Dhaheri	Independent non-executive	Investments	PHD in Business Administration	30/10/2017
Mr. Abdullah Saeed Al Ghafli	Independent non-executive	Risk management	Master's in business administration	20/12/2015
Mr. Ahmed Ali Khalfan Al Dhaheri	Independent non-executive	Investments	Bachelor's in accounting and CPA certificate	20/12/2018
Mr. Mohammad Al Mortada Al Dandashi	Executive	Investments	Bachelor's in economics	20/12/2015
Dr. Nasser Saidi	Independent non-executive	Investments and corporate governance	PHD in Economics	30/10/2017

Membership and positions at any other joint-stock companies

Name	Membership and position
HE Hamad Rashid Al Nuaimi	Board Member – Amanat Holding. Board member- Al reem investment.
Dr. Ali Saeed Bin Harmel Al Dhaheri	Chairman – Abu Dhabi National Takaful Company PJSC
Mr. Ahmed Ali Khalfan Al Dhaheri	Chairman – Foodco Holding PJSC. Vice Chairman – Al Waha Capital PJSC. Board Member – Al Wathba Insurance Company PJSC Board Member – Abu Dhabi Aviation Company PJSC Chairman- Foodco Food Product Prjsc.

Positions in any other important regulatory, government or commercial entities

Name	Role in other supervisory, governmental or commercial entities
Dr. Nasser Saidi	Non-executive Board Member - Majid Al Futtaim Trust LLC. Non-executive Board Member - Falcon Trade. Non-executive Independent Board Member- Al Ghurair Group. Non-executive Board Member- Future Pipes Industries

3. Board of Directors Composition

B. Female representation in the Board of Directors in 2019

There were no female representatives in the Board of Directors in 2019.

C. Statement of the reason for the absence of any female candidate for the Board membership

No female representatives were nominated for Board membership.

D. Statement of the followings:

1. Total Board of Directors Remunerations in 2018

A remuneration of AED two hundred eighty thousand (280,000) allocated evenly to the Board members was approved by the General Assembly meeting held on 12th March 2019.

2. Proposed Board of Directors Remunerations in 2019

The Board of Directors shall propose for approval in the next General Assembly Meeting, a Board of Directors remuneration totaling AED 366,720 for 2019. It is important to note that the remuneration is based on their effective leadership of the Company's and its profits and financial position and not on their attendance of the Board meetings. This is in line with the resolution No. (7 R.M) of 2016.

3. Board Committees attendance allowances in 2019

The following attendance allowances were paid to the Board members:

Name	Position in the committee	Fees (AED)	No. of meetings	Total (AED)
Audit Committee				
Dr. Nasser Saidi	Audit Committee Chairman	8,000	5	40,000
Mr. Abdullah Saeed Al Ghafli	Audit committee member	8,000	3	24,000
Mr. Ahmed Ali Al Dhaheri	Audit committee member	8,000	4	32,000
Nomination and remuneration committee				
Dr. Ali Saeed Bin Harmel Al Dhaheri	Nomination and remuneration Committee Chairman	8,000	1	8,000
Mr. Abdullah Saeed Al Ghafli	Nomination and remuneration committee member	8,000	1	8,000
Ahmed Ali Al Dhaheri	Nomination and remuneration committee member	8,000	1	8,000
Risk and Investment Committee				
Mr. Dhafer Al-Ahababi	Risk and Investment Committee Chairman	8,000	3	24,000
HE. Hamad Rashid Nuhail Al Nuaimi	Risk and Investment Committee member	8,000	4	32,000
Mr. Mohammad Al Mortada Al Dandashi	Risk and Investment Committee member	8,000	4	32,000

The board members did not receive any additional allowances, salaries, or fees.

3. Board of Directors Composition

E. Number of Board of Directors meetings held in 2019

The Board of Directors held six (6) meetings in 2019 as detailed below. The Board of Directors accepted the absences shown and no Board Director appointed any other by proxy.

Board Member	21 January	6 February	2 May	31 July	30 October	8 December
Mr. Dhafer Al-Ahababi	Absent	Attended	Attended	Attended	Attended	Absent
HE Hamad Rashid Al Nuaimi	Attended	Attended	Absent	Attended	Absent	Attended
Dr. Ali Saeed Bin Harmel Al Dhaheri	Attended	Absent	Attended	Absent	Absent	Attended
Mr. Ahmed Ali Khalfan Al Dhaheri	Absent	Attended	Absent	Attended	Attended	Attended
Mr. Abdullah Saeed Al Ghafli	Attended	Absent	Attended	Attended	Attended	Attended
Mr. Mohammad Al Mortada Al Dandashi	Attended	Attended	Attended	Attended	Attended	Attended
Dr. Nasser Saidi	Attended	Attended	Absent	Attended	Attended	Absent

F. Number of Board resolution passed during the 2019 fiscal year

The Board of Directors did not convene by circulation during 2019 fiscal year.

G. Statement by the Board duties and power exercised by Board members or the executive management members during 2019 based on the authorization from the Board

Name of the authorized person	Power of authorization	Duration of authorization
Mr. Mohammad Al Mortada Al Dandashi	POA to manage Company's activities	3 years

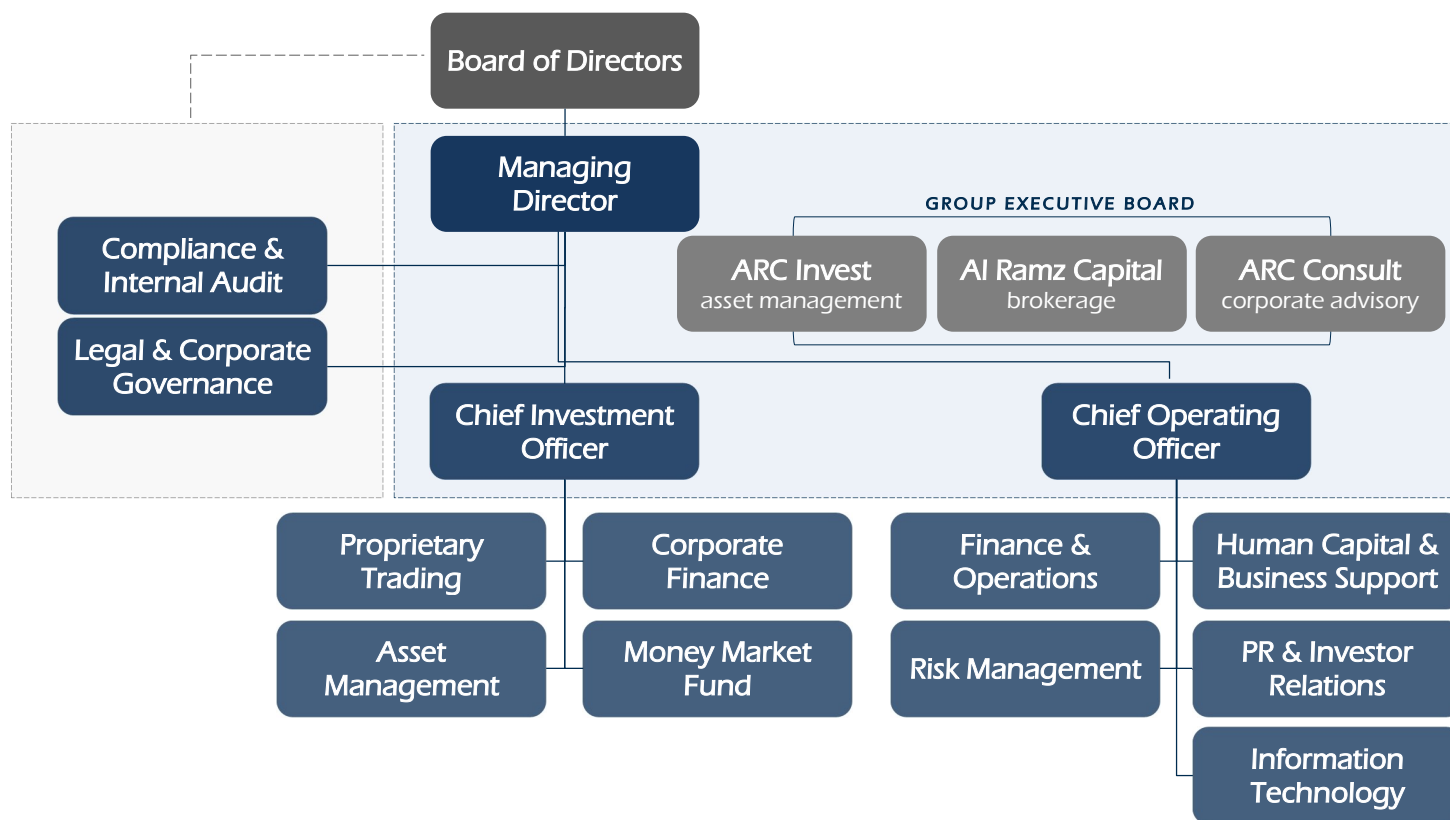
3. Board of Directors Composition

H. Transactions with related parties

The Company adopts the related parties' transactions regulations as stated in the resolution No. (7 R.M) of 2016 for all the Directors of the Board, the Executive Management, the key shareholders and any associated persons and entities. Following are the related parties' transactions related to the Company's income during 2019:

Ser.	Statement of related parties	Clarifying the nature of relationship	Type of transaction	Value of transaction
1	Mr. Dhafer Al-Ahababi	BOD Chairman	loan	AED 12,500,00
2	Mr. Dhafer Al-Ahababi	BOD Chairman	loan	AED 2,500,000
3	Mr. Mohammad Al Mortada Al Dandashi	Board member	loan	AED 1,750,000
4	Mr. Mohammad Al Mortada Al Dandashi	Board member	loan	AED 7,340,000
5	Mr. Mohammad Al Mortada Al Dandashi	Board member	loan	AED 3,119,500
6	Mr. Mohammad Al Mortada Al Dandashi	Board member	loan	AED 4,570,254

I. Organizational Structure



J. Key executives' details

The table below states the names, positions, dates of joining and total salaries and bonuses for 2019 for level 1 executives:

Name	Position	Date of Joining	Total salaries (AED)	Total bonuses (AED)
Mr. Mohammad Al Mortada Al Dandashi	Group Managing Director	01/09/1997	2,744,400	565,400
Mr. Haisam Odeimeh	Group Chief Operating Officer	12/10/2017	1,260,000	165,000
Mr. Shahzad Janab	Chief Investment Officer	10/10/2016	1,020,000	-

The table below states the positions, dates of joining and total salaries and bonuses for 2019 for level 2 executives:

#	Position	Date of Joining	Total salaries (AED)	Total bonuses (AED)
1	Group Head of Legal & Corporate Governance	18/03/2012	356,000	16,700
2	Group Head of Human Resources and Business Support	06/10/2019	582,000	5,560
3	Group Head of Compliance & Internal Audit	05/11/2017	420,000	53,300
4	Group Head of Finance & Operations	10/04/2018	732,000	31,100
5	Group Head of Information Technology	09/01/2018	594,000	25,400
6	Acting Head of Corporate Finance	19/12/2017	375,000	45,000

4. External Auditor

A. Brief on the external auditor

KPMG is a global network of independent member firms offering audit, tax and advisory services. KPMG member firms operate in 53 countries, collectively employing more than 207,000 people. The company has been established in the Middle East for more than 50 years and has offices in the UAE, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia and Yemen, with more than 4,000 employees in the Middle East. The company has been operating in the UAE for more than 40 years through its offices in Abu Dhabi, Dubai and Sharjah, which together comprise more than 100 partners and directors and over 1,000 employees.

4. External Auditor

B. External auditor fees for 2019

Audit firm name / Partner name	KPMG / Fawzi Abu Ras
Number of years as auditor of Al Ramz	2 years
Total audit fees for 2019	AED 335,000
Fees for non-audit services in 2019	none
Details of non-audit services in 2019	none
Details of any professional services provided by other audit firms	none

C. Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2019 and in case of any reservations

No qualifications have been stated in the interim and annual financial statements for 2019.

5. Audit Committee

A. Audit Committee Chairman acknowledgement of his responsibilities

Dr. Nasser Saidi, Audit Committee Chairman, acknowledges reviewing the committee's duties and ensuring its effectiveness and fulfilling its obligations.

B. Audit Committee members, roles and responsibilities

Name	Category in BOD	Position in the committee
Dr. Nasser Saidi	Independent non-executive	Chairman
Mr. Abdullah Saeed Al Ghafli	Independent non-executive	Member
Mr. Ahmed Ali Khalfan Al Dhaheri	Independent non-executive	Member

The audit committee performs a number of duties including supervising the propriety of the financial statements and its related reports and accounting processes, internal control and risk management processes as well as compliance with the Company's Code of Ethics. The audit committee also develops and implements the policy dealing with appointing, contracting, supervising the independence, performance and scope of the external auditor.

C. Audit Committee meeting held in 2019

The audit committee held five (5) meetings in 2019 summarized as follows:

Meeting	Date	Absence
First	4 Feb 2019	Abdullah Saeed Al Ghafli
Second	24 Feb 2019	Abdullah Saeed Al Ghafli
Third	25 Apr 2019	Ahmed Ali Khalfan Al Dhaheri
Fourth	30 Jul 2019	None
Fifth	29 Oct 2019	None

Below are the attendance details of the audit committee members:

Name	Attendance %
Dr. Nasser Saidi	100%
Mr. Abdullah Saeed Al Ghafli	60%
Mr. Ahmed Ali Khalfan Al Dhaheri	80%

6. Nomination and Remuneration Committee

A. Nomination and Remuneration Committee Chairman acknowledgement of his responsibilities

Dr. Ali Saeed Bin Harmel Al Dhaheri, Nomination and Remuneration Committee Chairman, acknowledges reviewing the committee's duties and ensuring its effectiveness and fulfillment of its obligations.

B. Nomination and Remuneration Committee members, roles and responsibilities

Name	Category in BoD	Position in the committee
Dr. Ali Saeed Bin Harmel Al Dhaheri	Independent non-executive	Chairman
Mr. Abdullah Saeed Al Ghafli	Independent non-executive	Member
Mr. Ahmed Ali Khalfan Al Dhaheri	Independent non-executive	Member

The Nomination and Remuneration committee primarily oversees the independence of the Board's independent directors, development of the remuneration policies for the Board, management and employees, the Company's recruitment needs, development of HR policies in addition to the Board of Directors nomination process.

C. Nomination and Remuneration Committee meetings held in 2019

One (1) meeting was held by the nomination and remuneration committee in 2019 summarized as follows:

Meeting	Date	Absence
First	8 Dec 2019	None

Below are the attendance details of the nomination and remuneration committee members:

Name	Attendance %
Dr. Ali Saeed Bin Harmel Al Dhaheri	100%
Mr. Abdullah Saeed Al Ghafli	100%
Mr. Ahmed Ali Khalfan Al Dhaheri	100%

7. Insider Supervisory Committee

A. Insider Committee Chairman acknowledgement of his responsibilities

Mrs. Salam Saleh acknowledges reviewing the committee's duties and ensuring its effectiveness and fulfilling its obligations.

B. Insider Committee members, roles and responsibilities

Name	Position in the committee
Mrs. Salam Saleh	Chairman
Dr. Fady kayyal	Member

C. Insider Committee meetings held in 2019

Four (4) meetings were held by the Insider Committee in 2019 summarized as follows:

Meeting	Date
First	30 January 2019
Second	9 April 2019
Third	4 September 2019
Fourth	25 November 2019

D. Summary of Insider Committee work report during 2019

- Recommending to the Board of Directors the approval of the Board members and employees' personal trading/transactions policies and procedures.
- Preparing a special and comprehensive register for all insiders.
- Managing, monitoring and supervising the transactions of insiders; as well as reviewing the disclosures and transactions request.
- Ensuring full compliance with the disclosures and transparency regulations.
- Reporting to the financial markets of the insiders list and their trades.

8. Investment and Risk Committee

A. Investment and Risk Committee Chairman acknowledgement of his responsibilities

Mr. Dhafer Al-Ahababi acknowledges his responsibility for reviewing the committee's duties and ensuring its effectiveness and fulfillment of its obligations.

B. Investment and Risk Committee members, roles and responsibilities

Name	Category in BOD	Position in the committee
Mr. Dhafer Al-Ahababi	Independent non-executive	Chairman
HE Hamad Rashid Al Nuaimi	Independent non-executive	Member
Mr. Mohammad Al Mortada Al Dandashi	Executive	Member

The investment and risk committee oversee the investment initiatives and related risks, the Company's investment portfolio management, the investment strategy and performance; in addition to compliance to investment related laws and regulations.

C. Investment and Risk Committee meetings held in 2019

Four meetings were held by the investment and risk committee in 2019 summarized as follows:

Meeting	Date	Absence
First	31 Jan 2019	None
Second	27 Mar 2019	None
Third	16 Jun 2019	None
Fourth	28 Oct 2019	Dhafer Al-Ahababi

Below are the attendance details of the investment and risk committee members:

Name	Attendance %
Mr. Dhafer Al-Ahababi	75%
HE Hamad Rashid Al Nuaimi	100%
Mr. Mohammad Al Mortada Al Dandashi	100%

9. Internal Control Framework

A. Board of Directors acknowledgement of his responsibilities

The Board bears the responsibility of the internal control framework and oversees its implementation and effectiveness through the audit committee.

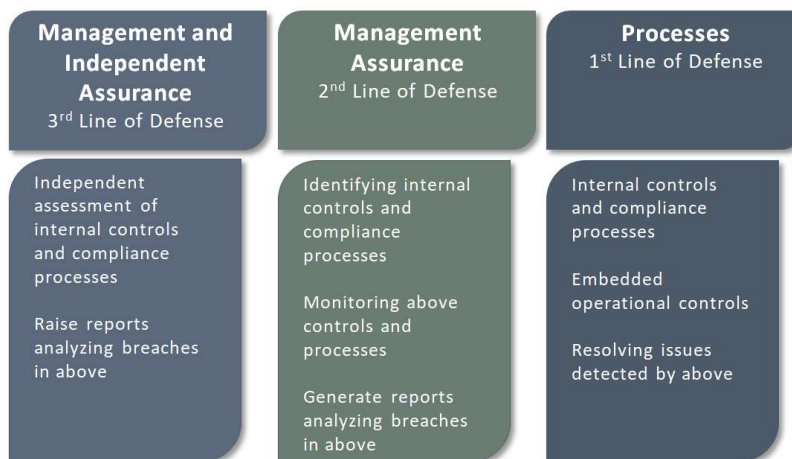
B. Head of Internal Audit and Compliance brief

Mrs. Salam Saleh joined the Company on 5 November 2017 as Head of Internal Audit and Compliance and holds the following qualifications:

- Bachelor’s degree in accounting from the University of Jordan in 2005.
- CMA certification from the Institute of Management Accountants in 2009.
- CIA certification from the Institute of Internal Auditors in 2011.

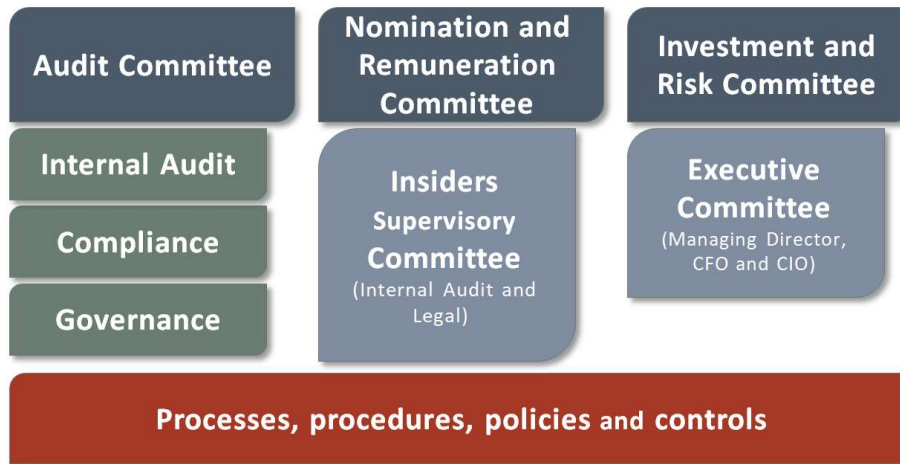
C. How Internal Audit Department dealt with major problems

The Company has adopted the “three lines of defense” principle in relation to corporate governance and risk management:



9. Internal Control Framework

The below diagram illustrates how the above was implemented in the Company:



Internal audit department is fully independent and reports directly to the Audit Committee and the Board.

The Audit Committee oversees the audit procedures, the internal controls and the compliance with laws and regulations through technical supervision of the internal audit department, reviewing the results of the internal audit reports, evaluating the adequacy of the internal control systems applied within the company and ensuring the company's compliance with laws, policies, regulations and instructions.

D. Number of reports issued by the Internal Audit Department

The Internal Audit department submitted (9) reports to the Board of Directors during 2019.

10. Violations committed during 2019

- Al Ramz Corporation Investment and Development PJSC did not commit any violation during 2019.
- Al Ramz Capital LLC, one of the Company's subsidiaries, committed a violation to the Securities and Commodities Authority's regulations during 2019 regarding failure to verify the customer's ability to pay the value of purchases before the settlement date in addition to making transfers between accounts that affected customer balances.

11. Corporate Social Responsibility and Environmental Protection

- The Company interned students from Abu Dhabi University and Sorbonne University; and they were introduced and exposed to the Company's activities.
- The Company's employees also distributed Iftar meals during Ramadan in mosques and labor camps.
- The Company has implemented an environmental protection policy, thereby minimizing paper use and wasting environmental resources.
- The Company has signed a golden sponsorship with Al Beit Metwahed association.

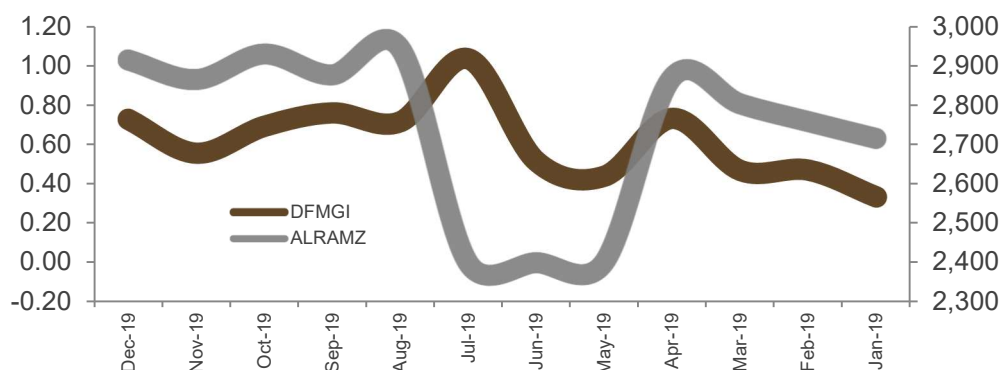
12. General Information

A. The Company's shares' end of month prices in 2019

Period	Lowest price	Highest price	Closing price	Traded volume (No. of shares)	Percentage change
Jan 2019	0.90	1.14	1.03	16,312	-
Feb 2019	0.93	0.93	0.93	15,000	-9.71%
Mar 2019	1.06	1.06	1.06	3,300	13.98%
Apr 2019	0.95	0.95	0.95	119,500	-10.00%
May 2019	0.87	1.09	1.09	21,042,700	14.26%
Jun 2019	-	-	-	-	-
Jul 2019	-	-	-	-	-
Aug 2019	-	-	-	-	-
Sep 2019	0.86	0.98	0.94	2,169,144	-12.11%
Oct 2019	0.70	0.87	0.81	133,600	-15.76%
Nov 2019	0.72	0.80	0.72	101,808	-11.15%
Dec 2019	0.63	0.75	0.63	81,546	-11.99%
Average				2,631,434	

This data is courtesy of Thomson Reuters EIKON

B. The Company's shares' performance against the market index in 2019



This data is courtesy of Thomson Reuters EIKON

C. Shareholders dividends as of 31 December 2019

Shareholder category	Individual	Corporate	Government	Total
Local	19.0804%	68.3547%	0.00%	87.4351%
GCC	0.0029%	0.0702%	0.00%	0.0731%
Arab world	12.0250 %	0.00%	0.00%	12.0250%
Rest of the world	0.0987%	0.3681%	0.00%	0.4668%
Total	31.207%	68.793%	0.00%	100%

12. General Information

D. Shareholders owning 5% or more of the Company shares as of 31 December 2019

Name	Shares owned	Percentage of shares owned to the total share capital
Abu Dhabi Investment Company	88,989,539	16.18%
Invest AD UAE Focused Fund	71,887,884	13.07%
Mr. Mohammad Al Mortada Al Dandashi	80,468,589	14.63%
فينسكو للاستثمار المالي ذ.م.م	48,270,275	8.78%
Mohammad Bin Ahmad Bin Saeed Alqassimi	36,459,161	6.63%
ذا روك لتمثيل الشركات ذ.م.م	32,189,449	5.85%

E. Shareholders according to shares owned as of 31st December 2019

Ownership (Share)	No of shareholders	Shares owned	Percentage to share capital
Less than 50,000	107	1,233,603	0.224%
From 50,000 to 500,000	26	4,088,565	0.744%
From 500,000 to 5 million	17	32,257,169	5.866%
More than 5 million	18	512,336,521	93.166%

F. Process related to the investors relations

Dr. Fady Kayyal has been appointed as the Investor Relations Officer and can be contacted via the following contact details. The Investor Relations Website is currently under development and shall be announced upon completed.

- Email: IR@ALRAMZ.AE
- Landline: 02-6262861
- Fax: 02-6262444

G. Special resolutions submitted to the 2019 General Meeting

It was resolved by a special resolution to amend the article of association of the Company article (49/2 the new article after amendment to be read as follow:

“A percentage not exceeding (10%) of the net profits shall be allocated as a compensation for the Board members, after deducting amortizations and reserves”.

12. General Information

H. Board Secretary

Name	Appointment Date	Qualifications
Dr. Fady Kayyal	21 January 2019	Bachelor's degree in law. Master's in finance. PHD in business administration.

Statement of the Board secretary duties during the year:

- Contacting all members to make sure they attend the meeting.
- Preparing meeting agenda, taking in consideration the following:
 1. Specifying the meeting date, place and timing;
 2. Confirming the attendance of the present members;
 3. Confirming the delegation of the absent members "if any".
 4. Recording the absent members with justifications, "if any."

I. Key events during 2019





None.

J. Emiratization percentage as of end of 2019

	2017	2018	2019
Emiratization percentage	0%	0%	1.28%

K. Creative and leading projects initiated by the Company

The Company announced the launch of Sky One Money Market Fund, the sole UAE Dirham denominated Money Market Fund under a structure that is approved by the Emirates Securities and Commodities Authority. The Fund is designed to help investors stabilize their portfolios and provide liquidity and diversification while optimizing return on cash balances.

Signature of the Board Chairman 	Signature of Audit Committee Chairman 	Signature of Nomination and Remuneration Committee Chairman 	Signature of Internal Control Department Director 
Date: 19/02/ 2020	Date: 19/02/ 2020	Date: 19/02/ 2020	Date: 19/02/ 2020

Company Stamp

