



Mazaya Real Estate Development Q.P.S.C

# CORPORATE GOVERNANCE

FOR THE YEAR 2020

# CONTENTS

Independent Assurance Report  
Corporate Governance System And Listed Legal Entities  
Compliance With Governance Principles  
Corporate Governance

# CORPORATE GOVERNANCE SYSTEM AND LISTED LEGAL ENTITIES

## 1) PREAMBLE:

Corporate governance is an integral part of Mazaya Real Estate Development Company ("Mazaya") and its business practices. The Corporate Governance of Mazaya aims to achieve the following objectives:

- **Transparency:** Openness in the business and in its operations,
- **Accountability:** It is a shareholder's right to hold the regulatory authority accountable for its performance. This is a right guaranteed by the law and the company's articles of association.
- **Equality:** equality between minor and major investors, both locals and foreigners

## 2) Reporting compliance with the Authority's relevant legislation, including the Governance Code for companies & Legal Entities Listed in the Main Market (the "Code")

Mazaya real estate development Company Article of Association guarantees this principle in terms of equal rights to nomination, voting, accountability, and access to information.

We are in compliance with the relevant QFMA legislation including the provisions of the corporate governance system and the legal entities listed on the main market (the "Code")

Based on the review of the executive management and the Company's Board of Directors, Mazaya Real Estate Development had worked and established a control design and tested for effectiveness, most of the controls had passed the test of effectiveness and are complied with the system requirements as of December 31, 2020.

## 3) Corporate Governance Framework

Mazaya is committed to implementing the highest standards of corporate governance in its daily dealings by fully complying with the Corporate Governance laws listed on the Qatar Exchange, which are regulated and supervised by the Financial Markets Authority. Corporate Governance is one of the main pillars upon which Mazaya relies on to establish a culture of transparency and clarity in its commercial and administrative transactions, in order to protect the rights of investors, the rights of other stakeholders and the rights of minority shareholders locally and internationally.

The Governance framework of Mazaya is provided by the Corporate Governance System and the legal entities listed in the main market issued by the Board of Directors of Qatar Financial Market Authority No. (5) of 2016, which was published in the Official Gazette on 15 May 2017, in addition to the applicable laws and other regulations in Qatar and Qatar Exchange. Mazaya has always been keen to ensure compliance with all relevant laws and regulations, especially with regard to governance and its applications. The company is constantly updating its internal regulations and systems to reflect the directives of updating, modifying or issuing new laws imposed by regulators. Mazaya is committed to implementing the corporate governance system and the legal entities listed in the main market. Accordingly, the Board of Directors of the Company has formed a Corporate Governance Committee and established a Corporate Governance Framework in order to comply with the requirements of Qatar Financial Markets Authority and work towards applying best practices in this field.

The Corporate Governance Committee is formed as follows:

	Name	Designation
1	Mr. Said Abu Odeh	Chairman of the Committee
2	Eng. Hamad Ali Al Hedfa	Member
3	Abduaziz Abdallah Al Hemidi	Member

Number of current Corporate Governance Committee meetings during the year 2020

Meeting # / Year	Date
1/2020	21 January 2020
2/2020	10 August 2020
3/2020	16 November 2020
4/2020	15 December 2020

*The Corporate Governance Committee reviews the Company's governance system to ensure that the Company complies with the requirements set forth herein. The Committee also informs the Board of Directors of the new developments in governance, makes appropriate recommendations and directly supervises the implementation of these recommendations as well as supervises corporate governance matters, And governance policies.*

*Mazaya also discloses the compliance in applying the provisions of the Corporate Governance Code in the annual report.*

#### 4) Compliance with Governance Principles

Mazaya's Corporate Governance Committee regularly reviews and updates corporate governance applications and complies with the best corporate governance principles.

During the year 2020, Mazaya has updated the corporate governance system to comply with the latest requirements of the Qatar Financial Market Authority and the corporate governance code, reflecting the best international practices in this regard. This amendment comes as Mazaya real estate development seeks to modernize its systems to support the achievement of its objectives and principles, to facilitate the procedures and processes followed, and to ensure that the company's operations are performed in more efficient and flexible ways and at the lowest possible cost and time, while ensuring transparency and protect the rights of investors and minor shareholders, and other parties with interest.

Mazaya also reviewed and updated the Article of Association to comply with the provisions of the Governance Law issued by the Board of Directors of the Qatar Financial Market Authority No. (5) of 2016 and reconciling their positions during the Extraordinary General Assembly held on 20/5/2019 and the amendments were approved/notarized under No. 23344/2019 dated 03/07/2019.

The Governance Committee also discussed Article No. (3), which states "the periodic and regular review of the Board charter and its committees, the policy of related parties, and the insider trading Guidelines policy." at Least annually.

Any person, due to the position, became acquainted with Information not available to the public. Such Information could affect attraction or reluctance of dealers in the securities of the Company or other companies in which the Company or the shareholders have interest, or could affect the Company's ability to meet its obligations. This could include the Board members, Senior Executive Management, employees of the Company or any company of its group and others who have access to such Information due to contractual, professional or other relations.

As stated in the Mazaya Insider Trading Guidelines An "insider" may be an officer, director, employee, or beneficial owner of MQ's stock who is in possession of material information regarding the Company that has not been fully disclosed to the public. From time to time, employee may have access to information about Mazaya's business which has not been disclosed to shareholders and the investing public.

Mazaya is committed to applying the highest levels of corporate governance in its operations, by achieving full compliance with the laws of corporate governance of companies listed in the market, which is regulated by QFMA. The guiding framework for Mazaya's governance system is provided by the corporate governance system and legal entities listed in the main market and issued by the Resolution of the Board of Directors of QFMA No. 5 of 2016, which was published in the Official Gazette on May 15, 2017, in addition to the applicable laws and other regulations in the State of Qatar and the Qatar Stock Exchange. The company is constantly working on updating its policies and procedures to reflect the updates of the laws by the regulatory authorities.

The Code shall apply to companies, legal entities listed on the main Market unless there is a special provision on this regard stipulated in any of The Authority's Legislations.

Mazaya is a company listed on the Qatar Stock Exchange, effective as of October 2010. A Sharia Board is in place, the Sharia Board assesses whether the company abides and complies by the provisions of the tolerant Islamic Sharia. The Company shall disclose its compliance with the provisions of this Code in its annual report. Mazaya discloses its compliance or non-compliance with the provisions of the Qatar Financial Market Authority Corporate Governance Code in its Annual and Governance Report.

In case of non-compliance with any principle or provision for reasons accepted by The Authority The Company shall specify The article or articles that have not been complied with as well as to mention in The Governance report The justifications of non-compliance- as The case might be.

Mazaya performs gap assessments to be able to judge whether its compliant with the QFMA requirements.

## 5) Corporate Governance

The Corporate Governance report is an integral part of the company's annual report and, as such, the Governance report includes Mazaya's disclosure of its commitment to the implementation of the Governance system and all information related to the application of its principles and provisions, as the Board of Directors adopted the general framework of Governance, including policies and procedures set out in the Governance system to ensure compliance with the principles of this system as well as to update the Board's charter which includes the Board's responsibilities. The Board also looked forward to the procedures followed by the company regarding the application of the provisions of this Code, in particular the disclosure of information concerning the members of the Board and its committees, the disclosure of defects in the application of the internal control system and the disclosure of the Company's compliance with the rules and conditions governing disclosure and listing in the market. The Board also looked forward to the disclosure of the procedures for risk management, internal control, the work of the committees, the number of meetings and the disclosure of transactions entered into by the company with any "related party". The Board also stressed on the identification of risks and evaluation of the performance of the board and the company's senior executive management, their competencies, responsibilities and actions during the year, and their rewards.

## 6) 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 group; is a Member of the Senior Executive Management of the Company or any company of its group; owns at least (5%) of the Company shares or any of its group; 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 group 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 group.

A party is related to an entity if it is directly or indirectly one or more intermediaries, the party controls, is controlled by, or is under common control with the entity, has an interest in the entity that gives it significant influence over the entity or has joint control over the entity. This is per the Related Party Policy; the policy was updated.

## 7) Disclosures

Mazaya's Corporate Governance system comprises a number of strategic policies, procedures, systems, processes and mechanisms ("Policies") set by the Board of Directors or its committees that are key to the functioning of the Company. They are subject to periodic reviews whereas amendments are recommended for Board approval to ensure they remain updated and relevant. Adherence to Board approved Policies is monitored by the control functions whereas periodic reports are submitted to the Board regarding any breaches to the Policies for appropriate action. A number of critical Policies are published on the Company's website. The key Policies are as follows:

- Board Charter
- Audit Committee Charter
- Nomination & Remuneration Committee Charter
- Board and Committees Performance Evaluation Framework
- Audit Rotation and Independence Policy
- Disclosure Policy
- Terms of Reference - Secretary of the Board
- Terms of Reference - Chief Executive Officer
- Terms of Reference – Chairman
- Code of ethics
- Remuneration policy
- Related parties policy
- Conflict of interest policy
- Insider trading policy
- Whistle Blowing Policy
- Board Induction and training policy
- Investors relation policy

Board remunerations must be based on the outcome of the Board performance assessment exercise without any kind of discrimination related to race, religion, gender or otherwise; That is presented to the Nominations and Remunerations Committee to recommend rewarding members.

Board remuneration is cash-based only and comprises the annual remunerations of the Board and committees' meetings. The board of directors' remunerations, including annual remunerations and for board and committee meetings, are Submitted to the annual general assembly for approval.

- The Board of Directors monitors compliance with the remuneration policy once a year.
- The Nominations and Remuneration Committee provides a summary of all board members and the Board is preparing to deal with wage issues.
- A specific charter has been established for the Nominations and Rewards Committee that separates the composition of membership, duties and authority.
- Board members receive a fixed annual fee. Board members are not covered by incentive programs
- The basic remuneration of board members is determined to be equal to other companies in the local market. It reflects the required qualifications and contribution to each board member, the size of responsibilities and the number of board meetings
- The remuneration is determined by the Board of Directors to not exceed 10% of net profit after discounting all reserves.
- Retirement is defined by either benefit plans or specific contribution plans.
- The performance of executive management members is assessed once a year based on a written agreement that includes financial performance and non-financial objectives
- These goals reflect the company's "objectives" to create value, both in the short term and in the long term.
- Compensation of committee members: Members of the Board of Directors who participate in the membership of other committees of the Board may benefit from the compensation system in accordance with the decision of the Board of Directors

No violations, breaches or penalties took place in Mazaya within the meaning of the provisions of Article (4)- clause (2) of the QFMA Code or that may impact the financial position of the Company as at 31 December 2020.

The company is in the process of implementing in terms of risk identification, methods of evaluation and management, comparative analysis of the risk factors faced by the company and discussion of approved systems to address radical or unexpected changes in the market.

The Company discloses its compliance with the rules and conditions governing disclosure and listing through the mechanism mentioned in the Company's policy.

The Company discloses its financial reports at the end of each quarter in accordance with applicable laws and regulations as well as all information about the chairman, members of the board, committees and senior management, including the number of shares owned by the major shareholders who own 5% or more of the capital. The company directly or indirectly on the company's website and in the annual governance report.

In addition, the Board has adopted a disclosure policy relating to disclosure and transparency in accordance with sensitive information to shareholders and the market and to ensure accurate, transparent and timely disclosure, which addresses how to deal with rumors, and the Company discloses the agenda of board meetings, and all decisions of a sensitive nature, including the financial reports of the Qatar Stock Exchange before and after each board meeting. In addition, the company is keen to keep all shareholders informed of all its new activities, services and business by periodically publishing press releases in local newspapers and on the company's website and reporting a copy of it to the market and relevant regulators. During the regular and extraordinary General Assembly meetings, the Company is keen to give shareholders the opportunity to exercise their right to ask any question about the status of the company and its business. The disclosure and transparency policy can be found on the company's website. The Board of Directors discloses the interim or final financial statements after the necessary audits and based on the independent auditor's report and the recommendation of the Audit Committee and senior management that the information disclosed is accurate, correct and not misleading in all fundamental respects. As for other disclosures of any non-financial information, they are subject to the Board's disclosure and transparency policy, which sets specific procedures for reviewing any press information or statements prior to public release and requires the approval of more than one party, including the Department of Compliance and Legal Affairs, in accordance with the circumstances, and the approval of the CEO and/or chairman of the Board of Directors to ensure their accuracy and accuracy. The audited financial reports are distributed to all shareholders in the annual report, which is prepared and distributed to shareholders at the annual General Assembly meeting, and financial statements are published in local newspapers and are permanently available on the company's website and on the Qatar Stock Exchange. The company also discloses the awards of the Board of Directors and senior executive management in the audited annual reports and discloses the work, activities and achievements of the Board of Directors each year in the report of the Board of Directors, which is presented to the Annual General Assembly and the work of senior management is also disclosed by presenting a profile of the company's achievements in the annual report distributed to shareholders in each annual general assembly. In general, the Company performs all disclosures required in applicable laws and regulations either on its website or in the annual report. For more details, please check the company's website.

## 8) Board of Directors

The Board member must be qualified with sufficient knowledge of administrative matters and relevant experience to perform its duties effectively and must devote enough time to do its job with integrity and transparency to achieve the Company's interest, goals and objectives.

The Board member must:

1. Not be under twenty-one years old with full capacity.
2. Not have been sentenced to criminal penalty, or a crime against honor or integrity, or any of the crimes stipulated in Article (40) of Law No. (8) Of 2012 concerning the Qatar Financial Markets Authority, and articles (334) and (335) of law No. (11) Of 2015 Promulgating Commercial Companies Law, or be prevented from practicing any work in the entities subject to the Authority's jurisdiction under Article (35 paragraph 12) of law No. (8) Of 2012 referred to, or have been bankrupted, unless been rehabilitated.
3. Be a shareholder owning, when elected, or within thirty days from its election date, a number of the Company's shares determined by Article of Association. Such shares shall be deposited to the Depository within sixty days from starting date of membership with prohibition from trading, mortgage or seize until the end of membership period, approved on the last budget of financial Year of doing business. Such shares shall also be allocated to ensure the rights of the Company, shareholders, creditors and third parties for the responsibility of the Board members. If the member does not provide the guarantee as mentioned, its membership becomes invalid. The Independent Member shall be exempted from this requirement.

The candidate for Board membership shall provide written acknowledgment stating not undertaking any legally prohibited job position to combine it with the Board membership.

The Company shall commit to send a list of names and data of Board membership candidates attached with each candidate's curriculum vitae and original copies of candidacy requirements to the Authority at least two weeks before the date specified for Board election.

The Board shall be composed pursuant to the Law and the Company's Articles of Association.

At least one-third of the Board Members shall be Independent Board Members, the majority of the Board members shall be Non-Executive Board Members; and a seat or more of seats may be allocated to represent the Minority and another to represent the Company employees.

In all cases, the Board composition shall ensure that one member or more do not dominate issuing the Board decisions.

All Board Members are qualified as per the requirements of the Articles of Association which are based on the latest QFMA CG Requirements

All Directors are nominated based on the guidelines provided in the following points:

1. All members are above 21 years old and with full capacity.
2. As per the Qatari Commercial Company Law, no Board Member can be registered under the Company's Commercial Registration unless with a clean criminal record. Criminal Records for all Board Members are in place and are kept with the Secretary of the Board.
3. The articles of association dictate that Board members should own a minimum of 500,000 shares to be deposited within 60 days of the election date. The number of shares owned by the members of the Board is disclosed in the latest Governance Report however 2 out of 9 of the Board members do not own any shares as they are exempt from this condition
4. The board composition is in compliance with the Mazaya's Articles of Association which are based on the latest QFMA Requirements, however the Board charter has not been updated to comply with the latest requirement of the AOA in relation to the composition of the Board.
5. Mazaya's Board is composed of 9 members as of 2020 one of which 2 executive and 4 are independent which is more than one third of the Board members and the majority are non-executive. Each member holds 1 vote, in case of a tie the Chairman holds final vote

## 9) Meetings and attendance

Member	Board meeting	Governance Committee	Audit Committee	& Nomination Remuneration Committee
	10 Meetings	4 meetings	7 meetings	3 meetings
Mr. Rashid Fahad Al Naimi	10/10	-	-	-
Sh. Hamad Mohamed Al Thani	10/10	-	7/7	-
Mr. Abdallah Hamad Al Attiya	10/10	-	-	3/3
Mr. Ibrahim Jaham Al Kuwari	10/10	-	5/5	3/3
Eng. Hamad Ali Al Hedfa	8/10	4/4	-	-
Mr. Said Abu Odeh	10/10	4/4	7/7	-
Mr. Abdallah Ali Al Kuwari	6/10	-	-	1/1
Mr. Yousef Ahmed Al Sadah	6/7	-	5/6	-
Mr. Faisal Ahmed Al Sadah	2/3	-	1/1	-
Abduaziz Abdallah Al Hemidi	6/6	3/4	-	-

## 10) Highlights of actions and decisions

### Corporate Governance:

- Review policies, regulations and procedures.
- Decision on the delegation of the committees' functions and the duration of their devolution, provided that the responsibilities and duties of the committees are written and clear and that there is a determination of the period of time for that mandate for the purpose of taking responsibility for the committee concerned. The Governance Committee recommended that this item be submitted to the Board of Directors for decision.
- The committee was briefed on the initial weaknesses in the internal controls, and the committee requested the auditor to work on providing the committee with the steps to be followed to complete the requirements of the authority with an indication of the timeline.
- The committee reviewed the Corporate Governance Report for the year ending on December 31, 2020, and it was recommended to the Board for approval.
- The committee discussed the policies and charters, and the committee noticed that there are incomplete and unavailable policies. Therefore, the committee asked a consultant / service provider to submit a proposal to formulate these policies and provide a treatment plan for policy development.
- The committee was briefed on the schedule, developments and updates of internal controls on the financial statements, and it was noticed that there are gaps in the financial controls, and the company clarified that solutions to these gaps will be found. The head of the committee suggested the need to discuss and raise this item and present it to the audit committee.
- The Committee Chairman suggested the necessity of appointing a risk manager for the company and establishing a risk committee to be supervised by the audit committee in order to comply with the best practical practices in the field of governance.
- The committee discussed the progress of work on the implementation of control systems and the implementation plan and working on them to solve the existing gaps with the process owner. The committee also recommended to work on the Remediation Log be continued for a maximum of two weeks for correction, so that we can begin to review and audit and ensure their effectiveness in December 2020.

- Many design gaps were noticed during the first stage of the review for the departments of the company, and as the committee recommended the speed of work with the Process Owner to resolve / correct the existing gaps in order to be able to audit and confirm the correctness of the treated processes.
- Based on the committee's instructions to work on a plan to address the gaps with the Process Owner, which includes auditing all departments of the company as indicated in Article No. (20) of the Corporate Governance Code, which states: "The Board shall approve the audit committee's proposal for the internal control system. For the company, provided that this proposal includes the control mechanism, defining the tasks and terms of reference of the company's departments and divisions, the provisions and procedures for liability in their regard, and awareness programs and educating employees about the importance of self-monitoring and internal control work.
- The committee reviewed the policy list, which consists of 3 sections, as follows:
  - o Group A: It is a list of policies that do not require modifications, but only updated official approval
  - o Group B: Policies that were formulated and previously approved by the Board of Directors, and which have been updated in line with the corporate governance system and legal entities listed in the main market, and these policies require the approval of the Board.
  - o Group C: Newly required policies, which were formulated by the management internally and which require review and approval. - The committee approved groups "A" and "B", and the committee requested that group "C" be sent to the managing director for review.
- The committee requested that all policies be presented to the board of directors for approval after approval by the committee.

#### **Tender Committee**

- The committee discussed the tender for appointing a drilling contractor for the Marina project
- The committee reviewed the recommendation of the quantity calculator for the Marina project and discussed the expected cost.
- The committee recommended appointing the contractor for the Marina project to implement the first part.
- The committee was briefed on the initial weaknesses about the report on supervision and supervision of financial affairs and investments, and the committee requested the auditor to work on providing the committee with the steps to be followed to complete the requirements of the authority with an indication of the timetable.
- The committee reviewed the Corporate Governance Report for the year ending on December 31, 2020, and it was recommended to the Board for approval.
- The committee discussed the policies and charters, and the committee noticed that there are incomplete and unavailable policies. Therefore, the committee asked a consultant / consultant service provider to submit a proposal to formulate these policies and provide a treatment plan for policy development.
- The committee was briefed on the schedule, developments and updates of internal controls on the financial statements, and it was noticed that there are gaps in the financial controls, and the company clarified that solutions to these gaps will be found. The head of the committee suggested the need to discuss and raise this item and present it to the audit committee.
- The President suggested the necessity of appointing a risk manager for the company and establishing a risk committee to be supervised by the audit committee in order to comply with the best practical practices in the field of governance.
- The committee discussed the progress of work on the implementation of control systems and the implementation plan, and working on them to solve the existing gaps with the process owner. The committee also recommended that work on the Remediation Log be continued for a maximum of two weeks for correction, so that we can begin to review and audit the reforms and ensure their effectiveness in December 2020.
- Many design gaps / gaps were noticed during the first stage of the review for the departments of the company, and as the committee recommended the speed of work with the Process Owner to resolve / correct the existing gaps in order to be able to audit and confirm the correctness of the treated processes.
- Based on the committee's instructions to work on a plan to address the gaps with the Process Owner, which includes auditing all departments of the company as indicated in Article No. (20) of the Corporate Governance System, which states: "The Board shall approve the audit committee's proposal for the internal control system. For the company, provided that this proposal includes the control mechanism, defining the tasks and terms of reference of the company's departments and divisions, the provisions and procedures for liability in their regard, and awareness programs and educating employees about the importance of self-monitoring and internal control work.

- The committee reviewed the policy list, which consists of 3 sections, as follows: Group A: It is a list of policies that do not require modifications, but only updated official approval o Group B: Policies that were formulated and previously approved by the Board of Directors, and which have been updated in line with the corporate governance system and legal entities listed in the main market, and these policies require the approval of the Board. o Group C: Newly required policies, which were formulated by the management internally and which require review and approval. - The committee approved groups "A" and "B", and the committee requested that group "C" be sent to the managing director for review. - The committee requested that all policies be presented to the board of directors for approval after approval by the committee.

### **Audit Committee**

- Review internal audit reports
- Recommendation for restructuring to finance Sidra project
- Re-categorize the comparison figures in the general budget
- Evaluation of al-Bandari's portfolio for the merger.
- Discuss the audited financial statements for the year ended December 31, 2020 and the financial statements have been approved.
- Discussing the budget for operational and administrative expenses for 2020
- Review the internal auditor's report to be presented to the management
- The Committee was informed of human resources policies and requested a report on additional expenses so that the report could be submitted before the board meeting.
- The Committee was briefed on the report on additional human resources policy expenditures, and some amendments were requested and policies subsequently submitted for adoption.
- The Committee has been informed of the budget of operational and administrative expenses for the year 2020 and approved it and recommended to the Council for approval.
- The Committee discussed the financial statements for the period ending March 31, 2020 and recommended to the Board for approval.
- The Committee discussed the financial statements for the period ending June 30, 2020 and recommended to the Board for approval.
- The Committee was briefed and discussed the audit plan, the timetable and the audit developments
- The Committee was informed of the internal controls of the company and the gaps in the procedures and recommended that the necessary steps should be taken to resolve these gaps before the end of the current year.
- The Committee discussed the financial statements for the period ending June 30, 2020 and recommended to the Board for approval.

## 11) Performance Evaluation

At the board level, the Nominations and Remuneration Committee shall conduct an annual assessment of the board's performance and its committees in accordance with a specific evaluation mechanism that takes into account,

Among other things, attendance and participation in board and committee meetings, the Committee submits its recommendations on this subject to the Board of Directors as a community to take the necessary action to improve and develop performance. In addition, the Chairman of the Board of Directors meets with each member in private to discuss ways to develop the Board and its committees. The results, according to the latest assessment conducted as of December 31, 2020, showed that the procedures and mechanisms in place at the level of the Council and its committees

It works well and there are no serious concerns about this. At the senior management and staff level, a system has been developed to measure the overall performance of the company through a self-assessment of each employee and then submit the report to the Director of Management for review and feedback and then submit all evaluations to the CEO.

## 12) Board of Directors

The Board shall abide by the conditions to be met by the board member as stipulated in company's Article of Association and the Corporate Governance Code as follows:

- The Candidate shall not be less than twenty-one years of age and should possess the required knowledge and skills.
- He has not been convicted of a crime in breach of honor or honesty.
- To be a shareholder, owning upon election or within thirty days from the date of election of or a number of shares determined by the Article of Association.
- It is their responsibility to ensure the company's performance and strategic activities, supervising the management of the company in an appropriate manner and ensure maximization of the shareholders wealth and rights as specified in the approved Charter of the Board of Directors, and in accordance with articles (37) and (43) of the company's Article of Association.
- The Board of Directors shall, during its meetings and the meetings of its committees, oversee the work of the Executive Management, consider the reports submitted and discuss the topics for appropriate decision-making.

## 13) Board Composition

Article (28) of the company's Article of Association states the mechanism of forming the Board of Directors, which stipulates at least one third of the Board Members should be independent members and the majority should be non-executives. The current situation indicates that independent members reach up to 22.22% and non-executives reach up to 77.77%. The company's Article of Association also states the possibility of granting one or more seats of the board to represent the minority, another to represent the employees of the company and the company did not allocate any of these seats. The Article also states that one or more members should not have control over the issuance of the decisions.

The members of the Board of Directors shall be elected for a period of three (3) years, However the first appointed Board of Directors shall remain in duty for a period of five years. A member of the Board of Directors may be re-elected more than once, unless the member lacks one of the conditions stipulated in Article (97) of the Commercial Companies Law and Article (29) of this Code. A Member may withdraw from the Board provided that it is in a timely manner or otherwise will be held responsible by the company.

Subject to the provisions of Articles (107, 108, 109, 110 and 111) from the Commercial Companies Law, the Board of Directors shall have the ultimate necessary power to carry-out the work required for the purpose of the Company and shall within the limits of his proficiency, delegate one of the members to perform one or more specific tasks or supervise the company's activity. The Chairman, Vice chairman and the member or the delegated members are the authorized signatories on behalf of the company together or Individually, in accordance with the decision issued by the board of directors in this regard. The Board of Directors may appoint one or more managers in the Company and shall also be entitled to sign on behalf of the Company individually or together.

Without disruption to the powers of the General Assembly, the Board of Directors may authorize to form one or more committees to carry out some of their functions or other tasks, provided that the decision of forming will include the nature of tasks,

The ultimate responsibility and decision making of the Company remains with the Board, even if formed committees or authorized other parties perform some of their functions. And the Board shall avoid the issuance of general or indefinite mandates.

Board Members and designation in the Board:

Name	Designation
Mr. Rashid Fahad Al Naimi	Chairman
Sh. Hamad Mohamed Al Thani	Vice Chairman
Mr. Abdallah Hamad Al Attiya	Member
Mr. Ibrahim Jaham Al Kuwari	Member
Eng. Hamad Ali Al Hedfa	Member
Mr. Said Abu Odeh	Member
Mr. Abdallah Ali Al Kuwari	Member
Mr. Yousef Ahmed Al Sadah	Member
Mr. Abduaziz Abdallah Al Hemidi	Member

## 14) Brief Details about the Board of Directors and Chief Executive Officer

### 1. Mr. Rashid Fahad Al Naimi – Chairman of the Board - (Previous Member)

#### Educational Qualifications:

- Bachelor of Science in Economics from Indiana State university, USA
- Master's Degree in Business Administration from Oxford University in United Kingdom.

#### Current Positions:

- Chief Executive officer of Investments at Qatar Foundation for education, Science and Community Development
- Managing Director of Vodafone Qatar
- Mr. Al Naimi chairs the board of the following companies including; Qatar Solar Technologies, Mater OLBIA Hospital, and Mazaya Real Estate Development Company.



### 2. Sh. Hamad Mohamad Al Thani –Vice President

#### Educational Qualifications:

- Bachelor of Arts in Business Management from Heriot Watt University

#### Current Positions:

- Vice President of Investment Qatar Insurance Company
- Board Member of Al Jazeera Finance
- Managing Director of Epicure Investment Management



### 3. Mr. Abdullah bin Hamad Al Attiyah – Board Member

#### Educational Qualifications:

- MSc in Chemical Engineering from the University of Nottingham, United Kingdom
- Bachelor's degree in mechanical engineering from Cardiff University, United Kingdom.

#### Previous Positions:

- Acting Program Management Office Executive Director at the Supreme Committee for Delivery and Legacy.
- Director of the Technical Office at Public Works Authority "Ashghal"
- Assistant President - Public Works Authority "Ashghal"
- Acting Chief Executive Officer - Qatar Primary Materials Company

#### Current Positions:

- Vice Chairman - Qatar Primary Materials Company
- Chief Executive Officer - Qatari Diar Real Estate Investment Company
- Vice Chairman - Barwa Real Estate.



### 4. Mr. Ibrahim Jaham Al Kuwari – Board Member & Managing Director

#### Educational Qualifications:

- Bachelor of Science in Industrial & System Engineering from University of Southern California, USA
- Professional certificates in various fields and sectors locally and internationally

#### Current Positions:

- Board Member and CEO of Qatar Solar Technologies
- Board Member of Nishan Investments & Real Estate Development



### 5. Eng. Hamad Ali Al Hedfa – Board Member

#### Educational Qualifications:

- Bachelor's Degree in engineering with Hons. from Texas A&M University, USA
- Advance Diploma in Project Management
- Holds Hons. degrees and certificates from All-American Scholars
- Holds various professional/vocational certificates across many sectors

#### Current Positions:

- Advisor to the Chairman of Mazaya Board of Directors.



## 6. Said Adnan Abu Odeh – Board Member

### Educational Qualifications:

- Advanced Management Program, Harvard Business School Boston, Massachusetts, USA
- Master's in engineering administration, George Washington University, Washington D.C, USA
- Bachelor's Degree in engineering, Purdue University West Lafayette Indiana, USA

### Current Positions:

- Chief Operating & Business Development Officer, Qatar Investment & Projects Development Holding Company (QIPCO Holding),
- Board Member of Future Pipe Industries
- Director of BlackCat Construction & Engineering Company EPIC Company
- Director of special Projects Services Company
- Director of Specialty Nutrition Company
- General Manager of Tornado Company



## 7. Mr. Abdallah Ali Al Kuwari – Board Member

### Educational Qualifications:

- Bachelor's Degree in architectural engineering

### Current Positions:

- Chief Executive Officer of Qatar Project Management



## 8. Mr. Yousef Ahmed Al Sada – Board Member

### Educational Qualifications:

- Bachelor of Science from Qatar University

### Current Positions:

- Head of Office for the Dean of Science Faculty - Qatar University
- Director of Financial and Administrative Affairs, Faculty of Arts and Sciences - Qatar University
- Director of Department of University Housing - Qatar University
- Advisor to the Vice President - Qatar University
- Executive Director - Dar Al Baraka Trading & Contracting



## 9. Abduaziz Abdallah Al Hemidi – Board Member

### Educational Qualifications:

- Bachelor's Degree in law

### Current Positions:

- Board Member in Al khor and Thaker (Private Shareholding Company).



## 15) Prohibition of Combining positions

With the exception of the above, the company ensures the provisions of the law in prohibiting the combining of positions, where no member of the Board of Directors serves as Chairman or Vice-Chairman of more than two companies which their headquarters located in the State, and not a board member in more than three companies which their headquarters located in the State, and not to be a managing director of more than one company whose main office is in the State and not to combine membership of the boards of directors of two companies that practice a homogeneous activity.

Mr. Abdullah Hamad Al Attiyah is currently a member of the Board of Directors of Mazaya (listed real estate company) as a representative of M/s Qatar Investment Authority as well as a member of the Board of Directors of Barwa Real Estate (listed real estate company) as a representative of Qatari Diar, which should be mentioned and disclosed.

The Chairman and members of the Board shall submit an annual declaration to be kept by the Secretary in the portfolio prepared for that purpose, in which each of them shall agree not to combine the positions which are prohibited to be combined in accordance with the law and the provisions of this Law.

And a number of the members of the council have signed a written declaration declaring that he will not assume any position that prohibits it legally from being combined with membership of the council. The company is currently obtaining the remaining declarations.

The Board of Directors also confirms the prohibition of combining the chairing of the Board and any executive position in the Company, where the Chairman of the Board does not act as a member of any of the Committees of the Council. Therefore, the board of directors of Mazaya is prohibited from combining the chairing of the Board and any executive position in the company. Moreover, the position of the Chairman of the Board was separated from the position of CEO were Mr. Rashid Fahad Al Nuaimi is the Chairman and Mr. Ibrahim Jaham Al Kuwari is the Managing the Director.

## 16) Key Functions and tasks of the Board

The Board functions within written Terms of References ("TORs") developed and approved by the Board and reviewed by an independent consultant to ensure that they are compliant with the applicable laws, regulations, the company's Articles of Association and best practices. The Board TORs describe the composition and selection of the Board members and Chairman, the organization of the meetings, the training of the Board and Board Committees, the remuneration, and the responsibilities and functions of the Board. They equally comprise a broad description of matters required to be considered by the Board, including, but not limited to, setting-up strategies, defining risk levels, developing policies as well as matters that constitute events of conflict of interest and disqualifications for the Board. The Board TORs are available and accessible on Mazaya website.

The Board shall prepare a Charter called "Board Charter" detailing the Board's functions, and rights, duties and responsibilities of the Chairman and members, according to the provisions of the Law and this Code, and shall be published at the Company's website.

The Mazaya Board Charter was developed and is in place and reviewed and The Board charter is published on the Mazaya Website.

The Board Charter shall include the Board's key functions and responsibilities including, at least the following:

16.1 Approving the Strategic Plan and main objectives of the Company and supervising their implementation, including:

16.1.1 Setting a comprehensive strategy for the Company and key business plans and risk management policy, reviewing and directing them.

16.1.2 Determining the most appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budgets.

16.1.3 Supervising the main capital expenses of the company and acquisition/disposal of assets.

16.1.4 Setting the performance objectives and monitoring the implementation thereof and the overall performance of the Company.

16.1.5 Reviewing and approving the organizational structures of the Company on periodic basis to ensure distinct distribution for the functions, tasks and responsibilities of the Company especially internal control units.

16.1.6 Approving the procedures manual needed to implement the strategy and objectives of the Company, prepared by senior executive management. The manual shall include determining ways and means of the quick contact with the Authority and other regulatory authorities as well as all parties concerned to governance, including the appointment of a communication officer.

**The missions of the Board are as follows:**

- The Board set and approve strategic objectives for the company and key business plans. Risk management policy is in place. The Capital Structure of the company was set by the board and published in the Articles of Association. The Board Approves the annual budgets on a year-end basis for the upcoming year, usually during a Board Meeting in Quarter 4.
- The Board Supervises the main capital expenses of the company, any unplanned capital expenditure requirements need to be approved through the Board. It has been noted that Mazaya has not disposed of any assets previously.
- The Board sets the performance objectives, the performance is then discussed within the Board meetings as reflected from the meeting minutes.
- An organizational structure for Mazaya is in place.
- Procedure's manuals are in place and developed by executive management.

**16.2 Setting the rules and procedures for Internal Control and supervising them, that includes:**

16.2.1 Developing a written policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.

16.2.2 Developing full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider information. Such system shall include procedures followed when dealing in securities by Insiders, and identify prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of Insiders to provide a copy to the Board and the Market upon adoption or update.

16.2.3 Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.

16.2.4 Ensuring the implementation of control systems appropriate for risk management by generally forecasting the risks that the Company may encounter and disclosing them transparently.

16.2.5 Reviewing annually the effectiveness of the Company's Internal Control procedures including the below:

- The Internal Audit policy or procedures in place.
- A Conflict of Interest Policy is in place and was developed and reviewed.
- A Disclosure Policy is in place and was developed, drafted and reviewed.
- Mazaya follows the IAS 40 standards in preparing the financial statements, also the Board has outsourced an external auditor to audit and approve their financial statements.
- Mazaya had drafted and developed Enterprise Risk Management framework.
- An internal Audit plan is in place

**16.3 Drafting a Governance code for the Company that does not contradict the provisions of this Code, supervising and monitoring in general the effectiveness of this Code and amending it whenever necessary.**

- The Board drafts and overlooks the governance code, Mazaya has a set of Policies and procedures in place however they require approval by the Board.

**16.4 Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General assembly.**

- Mazaya has developed a Board charter which is in place, the Charter was reviewed and updated.

**16.5 Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights; in particular, such policy must cover the following:**

- Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the Law and their respective contracts.
- Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders.

- Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of Information related to them.
- Put a code of conduct for the Company's executives and employees compatible with the proper professional and ethical standards and regulate their relationship with the Stakeholders and mechanisms for supervising this Code and ensuring compliance there with.

**16.6 The Boards responsibility to stakeholders is defined as follows:**

- The Board Charter mentions the Responsibility of the Board to Ensure the Fair treatment of all shareholders in accordance with the Law.
- Mazaya has a mechanism for complaints or disputes that might arise between the company and the stakeholders, and dedicated an Investor relation and the information is available on Mazaya's website.
- There is a mechanism in place to maintain a good relationship with customers and suppliers, and we have an approved/prequalified vendor/supplier list in place.
- A code of conduct is in place and was developed and reviewed.
- The Company published its social contributions and projects on the Company website.

**16.7 Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material Information to shareholders, creditors and other Stakeholders and the company has put in place policies and Standard Operating Procedures to ensure the Company's compliance**

**16.8 Inviting all shareholders to attend the General Assembly Meeting in the way charted by Law. The invitation and the announcement shall include a thorough summary of the General Assembly agenda, including the item of discussing and approving the Governance Report.**

- The Secretary of the Board prepares the agenda for the General Assembly Meeting and communicates an invitation along with the Agenda prior to the meeting.

**16.9 Approving the nominations for appointment in functions of Senior Executive Management, and the succession planning concerning the management.**

- The Board is entrusted with the widest authority to manage the Company. Following are the key operational responsibilities of the Board:
  - a. Appointment of the CEO.
  - b. Appointment of the Executive Management of Mazaya.
- succession planning policy is in place.

**16.10 Developing a mechanism for dealing and cooperation with providers of financial service, financial analysis, credit rating and other service providers as well as the entities that identify standards and indices of financial markets in order to provide their services for all shareholders in a quick manner with integrity and transparency.**

- Providers of financial service, financial analysis, credit rating and other service providers are considered by Mazaya as Related Parties Policy, The Related Parties Policy is in place.

**16.11 Developing awareness programs necessary for spreading the culture of self-control and risk management of the Company.**

- any awareness of new regulations or health and safety measures and updates are communicated to employees via emails on an ad-hoc basis.

**16.12 Setting a clear and written policy that defines the basis and method of granting remuneration for the Board members, in addition to incentives and rewards of Senior Executive Management and the Company's employees in accordance with the principles of this Code without any discrimination based on race, gender or religion. Such policy shall be submitted yearly to the General Assembly for approval.**

- Board Remuneration Policy is in place and updated.

**16.13 Developing a clear policy for contracting with the Related Parties and presenting it to the General Assembly for approval.**

## 17) Responsibilities of the Board

The Board of Directors is responsible for the governance of the Company. Accordingly, the Board of Directors of the Company has developed a general framework for corporate governance, in order to comply with the requirements of the Qatar Financial Market Authority and to work towards applying best practice in this area.

The Board of Directors is responsible for managing the company. In accordance with Article (36) and Article (28) from the Articles of Association of the Company, the Board shall, during its meetings and the meeting of its committees, supervise the work of the senior management and consider the reports presented to it and discuss the issues to be taken for appropriate decisions therein. The Board has also set up a Remuneration committee to determine the rewards of the Management and their performance and to ensure the planning / succession of the company's management.

The Board's Charter sets out its responsibility to ensure compliance with the Governance code. The Board takes into consideration, for example, the approval of the Company's strategic objectives, appointment and replacement of Directors, remuneration, management performance review, etc. All these committees operate in accordance with their own written charters that have been approved by the Board. All reports shall be submitted to the Board for discussion and decision-making. In accordance with the Articles of Association of the Company, the Board may delegate some of its powers to the sub committees derived from it as follows:

- The Audit Committee
- Committee on Governance
- Remuneration & Nomination Committee

The Company has adopted a policy of dealing with related parties which includes:

- Policy governing and regulating business transactions with related parties, potential conflicts of interest, with reference to the definition of related parties in the Qatar Financial Market Authority Law.
- Disclosure of interests by board members and senior management, if any, to facilitate monitoring of conflicts of interest.

All Board members comply with the following duties:

- Attending meetings of the Board and committees regularly and not withdrawing from the Board;
- Giving priority to the interests of shareholders and all stakeholders over their own interests;
- Providing opinion on the company's strategic matters, policy of project implementation, staff accountability systems, resources, key appointments and operation standards;
- Monitoring the bank's performance in realising its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports;
- Supervising the development of the procedural rules for the Company's governance to ensure their implementation in an optimal manner in accordance with QFMA requirements;
- Using their diversified skills and experience along with diversified specialties and qualifications for effective and productive management of the Company, and working to achieve the interests of the Company's shareholders and stakeholders;
- Effective participation in the general assemblies, and achieving its members' demands in a balanced and fair manner;

## 18) Duties of the Board Chairman

The Chairman of the Board of Directors shall lead the Board to formulate, establish and achieve the vision, mission and objectives of the Company as well as to develop the overall strategy of the Executive Management, which emphasizes the maintenance of the company's position morally and materially and be the primary responsible for achieving the interest of the company and partners through providing long-term profits for the shareholders.

The Chairman is also responsible for engaging and exchanging information with Board members in all transparency and clarity in a timely manner and ensuring effective communication between the company and its shareholders. He also urged the active participation of non-executive members and ensuring constructive relationships between executive and non-executive members. The Chairman also discusses in detail the strategies, annual general budget, and review of operational plans. The Chairman also plays an active leadership role, working closely with the CEO and reviewing the agendas and programs of the meetings of each committee with its chairman.

In the absence of the Chairman, the Vice-Chairman shall be acting on his behalf, and the Chairman may delegate other members of the Council to some of his powers.

## 19) Duties of non-executive board members

The Non-Executive Board Members use, exploit and employ their diverse expertise and make them available to the Chairman of the Board and the remaining members and committees through periodic meetings, which reflect positively on the company's productivity and profitability, benefiting the company and the shareholder.

The non-executive board members are keen to develop proposals related to the company's overall strategy and its development. They also monitor the operation of the company and supervise the performance of the executive management in achieving the company's objectives

## 20) Board members Performance evaluation

The Nomination and Remuneration Committee shall monitor the performance of the members of the Board of Directors. Therefore, the Committee shall ensure that the members of the Board of Directors fulfill their duties and responsibilities in full, on an annual basis in line with the methodology adopted by the Board of Directors. Board members undertake self-assessment and peer review, which is reviewed by the Nominations and Remuneration Committee.

The results of this assessment are presented to the Board of Directors. This assessment helps to provide better performance to the Board members during the term of office.

The Governance Committee also made sure that it was necessary to disclose the evaluation of the board's performance and the extent to which its members are committed to the interests of the company, to carry out the work of the committees, to attend board meetings and committees, and to disclose the evaluation of the performance of senior executive management on the application of internal control and risk management, including the determination of the number of grievances, complaints, proposals, communications, and the way in which the Board handled regulatory issues.

The Governance Committee recommended that violations should be disclosed, i.e. that there must be a mechanism for reporting any grievances, complaints, proposals, or communications periodically or at least once a year and the manner in which they are addressed, whether at the employee level or at the company level as a whole. Furthermore, it was noted that there was no grievance or complaints at the employee level or at the company level as a whole.

The board members assessed the annual performance and the evaluation was submitted to the Nominations Committee to be submitted to the Board of Directors in the first year of 2020 before the General Assembly, all of which were satisfactory

## 21) Compliance of the Board of Directors and Invitation for meeting

The Board of Directors of the Company shall meet at the invitation of its Chairman, on a regular and effective basis and whenever necessary, in accordance with the provisions of Article (35) of the Articles of Association of the Company. Where the board of directors met 10 times in 2020.

The Board has complied with the governance requirement in Article 14, which states that "it may not last three months without a board meeting".

All members of the Board of Directors are present in regular basis during the meetings except for some cases beyond their control. Members also employ their expertise and qualifications for the Board and its committees through attendance and active participation.

The decisions of the Board of Directors are issued based on the majority of the votes of the present members and the representatives. When the votes are equal, the president's side is likely to follow and the member who has not approved any decision taken by the Board shall have the right to prove his objection in the minutes of the meeting. In case of necessity and for reasons of urgency, some resolutions are passed and taken through circulation and will be presented at the next Board meeting and will be included in the minutes of the meeting.

## 22) Number of current Board meetings during the year 2020 and the number of members attending each meeting

Meeting # / Year	Date
1/2020	1/2020
2/2020	2/2020
3/2020	3/2020
4/2020	4/2020
5/2020	5/2020
6/2020	6/2020
7/2020	7/2020
8/2020	8/2020
9/2020	9/2020
10/2020	10/2020

## 23) Secretary of the Board

Mazaya is committed to appoint a secretary to the Board of Directors. Mr. Mohamed Mansour was appointed as Secretary of the Board by a decision of the Board of Directors on 29 October 2014. The Secretary of the Board has professional experience in addition to a university qualification that qualifies him for this position. The company has adopted the Term of Reference (TOR) for the secretary of the board, which determines the course of his work and includes but is not limited to: The Secretary is responsible for:

- Preparations of the Board's meetings and;
- Send notices and inform stakeholders about the timeline for the board's meetings and provide them with copies of the Board's meetings topic papers.
- Create the board's meeting minutes and reports and develop any special decision's projects.
- Ensure accurate and full minutes of meetings are taken and approved. Requirements of minutes should include at a minimum:
  - a. Date, time, location of meeting;
  - b. List of those present and absent;
  - c. List of items discussed;
  - d. List of reports presented;
  - e. The text of suggestions that were submitted and relevant description of proceeding mechanism

The Secretary of the Board of Directors shall contact all members of the Board directly and assist them and respond to any queries that may arise. The Secretary of the Board of Directors has met all the members of the Board (apart from the Board meetings) more than once during the year.

## 24) Committees of the Board

The Board of Directors formed its committees as set out in the Governance Code for Companies and Legal Entities Listed on the main market at its meeting on 4 March 2020.

## 25) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Mazaya consists of three members. It is their responsibility to establish transparent procedures in several functions, including:

- Supervising the evaluation of the board and senior management
- Conducting an annual self-evaluation for the performance of the Board of Directors
- Determination of bonuses in the company in general, and in particular the senior executive management.
- Determine the remuneration for the Chairman and members of the Board of Directors and raise its recommendation to the General Assembly within a framework in-line with the guidelines set out by the Board of Directors.

**Nominations and Remuneration Committee is formed as follows:**

	Name	Designation
1	Mr. Ibrahim Jaham Al Kuwari	Chairman
2	Mr. Abdallah Ali Al Kuwari	Member
3	Mr. Abdallah Hamad Al Attiya	Member

**Number of current Nomination and Remuneration Committee meetings during the year 2020**

Meeting # / Year	Date
1/2020	21 January 2020
2/2020	29 January 2020
3/2020	29 June 2020

### Committees of the Board

The Board of Directors has delegated part of its powers to a number of committees: The Audit Committee, the Governance Committee, Nominations and Remuneration Committee.

### Audit Committee

The Board of Directors formed an audit committee to review and monitor the integrity of data and financial reports, internal control systems, macro risk control and hedging systems

As well as the financial control system and the accounting and financial practices of the company and take over all matters related to the external auditor and internal audit.

The Audit Committee is composed of four Board members, the Majority of the members are independent members. The Chairman of the Board Audit Committee must be a financial expert and the other Board members must have a financial reporting background and knowledge. The Chairman of the audit committee is independent.

The Committee has met seven times over the past year, with appropriate decisions being taken in matters that have been scrutinized, including but not limited to quarterly and annual reports.

The committee operates according to its own charter approved by the Board of Directors that clearly defines its responsibilities and tasks. Written minutes of all its meetings and decisions are recorded and kept in the company's records. The audit committee charter can be found on the company's website. During its periodic meetings in 2020, the committee has considered the internal control system and the risks associated with senior management, and the committee considers continuously any issues related to internal control controls and the associated risks and takes the necessary measures towards strengthening those controls or correcting any defects in them. The audit committee monitors the financial and accounting policies And financial and internal controls on a regular basis. The internal audit submits its reports directly to the audit committee to ensure the independence of these internal controls. The committee also recommends the external auditors to the board for approval at the annual general assembly meeting and is managed by them.

The audit committee covers different areas of the company's operations. The Internal Auditor has at all times access to all accounts, books, records, systems, property and individuals in order to fulfil their audit responsibilities.

**The Audit Committee is formed as follows:**

	Name	Designation in the committee	Member independence
1	Sh. Hamad Mohamad Al Thani	Chairman	Independent
2	Mr. Said Adnan Abu Odeh	Member	Independent
3	Mr. Yousef Ahmed Al Sada	Member	Independent
	Mr. Ibrahim Jaham Al Kuwari	Member	Non-Independent

**Number of meetings of the Audit Committee during the year 2020 and number of members attending each meeting**

Meeting # / Year	Date
1/2020	20 January 2020
2/2020	22 January 2020
3/2020	21 April 2020
4/2020	11 August 2020
5/2020	25 August 2020
6/2020	27 October 2020
7/2020	3 December 2020

The Committee has the following responsibilities pertaining to financial statements:

- Review significant accounting and reporting issues, including complex or unusual transactions, in the light of regulatory directives and professional pronouncements and correlate their impact on the financial statements of the Company;
- Review judgements by Executive Management in relation to responsibilities pertaining to financial statements;
- Review and endorse the annual financial statements and consider whether they are complete, consistent and reflect appropriate accounting standards and principles before submission to the BOD for final approval;
- Review the Company's financial statements, notes thereto, related regulatory filings, and consider the accuracy and completeness of the information before release;
- Review with management and the external auditors all matters required to be communicated or disclosed under generally accepted auditing standards or regulatory requirements;

The Committee has the following responsibilities pertaining to internal control:

- Understand the scope of internal and external auditors' review of internal controls over financial reports and obtain reports on significant findings and recommendations, together with management's responses;
- Obtain explanation from management and internal and external auditors on whether the Company's financial and operating controls are functioning adequately and effectively;
- Consider the effectiveness of the Company's management of risks and internal controls over annual and interim financial reporting, regulatory and other reporting, including controls.
- Review and approve the charter
- Ensure that there are no unjustified restrictions or limitations on the functioning of the Internal Auditing, as well as on internal audit's access to the Company's records, documents and personnel as and when required to perform this function.
- Review the effectiveness of the internal audit function
- On a regular basis, review the results of internal audit and discuss any matters that the Committee or internal audit believes should be discussed and follow-up on the corrective action to any identified issues and ensure proper implementation of measures to prevent recurrence and report the results of the Committee review to the BOD on a regular basis.
- Ensure that management responds to recommendations by the internal auditors and that all information, records etc. sought for and required by internal auditors in the performance of their formal duties is/are made available to them by management in an unhindered manner.
- Ensure the efficiency of the compliance function in detecting the deviations and breaches within the Company's.

# The Company's Control System

## Internal Audit

The company has an internal audit department with experience and competence in financial auditing, performance appraisal and risk management, which is fully independent. The Internal Audit Department assists the Company in finding the best ways to complete its business, in addition to its role in verifying adherence to policies and procedures. The audit also focuses on the effectiveness of the work systems, internal control and identification of weaknesses and submits its reports and recommendations directly to the Audit Committee to take required action to reduce or avoid risk. It also provides suggestions for correcting any defect and to assist the executive management in improving risk management tools.

Mazaya had appointed an independent external consulting firm for the purpose of designing an internal control Over Financial Reporting (ICFR), and that the company is in the process of implementing this approach in 2020 and evaluating internal control over financial statements.

## Risk Management

The Board of Directors is fully responsible for the management of the Company and to enhance risk assessment practices in the Company, the risk process and implementation steps have been identified by documenting the systems, policies and procedures relating to those risks and ensuring that a comprehensive risk assessment, including identification and implementation of risk limits, The Board retains the responsibility for monitoring and controlling risks, with the support of the Audit Committee and the Board of Directors. The company also takes into account the requirements of the corporate governance system and the legal entities listed in the main market to establish an independent risk assessment and risk management unit. The Company will establish an administrative committee to carry out these tasks and report to the Audit Committee.

## Internal Control System

Management reviewed the results of its assessment for ICFR and shared the results and summary of the procedures with the Audit Committee and Compliance Committee. Based on this assessment, management determined that, as of 31 December 2020, Mazaya's internal controls over financial reporting have been designed and implemented appropriately and are operating effectively, except for the matter described below (appendix B)

As at December 31, 2020 the Group did not have effective controls in place to address the risk of material misstatement in respect of the valuation of investment properties. Moreover, the Group has not prepared fair value assessment for one of the land included in the investment properties as at December 31, 2020. Management's control to ensure the appropriateness of the inputs to the valuation and the completeness of the land included in the valuation was not effectively designed, resulting in a material misstatement being identified in respect of the investment properties valuation as of December 31, 2020.

This deficiency gives rise to a Material Weakness in management's assessment of ICFR as at December 31, 2020. Management will reassess the design and implementation of the controls related to the valuation of investment properties and plan to resolve this matter in the coming period.

Mazaya had appointed an independent external consulting firm to assist the management in the design, implementation and testing of internal control Over Financial Reporting (ICFR), and that the company is in the process of implementing this approach in 2021 and evaluating internal control over financial statements.

The BOD assumes full responsibility for the company's system of internal controls, whereby specific policies, guidelines and controls covering the entire Company's transactions have been devised.

Mazaya's Executive Management is considered responsible for the overall control of these systems in coordination with the concerned Department managers. The responsibility of implementing efficient internal control systems at the Company's level is the direct responsibility of every employee at the Company. The Audit Committee and Compliance Committee, on behalf of the BOD, performs on a regular basis a review of the framework of internal controls and assesses the internal systems through the evaluation of processes carried out by the Internal Audit in addition to the reviews that the external auditors conduct. The BOD is notified on a quarterly basis of control issues; it confirms the adequacy of the existence of effective internal controls at Company's level based on the recommendations and advice presented by the Audit Committee and Compliance Committee as supported by the Internal Audit. As per the QFMA Corporate Governance Code Article (4), the corporate governance report should include disclosure of the internal controls failures, wholly or partly, or weaknesses in its implementation, contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing internal controls failures. Based on that, Mazaya's management assessed the design and operating effectiveness of Mazaya's internal control over financial reporting as of 31 December 2020. Management reviewed the results of its assessment and shared with the Audit Committee and Compliance Committee. Based on this assessment, management determined that, as of 31 December 2020, Mazaya's internal controls over financial reporting have been designed appropriately and are operating effectively except for the matter disclosed in Appendix A.

## External Audit

### External Auditor

The Company has complied with the criteria for the appointment of the External Auditor. During the Ordinary General Assembly Meeting of the Company, that was held on 16 February 2020, which approved the appointment of M/s. Deloitte & Touche Audit firm for the year 2020.

The Company has also updated the audit requirements to comply with Article (24) of the Governance Code for Companies and Legal Entities listed in the Main Market in line with the requirements of the Governance Code for Companies and Legal Entities listed in the Main Market

### Functions and Responsibilities of the External Auditor

The Company's External Auditor M/s Deloitte and Touche presented their report to the General Assembly, and read it, which explained the company's compliance with its Article of Association, the provisions of the law and the relevant legislation of the Authority, and its commitment to apply the best international auditing and financial reporting systems and their compliance with international accounting and auditing standards. Their report was discussed at the Ordinary General Assembly by the shareholders, clarifying the issues contained therein, responding to all inquiries, and indicating the extent of the company's cooperation in enabling them to access the information necessary to complete their work.

### Disclosure

Mazaya Real Estate Development Company is committed to the implementation of all disclosure requirements and the publication of financial reports according to the laws, regulations and procedures. These information's are also being published on the company's website. The company also complies with transparency standards as stipulated in the Governance Code for Companies and Legal Entities listed in the Main Market. The following are tables showing the number of shares owned by the Chairman and members of the Board, the Senior Executive Management, and the major shareholders or controlling shareholders.

Furthermore, the Board of Directors has adopted a Disclosure and Transparency Policy that complies with the Qatar Stock Exchange ("QSE") rules and ensures disclosure of sensitive information to the market in a timely, accurate and transparent manner. The policy also sets the framework for dealing with rumors. Mazaya discloses the agenda of its Board meetings and all resolutions of a sensitive nature to the QSE before and after each Board meeting. In addition, Mazaya keeps its shareholders informed of all new products and business through periodic press releases published in the local newspapers and on the website of the company and notifies QSE and relevant regulators of the same beforehand. During General Meetings, the shareholders enjoy their rights to ask any questions about the company's position and business. The Disclosure and Transparency Policy is available and accessible on the company's website

**Number of shares owned by the member of the board of director in their personal capacity and as representatives of legal persons until 31 December 2020**

Board Member	No. of Shares Owned			Total Shares	% ownership	Independency	Executive/ Non-Executive
	Company	Personal	subsidiaries				
Mr. Rashid Fahad Al Naimi	245,253,840	-	-	245,253,840	21.19%	Non-Independent	Non-Executive
Mr. Abdullah bin Hamad Al Attiyah		-	-				
Mr. Said Adnan Abu Obeh	1,653,750	-	-	1,653,750	%0.14	Independent	Non-Executive
Eng. Harnad Ali Al Hedfa	N/A	500,000	N/A	500,000	0.04319%	Non-Independent	Executive
Mr. Abdallah Ali Al Kuwari	15,467,040	-	46,305,000	61,772,040	5.34%	Non-Independent	Non-Executive
Mr. Yousef Ahmed Al Sada	N/A	2,335,465	6,415,720	8,751,182	0.75%	Independent	Non-Executive
Mr. Abduaziz Abdallah Al Hemidi	N/A	-	N/A	-	-	Independent	Non-Executive
Sh. Hamad Mohamed Al Thani	N/A	525,000	N/A	525,000	0.0454%	Independent	Non-Executive
Mr. Ibrahim Jaham Al Kuwari	N/A	525,000	N/A	525,000	0.0454%	Non-Independent	Executive

Based on the above, the Board of Directors includes the majority of non-executive members and includes four independent members.

**Number of shares owned by the Executive Management until 31 December 2020**

	Name of Executive/Senior Managers	Designation	No. of Shares Owned
1	Ibrahim Jaham Al Kuwari	Managing Director	525,000
2	Hamad Ali Al Hedfa	Chief Executive officer	500,000
3	Joseph Al Hamod	Senior Manager – Finance & Admin	-

**Number of shares owned by major shareholders or controlling shareholders until 31 December 2020**

	Major shareholders or controlling shareholders	No. of Shares Owned	ownership %
1	Qatar Investment Authority	245,253,840	21.19%
2	Sh. Mohamad Khalid Hamad Abdallah Al Thani*	123,736,304	10.69%
3	Qatar Real Estate Investment Company*	61,772,040	5.34%

\*Direct and indirect ownership

**Senior Management remuneration**

Senior management remuneration is disclosed in note (22) from the Company financial statements.

**Transactions with related parties**

The Company is complying with the disclose of transactions with related parties as described in Note (22) in the Company's financial statements.

### **Dispute or litigation**

The main contractor of one of the company's core projects filed a lawsuit claiming an amount of QR 212 million plus QR 10 million in compensation.

The company also filed a sub-lawsuit and obliged the main contractor and demanded an amount of QR 225 million because of the contractor's delay in the delivery of the project and the damage to the company, and the case is still pending in the Court of First Instance.

One of the contractors also filed a lawsuit against the company demanding 250,000 QR and no final judgment was issued, and the case is still pending in the Court of First Instance.

As of 31 December 2020, the Group was a party to a number of legal cases as defendant or plaintiff. According to the Group's Legal Counsel best estimates, no material liabilities will arise as a result of these cases and accordingly no provisions have been provided against these cases.

### **Conflict of interest and transparency**

Mazaya is committed to disclosing transactions concluded by the Company with any related party. In the event of any conflict of interest or commercial dealings with any of the related parties, such transactions will happen only after presenting to shareholders during the General Assembly meeting and the approval on them in the General Assembly Meeting and the application of the principles of transparency and disclosure, in accordance with the laws and procedures.

Mazaya successfully completed the development and adoption of internal policies and procedures necessary to comply with this article by completing the following:

Adoption of the company's governance framework containing the rules of professional code of conduct that reflects the company's values and policies and other internal procedures so that the Board members and staff of the company and its advisors adhere to. The internal policies and procedures include the following:

- Code of professional conduct
- Related Parties Charter
- Insider Trading Guidelines Policy
- Whistle Blowing Policy

Mazaya is committed that neither the Chairman or the Members of the Board of Directors must not have any interest whether directly or indirectly in the contracts, projects and undertakings that Mazaya Real Estate Development has committed to implement. In the event of any matter of conflict of interest or any commercial transaction between the Company and a member of its Board of Directors or any related party of the Board of Directors of Mazaya Real Estate Development Company during the Board meeting, the matter is discussed in the absence of the concerned member who is never entitled to participate in voting on the transaction, and in which transaction is carried out according to market prices and on a purely commercial basis, and does not include conditions that violate the company's interest.

For reasons of transparency, all ownership of the members of the Board of Directors are listed in this report. Before the date of the Assembly, the Board is required to make available to the shareholders a detailed description of transactions and to disclose them in the financial reports.

## The stakeholders' Rights

### Shareholders equality in Rights

The company is committed to the standards stipulated in the corporate governance code and the legal entities listed in the main market for the rights of stakeholders and the equality of shareholders where each shareholder is entitled to attend meetings of the General Assembly, and has a number of votes equivalent to the number of shares, and decisions are issued by an absolute majority of the shares represented at the meeting. Minors and detainees shall be represented by a legal representative

The power of attorney may be exercised in the presence of the General Assembly meetings provided that the agent is a shareholder and that the power of attorney is private and fixed in writing. The shareholder may not delegate any of the members of the board of directors to attend meetings of the General Assembly on his behalf. In all cases, the number of shares held by the representative should not exceed (5%) of the Company shares. Except for judicial persons, a shareholder may not have more than 25% of the votes cast for the shares represented at the meeting.

Each shareholder shall have the right to discuss the matters on the agenda of the General Assembly and to ask questions to the members of the Board of Directors. Members of the Board shall answer the questions to the extent that they do not jeopardize the Company's interest.

The shareholder may refer to the General Assembly if he finds that the answer to his question is insufficient and the General Assembly resolution shall be enforceable.

Any provision of the Company's Articles of Association shall be superseded otherwise.

### Shareholder Rights

The Board of Directors and senior Executive Management recognizes their responsibilities to represent the interest of all shareholders and to maximize shareholder value. The Board of Directors ensures respect of all shareholders rights in a way that achieves fairness and equality in accordance with provisions of the code, relevant laws and regulations and the article of association of the company.

The company's Article of Association includes provisions that ensure non-discrimination between shareholders. As stated in Article (55) "Every shareholder has the right to attend the general assembly meetings, and he has a number of votes equal to the number of his shares. Decisions are issued by an absolute majority of the shares represented in the meeting" and Article (59) states " Each shareholder has the right to discuss the topics on the agenda of the general assembly and direct questions to the members of the board of directors, and the members of the board are obligated to answer the questions to the extent that they do not compromise the interest of the company. A shareholder may appeal to the general assembly if he deems that the response to his question is insufficient, and the decision of the general assembly shall be enforceable."

Article (92) states " The company is obligated not to harm the rights of shareholders in general and the minority in particular, if the company concludes major deals that may harm their interests or violate the ownership of the company's capital, provided that the company is committed to disclosing the structure of its capital and every agreement it makes regarding it"

Furthermore, according to the provisions of the code and the company's articles of association, the shareholders have:

- The right to attend the General Assembly Meeting
- Vote personally or by proxy in the General Assembly Meeting
- Looking in to and approval of the Board of Directors recommendation for distribution of dividends.
- Invitation to the General assembly meeting and the right to place items on the agenda, discuss items on the agenda and address questions to the Board and receive answers
- Elect nominated members of the Board of Directors

### Shareholders' Rights Related to General Assembly and their Participation

Subject to the provisions of Articles (124) and (125) of the Commercial Companies Law No. 11 of 2005, Mazaya Real Estate Development Company is committed to hold the General Assembly at least once a year at the invitation of the Board of Directors and at the time and place determined by the Board after the approval of the Companies Control Department. The meeting must be held within the first four months following the end of the financial year of the company. The Board of Directors, shareholders or shareholders holding at least 10% of the Company's capital shall have the right to call for the General Assembly whenever the need arises.

When a number of shareholders representing at least 10% of the company's capital request to include matters on the agenda, the Board of Directors must include them. Otherwise, the Assembly may decide to discuss these matters at the meeting.

Mazaya Does Not comply with QFMA regulations concerning this point and shall issue a board resolution in relation to add/amend our Article of Association to reflect That the shareholder shall

have be entitled to object to any decision deemed for the interest or harm of a certain group of shareholders; or brings a special benefit for Board members or others without regard to the Company's interests, and be entitled to demonstrate this in the meeting minutes and to invalidate the objection according to the provisions of the Law in this regard.

### **Dividends distributions and the rights of minority shareholders**

The Company is committed to distribute a percentage of shareholders' net profits after deducting the statutory reserve and voluntary reserve. The shareholder shall be entitled to his share of the profits in accordance with the system and controls in force of the Authority and the financial market in which the shares are listed.

Mazaya Does Not comply with QFMA regulations concerning this point and Mazaya Shall take the necessary action and shall issue a board resolution to clarify this point and we will amend the Article of Association accordingly.

And the right to receive profits which the General Assembly decides to distribute, whether cash or shares, to registered shareholders at the depository at the end of the trading day of the General Assembly.

The Company is committed not to prejudice the rights of the shareholders in general and the minority in particular, if the company enters into significant transactions that may harm their interests or prejudice the ownership of the company's capital, provided that the company is committed to disclose its capital structure and any agreement it makes, and the shareholders that owns (5%) or more of the company's shares either directly or indirectly.

Any transaction or series of linked or related transactions aiming to own, sell, lease, exchange, or otherwise dispose of (except for establishing guarantees) assets of the Company or assets to be acquired by the Company or transactions which would change the essential nature of the Company business; or those whose gross value exceeds (10%) of the lesser of either the Company's market value or the net value of the Company's assets according to the latest announced financial statements.

The Board of Directors is committed to the principles of the system of governance and to the disclosure of transactions and major transactions concluded by the company. Article (92) of the Company's Articles of Association defines the mechanism for protecting shareholders equity when major deals are made.

The Articles of Association define the company's capital structure.

### **Minority**

Shareholders who represent a class of shareholders that does not control the Company so that they are unable to influence the Company.

The company in accordance to its Articles of Association is committed to increasing transparency and protecting the rights of minority shareholders.

We will also take a board resolution in order to

### **Shareholders' Rights Related to Board Members Elections**

The company also allocates on its website to inform shareholders a special section (called Investors relations), documents and information about the company, including corporate governance report, the Charter of the Board of Directors, the conflict of interest policy, the guidelines and the policy of insider trading Guidelines policy, Related parties policy, Nomination and Remuneration Committee Charter, wages policy, Audit Committee Charter, Audit Rotation and Independence Policy, Codes of ethics, Code of Professional Conduct, Disclosure Policy, investor relations policy, information about the candidates to the membership of the Board of Directors before the election, including a description of the professional and technical candidates skills and experience and other qualifications, and the Companies Supervision Department in the Ministry of Economy & Commerce and Qatar Financial markets Authority has the right to see these data and get a copy. The company also has to have staff to answer shareholder's questions that is provided on the company's site his address and how to contact him.

### **Shareholders' Right Regarding to major Transactions**

In compliance with the provisions of the law in this regard, the Board of Directors is committed to the principles of the system of governance and to the disclosure of transactions and major transactions concluded by the company. The current Article of Association does not contain a specific mechanism for protecting shareholders' equity when major deals are made, and the company will comply with the requirements of the corporate governance code and the legal entities listed in the main market.

### **The Stakeholders' Rights (Non-Shareholders)**

The Company shall be committed to preserving and respecting the rights of the stakeholders. Any interested party in the Company, whether shareholder or non-shareholder, may request the information relevant to his interest, accompanied by a request to prove his identity. The Company shall provide the required information in a timely manner and to the extent that it does not threaten the interests of others or harms their interests.

### **The Community's Right**

As a part of the Qatari community, Mazaya is working hard to consolidate this concept by actively participating in all events, community events, national events and initiative in all that serves the country, the citizen and the resident. As part of its efforts to support national products, Mazaya Real Estate Development Company has made recommendations and instructions by the executive management of the company.

The Board of Directors of the company recommended urging the preservation of the environment in all forms, especially cleanliness. In this context, the company has introduced a method of garbage collection, which in one of its projects is devoted to the separation of containers to avoid mixing of waste. The phenomenon of waste has become one of the most polluting problems of the environment. Waste recycling mainly contributes to reducing pollution, by reducing the accumulation of waste, which contributes significantly to environmental pollution, and waste recycling plays an important role in reducing economic expenses.

## **Appendix A:**

The Company is in the process of documenting the annual review by the Board of Directors of the effectiveness of the company's internal control systems as required by Article 8 - Section 2.5 of the code.

The Company is in the process of documenting the mechanism of dealing with financial and other service providers as required under Article 8 - Section 9 of the code.

The company is in the process of developing policies on risk review and management, preparing training programs for this topic, and preparing periodic reports on the subject as required by the following articles 18 section 1.7 of the Code.

The Company is in the process of preparing a profit distribution policy as required by Article 36 of the Code.

The Company is in the process of establishing a written mechanism that defines the way and the basis for dealing with complaints filed by stakeholders as required under Article 38 of the Code. The company is in process to document in Articles of Associations regulation related to the shareholders' rights related to the General Assembly Meeting, specifically related the shareholder right to object to any decision deemed for the interest or harm of a certain group of shareholders, as required by Article 32 -section 8 of the code.

The company is currently documenting procedures, policies and internal control regulations related to periodic review of compliance with the relevant QFMA legislation (Refer to appendix A).

