

# Corporate Governance Report

## Introduction

This Corporate Governance Report (hereinafter “the Report”) covers the period from 01 January 2021 to 31 December 2021 (hereinafter “the Period”) and is prepared pursuant to article (4) of the Corporate Governance Code for Companies and Legal Entities listed on the main market, issued by Qatar Financial Markets Authority’s (QFMA) Board pursuant to Decision No. (5) of 2016. The Report forms a part of Baladna’s Annual Report for the same period.

This report gives an overview of Baladna’s corporate governance systems and procedures as of 31 December 2021. It has been filed with Qatar Financial Markets Authority (QFMA) and posted on Qatar Stock Exchange (QSE) website and Baladna’s website.

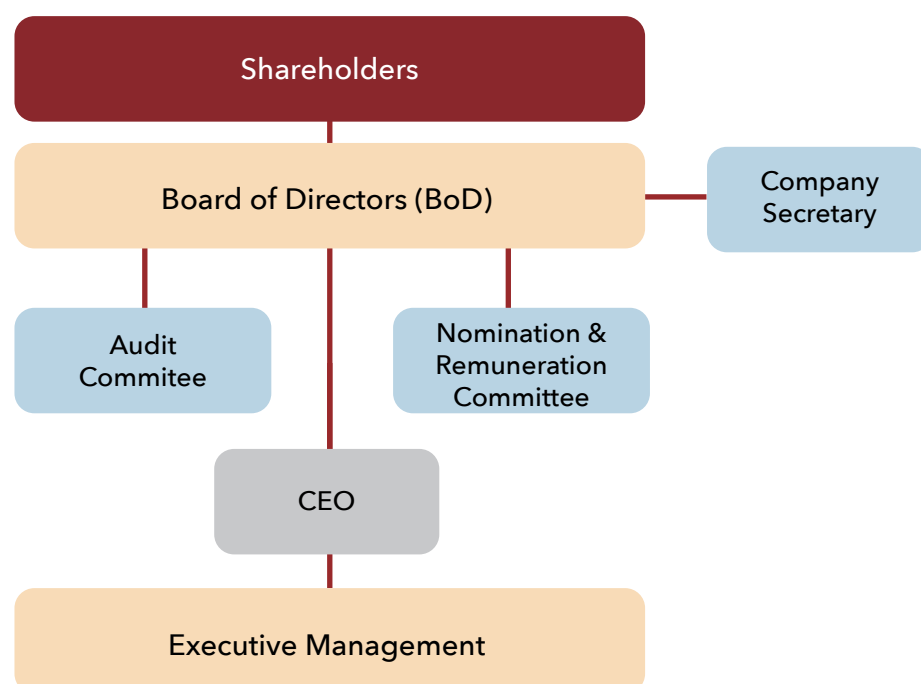
## Baladna’s Governance Practices

Baladna QPSC is committed to the application of the principles of corporate governance to the highest level, and has derived its values from a system which integrates ethics, corporate integrity and leading compliant practices. Transparency, fairness, disclosure and accountability have been central to the working philosophy of the Company, its management and the Board of Directors.

To this end, the Company’s corporate governance framework takes into account the principles adopted and standards set by Qatar Financial Markets Authority and Qatar Commercial Companies Law, number 11 for 2015, and the Corporate Governance Code for Companies and Legal Entities listed on the main market, issued by Qatar Financial Markets Authority and other related laws and regulations set by QFMA.

Furthermore, Baladna is keen on strengthening its corporate governance framework in compliance with the requirements of governance rules and related laws and regulations set by QFMA through the Company’s Articles of Association, establishment of the Board’s and sub-committees’ charters, the Company’s policies and procedures, and through the implementation of best practices adopted in the State of Qatar. As outlined in the report, we at Baladna affirm that we abide by the provisions of governance rules, disclosure requirements and related regulations issued by QFMA

## Baladna’s Governance Structure



## Corporate Governance Principles

The following are some examples of the Company's application of the principles of corporate governance:

- During the period a total of 6 meetings were held periodically and convened by the Board of Directors. Furthermore, the Board committees held periodic meetings i.e., the Audit Committee held 6 meetings, the Nomination and Compensation Committee held 4 meetings and the Shariah Compliance Committee held 2 meetings. Both the BoDs and its Committees discharged their responsibilities according to the powers granted to them.
- The Audit Committee and the Board of Directors conducted reviews over the system of financial controls and its governing accounting and financial policies to ensure proper application of such policies and procedures.

- It has been ensured that the transactions carried out by the Board members and senior officers are in compliance with the prevailing laws and regulations.
- During the period, the Company adhered to the regulations concerning the transparency in disclosures made, including the disclosures of the Board's meeting dates and any decisions that might have an effect over the share price.

## Board of Directors Disclosure

In practicing their duties, Baladna's Board of Directors are fully aware of, and clearly understand, all applicable laws, rules and regulations in order to comply with them under any circumstances. Therefore, the Directors fulfil their responsibilities diligently and in accordance with the principles of integrity and fairness, and in compliance with the professional standards.

The below table shows the Company's shares owned by the Board of Directors as of 31 December 2021:

Board Member Name	Position	Total Shares as of 31 December 2021
Mr. Moutaz Al Khayyat	Chairman	237,475,000
Mr. Mohammed Badr Al Sada (representing Special Shareholder/Hassad Food)	Vice Chairman	-
Mr. Ramez Al Khayyat	Board Member / Managing Director	237,485,000
His Excellency Sheikh Faleh Bin Nasser Bin Ahmad Al Thani (representing Special Shareholder/Qatar Food Security Committee)	Board Member	5,000
Mr. Hamad Bin Abdullah Bin Khalid Al Attiya (representing Special Shareholder/GRSIA)	Board Member	-
Mr. Mazen Alsbeti	Board Member	100,000
Mr. Aidan Tynan	Board Member	-

## The Board of Directors Structure & Composition

The Board of Directors was appointed at the Constitutive General Assembly Meeting held on

26 November 2019 for a term of 5 years. The Board is composed of seven members. Their details are as follows:

Name	Position	Executive	Non Executive
Mr. Moutaz Al Khayyat	Chairman		✓
Mr. Mohammed Badr Al Sada (representing Special Shareholder / Hassad Food)	Vice Chairman		✓
Mr. Ramez Al Khayyat	Board Member/Managing Director	✓	
His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al Thani (representing Special Shareholder / Qatar Food Security Committee)	Board Member		✓
Mr. Hamad Bin Abdullah Bin Khalid Al Attiya (representing Special Shareholder / GRSIA)	Board Member		✓
Mr. Mazen Alsabeti	Board Member		✓
Mr. Aidan Tynan	Board Member		✓

Member Since	Academic Qualification & Experience
26 November 2019	Self-made entrepreneur and businessman striving to explore new business frontiers with the economies of scope strategy to sustain our business and to provide clients with cutting edge and total solutions.
26 November 2019	Holds an Engineering degree from the University of Arizona. He has worked in different sectors such as Oil and Gas, Investments and Telecommunications. He recently moved to the food sector, where he became the CEO of Hassad Food, which is owned by Qatar Investment Authority and invests only in the food sector.
26 November 2019	A well-known entrepreneur and a proven leader who brings a wealth of experience in operations, risk management and business development.
26 November 2019	<p>Holds a PhD in Water Resources Management and in Solar Water Desalination from the University of Hertfordshire, UK.</p> <p>He is the Minister of Environment and Climate Change as well as the head of the Qatar National Food Security Program. He has 19 years of experience in the agricultural and environmental sectors and in water resource management.</p>
26 November 2019	Holds a Bachelor's degree in Business Administration from the University of Wales, UK. He holds an Executive MBA degree from HEC Paris, majoring in Innovation and Social Business. He has 13 years of experience in investment, pension funds' investments, corporates and banking, listed equities, local and global portfolios.
26 November 2019	He has 23 years of comprehensive experience as an Executive Director, initiating growth policies as a Senior Executive. His expertise includes planning, execution, monitoring and resource balancing skills, with the ability to support multiple projects in a matrix of organisational structure.
26 November 2019	<p>Holds a Master's degree in Management from York University in the UK. He is a Graduate of the Chartered Institute of Marketing, UK, and a Graduate of the Marketing Institute of Ireland.</p> <p>He has over 30 years of general management experience across multiple sectors including dairy, food, leisure, retail, insurance, e-commerce, property development and acquisitions.</p>

## Special Share

The State of Qatar, represented by the Ministry of Commerce and Industry, has allotted one Special Share, and the Special Share will have specific rights to appoint certain Directors, veto particular decisions of the Company, and other rights. The Special Shareholder, as holder of the Special Share, has the rights set out in Article 28 of Baladna's Articles. The Special Share gives the Special Shareholder veto rights

over decisions taken by the Company, by the Ordinary General Assembly, Extraordinary General Assembly, or the Board of Directors. The following acts may not be taken by the Company unless approved by the Special Shareholder: any merger or amalgamation involving the Company, or a material sale of its assets; the dissolution of the Company; and some amendments to the Company's Articles.

Board Members representing Special Share:

Board Member Name	Position	Special Shareholder
Mr. Mohammed Badr Al Sada	Vice Chairman	(Representing Special Shareholder/Hassad Food)
His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al-Thani	Board Member	(Representing Special Shareholder/ Qatar Food Security Committee)
Mr. Hamad Bin Abdullah Bin Khalid Al Attiya	Board Member	(Representing Special Shareholder / General Retirement and Social Insurance Authority (GRSIA))

## Board of Directors' Membership

Membership of Board of Directors in other publicly listed companies and their titles in any other prominent entities:

Board Member	Company / Entity	Position
Mr. Moutaz Al Khayyat		
Mr. Mohammed Badr Al Sada (representing Special Shareholder / Hassad Food)	<ul style="list-style-type: none"> <li>Widam</li> <li>Arab Qatari for Poultry Production - Al Waha</li> <li>Qatar Development Bank QDB</li> <li>The Arab Company for Livestock Development (ACOLID)</li> <li>Al Hosn Investment Company SAOC (Oman)</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the Board</li> <li>Vice Chairman</li> <li>Board Member</li> <li>Board Member</li> <li>Board Member</li> </ul>
Mr. Ramez Al Khayyat		
His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al Thani (representing Special Shareholder/Qatar Food Security Committee)	<ul style="list-style-type: none"> <li>National Food Company (subsidiary of Hassad)</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the Board</li> </ul>
Mr. Hamad Bin Abdullah Bin Khalid Al Attiya (representing Special Shareholder / GRSIA)	<ul style="list-style-type: none"> <li>Al Madina Logistics Services (SAOC) (Oman)</li> <li>Qatar Quarries and Building Materials Co</li> </ul>	<ul style="list-style-type: none"> <li>Board Member</li> <li>Board Member</li> </ul>
Mr. Mazen Alsabeti		
Mr. Aidan Tynan		

## Directors' Remuneration and Sitting Fees

Total Remunerations proposed to be paid to the Board of Directors in 2021.*	QR 1,147,563
The Board of Directors sitting fees for attending meetings during 2021 from 1 January 2021 to 31 December 2021, for attending a total of 19 meetings including Board meetings, its related Committees meetings and 1 General Assembly meeting.*	QR 874,000

\* Subject to General Assembly approval

Total Sitting fees of QR 874,000 were paid to the Board of Directors for the year 2021 for the period from 1 January 2021 to 31 December 2021 for attending a total of 19 meetings, including Board meetings, its related Committee meetings and one Extraordinary General Assembly meeting.

The details are in the following table:

Board Member	Membership	Meetings				
		AGM	Board of Directors	N&R Committee	Audit Committee	Shariah Committee
Mr. Moutaz Al Khayyat	Chairman	1	4	-	-	-
Mr. Mohammed Badr Al Sada	Vice Chairman / Nomination and Remuneration Committee Chairman	1	6	4	-	-
Mr. Ramez Al Khayyat	Board Member / Managing Director	1	6	-	-	-
His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al Thani	Board Member	1	5	-	-	-
Mr. Hamad Bin Abdullah Bin Khalid Al Attiya	Board Member / Audit Committee Member	1	6	-	5	-
Mr. Mazen Alsabeti	Board Member / Nomination and Remuneration Committee Member	1	6	4	-	-
Mr. Aidan Tynan	Board Member / Audit Committee Chairman	-	5	-	6	-
Mr. Murad Sahawneh**	Nomination and Remuneration Committee Member	-	-	4*	-	-
Mr. Hassan Morad Agha **	Audit Committee Member	-	-	-	6	-
Dr. Ali Al Qarah Daghi **	Shariah Committee Chairman	-	-	-	-	2
Dr. Walid Bin Hadi **	Shariah Committee Member	-	-	-	-	2
Mr. Eyad Abdulrahim**	Shariah Committee Member	-	-	-	-	1

\*\* Committee member with technical expertise "Not a Board member"

- Mr. Murad Sahawneh replaced Mr. Ahmed El Zeftawi since March 2021.

## Board of Directors' Meetings:

The following table lists the Board of Directors' meeting attendance during the year 2021 for the period from 1 January 2021 to 31 December 2021:

Meeting No.	Date	Mr. Moutaz Al Khayyat	Mr. Mohammed Badr Al Sada	Mr. Ramez Al Khayyat	His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al Thani	Mr. Hamad Bin Abdullah Bin Khalid Al Attiya	Mr. Mazen Alsabeti	Mr. Aidan Tynan
1/2021	17/3/2021	■	■	■	■	■	■	■
2/2021	27/4/2021	■	■	■	■	■	■	■
3/2021	4/7/2021	■	■	■	■	■	■	■
4/2021	11/8/2021	■	■	■	■	■	■	■
5/2021	28/10/2021	■	■	■	■	■	■	■
6/2021	27/12/2021	■	■	■	■	■	■	■

■ Attended ■ Attended by proxy

Furthermore, during the above-mentioned period, the Board of Directors issued 4 Board Resolutions by circulation on the following dates:

Board Resolution By Circulation Number	Date	Presented and Discussed in Board Meeting No.
1/2021	1/2/2021	1/2021
2/2021	11/3/2021	1/2021
12/2021	8/6/2021	3/2021
14/2021	12/7/2021	4/2021

## Duties and Responsibilities of the Board of Directors

The Board of Directors' role is to represent the shareholders and be accountable to them for creating and delivering sustainable value through the effective governance of the business. It is the Board's responsibility to ensure that effective management is in place to implement Baladna's strategy.

This role has been fully illustrated through the Articles of Association of the Company and its relevant bylaws, the Commercial Companies Law No. (11) for 2015 and the Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority, in particular articles (8) and (9), which were incorporated in the Board of Directors Charter. The following are the responsibilities of the Board of Directors as per the Board of Directors Charter:

- Oversee the Company's management in the optimal way.
- Ensure compliance with relevant laws, regulations, rules and the Company's Articles of Association.
- Protect the Company from illegal, arbitrary or inappropriate business and practices.
- Each board member should discharge duties with good faith, seriousness and concern, and its decisions must be based on adequate information from the executive management, or from any other reliable source.
- Each board member represents all shareholders and adheres to what is in the best interest of the Company.
- The Board must specify the powers that it delegates to the executive management, the procedures for making decisions and the duration of the delegation. The Board also determines the issues it retains the power to decide on, and the executive management submits periodic reports on its practices of

delegated powers.

- g. The Board ensures that procedures are in place to familiarise the new board members with the Company's work, especially the financial and legal aspects, in addition to training them if necessary.
- h. Ensures that the Company provides sufficient information about its affairs to all members of the Board in general and Non-Executive board members in particular, in order to enable them to carry out their duties and tasks efficiently.
- i. The Board submits a detailed statement of transactions and deals with any related party in the event that the related party has an interest that may conflict with the Company's interest, at least a week before the date specified for the General Assembly meeting, by considering the Company's budget and the Board's report of shareholders.
- j. Follows up on developments in the field of corporate governance and the application of best practices in this regard.
- k. Ensures that all disclosures made by the Company are accurate, correct and not misleading.
- l. Ensures that employees are treated according to the principles of justice and equality without any discrimination on the basis of race, gender or religion.
- m. Adopts a mechanism that allows employees to report suspicious, illegal or harmful behaviours in the Company. The Board ensures that the complaint is safe and reliable, and ensures that the confidentiality of the complainant is maintained. The Board ensures the complainant receives the necessary protection from any form of retaliation. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm.
- n. Prepares an annual detailed statement that is submitted to shareholders a week prior to when the general assembly convenes to consider the Company's budget and the Board of Directors' report, so that it includes the following data:

1. All the sums obtained by the Chairman of the Company's Board of Directors, and every member of this Board in the fiscal year, from wages, fees, and salaries, in exchange for attending the meetings of the Board of Directors and an allowance for expenses, and any other sums in any capacity.
2. In-kind and cash benefits enjoyed by the Chairman of the Board of Directors, and every member of the Board of Directors in the fiscal

year.

3. The rewards that the Board of Directors proposes to distribute to its members.
4. The amounts allocated to each current board member.
5. Operations in which a member of the Board of Directors or managers has an interest that conflicts with the Company's interest.
6. The exact sums spent for the sake of advertising in any form, with the details of each amount.
7. Donations with an indication of the entity that was donated and the reasons for the donation and its details.

### **Board Activities during the period from 1 January to 31 December 2021**

During the above-mentioned period, Baladna's Board of Directors achieved the following governance goals:

Baladna held its Annual General Assembly meeting on 20 April 2021 and the following decisions were taken:

1. The General Assembly approved the Chairman's report on the Company's activities and the financial position for the financial year ended 31 December 2020, and the company's business plan for the year 2021.
2. The General Assembly approved the External Auditor's report on the Company's Financial Statements for the year ended 31 December 2020.
3. The General Assembly approved the Company's consolidated and audited financial statements, for the financial year ended 31 December 2020, including the profit and loss, and balance sheet statements.
4. The General Assembly approved the proposal of the Board of Directors to distribute dividends at a rate of 5.3% of the nominal value of the share for the year ended 31 December 2020.
5. The General Assembly approved discharging members of the Board of Directors from any liability relating to their directorship duties and responsibilities for the financial year ended 31 December 2020 and approved the Board's recommendation to award bonuses to the Board members for the financial period ended 31 December 2020.
6. The General Assembly approved discharging the external auditors from any liability relating to their duties and responsibilities for the financial period ended 31 December 2020.
7. The General Assembly approved the appointment of Moore Stephens as the



Company's auditors for the financial year 2021 and approved their fees as per the Board's recommendation.

8. The General Assembly approved the Company's Corporate Governance Report for the year 2020 and approved the Annual Report for the year ended 31 December 2020.

During the year 2021, Baladna held its regular Board meetings where the following decisions were taken:

- Approve the Company's governance documents, including but not limited to approve any updates to the Board and Committee Charters, policies, procedures and Delegation of Authority
- Approve the business plan of the Company for the years 2021, 2022 and 2023, as well as the budget and financing plan for 2021
- Approve the establishment of a factory for Evaporated Milk. Signed a MOC (Memorandum of Collaboration) with Malaysia state owned FELCRA Berhad and FGV Holding. The aim is to produce 100 million litres of fresh milk within the first year of operation.
- With Baladna's expansion strategy, signed MoUs with selected geographically important markets outside Qatar.

### 1- Board of Directors Evaluation

During the year, the Board of Directors conducted a semi-annual and annual evaluations of the Board's overall performance, Board members, Board Committees, the executive management members and the extent to which the Board is committed to achieving Baladna's best interests, as the Board of Directors is collectively responsible for overseeing the effective management of the company and is responsible for developing strategic policies and objectives, effectively monitoring the performance of the company and its subsidiaries, and ensuring succession planning for management. In addition to protecting shareholders' rights and long-term development. In particular, the following criteria was considered in evaluating the performance of the Board of Directors:

- a. Number of meetings held annually
- b. Periodicity of the meetings held annually
- c. Percentage of attendance of meetings held annually
- d. Prompt and efficient completion of the issues on the Board's agendas
- e. The extent to which the Board of Directors has complied with the transparency and disclosure requirements

- f. Interacting with the Board's committees and implementing their recommendations
- g. Achieving plans, objectives, and compliance with the adopted policies
- h. Any other measures that require the Board's assessment and objectivity

The results of the semi-annual and annual evaluations showed that the Board of Directors had fully complied with the provisions of law and regulation, the governance system, the transparency and disclosure procedures and any other regulations and rules governing the Board of Directors mandate. Accordingly, the Board's performance showed its supposed strengths and did not show any weakness.

### 2- Board Member's Continuous Development

Recognising the value and importance of Development for the Board, the Nomination and Compensation Committee worked closely to prepare a suite of development materials for the Board of Directors. The topics covered included environmental, social and governance.

### 3- Company Secretary

The Company Secretary is the focal point for communication with the Board of Directors and senior management and plays a key role in the administration of important corporate governance matters. Our Company Secretary, Mr. Hassan Morad Agha was appointed by the Board on 12 January 2020 and reports to the Board in relation to secretarial responsibilities. The Company Secretary has the following key responsibilities:

- Organise director's meetings in accordance with procedures to be agreed upon from time to time by the Board Chair and the Board.
- Prepare notices, agendas of meetings, and supporting reports and documentation in a timely manner.
- Attend Board meetings and undertake secretarial responsibilities, including organising minute-taking responsibility at each meeting.
- In conjunction with the CEO and other senior management, carry out instructions of the Board and give practical effect to the Board's decisions.
- Report to the Board with respect to all corporate secretarial responsibilities.
- Arrange/organise shareholders' meetings.

#### Qualifications:

Mr. Hassan holds a degree in Finance and Commerce and is a Certified Internal Auditor (CIA), USA, and a Certified Board Secretary (CBS).

#### 4- Board Committees

The Board has established 3 Board Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Shariah Supervisory Committee

The above committees assist the Board in discharging its responsibilities. The Committees operate in line with their respective charters approved by the Board. The charters set out their roles, responsibilities, scope of authority, composition, and procedures for reporting to the Board. The charter of each committee has verified that it is in line with the Articles of Association of the Company and the Commercial Companies Law No. 11 for 2015, and the Corporate Governance Code of the Qatar Financial Markets Authority.

#### 5- Audit Committee

The Audit Committee, appointed by the Board of Directors, consists of 3 members. Headed by an Independent Board Member and two other members, the Committee assists Baladna's Board in overseeing the integrity of the Company's financial statements. It also provides consultancy to the Board on the efficiency and adequacy of internal control systems and arrangements for risk management. The Committee is also responsible for ensuring that internal and external audit functions are independent and objective. In addition, the Committee advises the Board on all matters that need attention and seek a decision. The Committee also puts great importance on investigating any violations in the Company.

The Audit Committee maintains free and open communication between the external auditors, internal auditors, and senior management. The responsibilities of the Audit Committee include:

- Monitoring the integrity of Baladna's financial statements and any formal announcements relating to the Company's financial performance, as well as reviewing significant financial reporting judgements that they contain.
- Reviewing Baladna's internal controls, risk management and compliance with the relevant regulations.
- Establishing, monitoring and reviewing the effectiveness of the Company's Internal Audit department, systems and processes.
- Making recommendations to the Board in relation to the appointment, reappointment, resignation, discharge and remuneration of the external auditor and ensuring a timely response

by the Board on the matters contained in the external auditor's letter.

- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- Developing and implementing guidelines on the engagement of the external auditor to supply non-audit services.
- Reporting to the Board on matters that in the Committee's opinion require action or improvement and providing recommendations on the necessary steps required to achieve such improvement.
- Reviewing the whistleblower system whereby employees can anonymously notify their doubts on potential abnormalities in the financial report or internal controls or any other matter and ensuring proper arrangements for independent and fair investigations of such matters.
- Reviewing any related party transactions and reviewing compliance with such rules for the conduct and approval of such transactions.
- Determining the appointment, compensation, benefits, performance appraisal, discipline, replacement, reassignment, or dismissal of the Head of Internal Audit.

In 2021, the Committee completed a number of major works including:

- Reviewed the annual and quarterly internal audit reports regularly.
- Reviewed the annual disclosure results for 2021.
- Approved the internal audit department plan based on risk for 2021.
- Endorsed quarterly financial statements and reviewed the annual financial statements and submitted a recommendation to the Board
- Reviewed the updates on Baladna Internal Audit charter, Code of Conduct, whistleblowing policy, Board Governance Charter and any new Policies, and referred them to the Board for approval.
- Approved the budget of the internal Audit department for 2021.
- Reviewed the Corporate Governance report and ensured full compliance with QFMA requirements and submitted it to the Board for approval.

The Audit Committee members are:

### **Mr. Aidan Tynan**

Audit Committee Chairman

Mr. Aidan Tynan specialises in business turnarounds and has a proven track record of success across the GCC and Middle East. He has over 30 years of general management experience across multiple sectors including Dairy, Food, Leisure, Retail, Insurance, E-commerce Property Development, and Acquisitions.

Prior to joining Baladna, Mr. Tynan was employed by Danone Plc., a world-leading food company as Chief Operating Officer of Al Safi Danone and Acting CEO (2013 to 2017). In addition, Mr. Tynan was appointed to the Board of Al Safi Danone Iraq (2015 to 2017).

Previous Middle East positions include Group Consultant for the Al Othman Group, Head of E-commerce and Retail for Arabian Shield Insurance Plc, Chief Sales and Trade Marketing Officer for SADAFCO Plc, Head of Sales for Almarai Plc for 7 years, and in Ireland, Chief Executive Officer of the Irish Greyhound Board and Business Development Manager for Fleming Group.

Mr. Tynan holds a Master's degree in Management from York University in the UK, in addition to being a Graduate of the Chartered Institute of Marketing (UK) and a Graduate of the Marketing Institute of Ireland. Mr. Tynan is currently an Executive Director of 2 Irish property-related companies: Buildvalue Limited and Exhibitside Limited.

### **Mr. Hamad Bin Abdullah Bin Khalid Al Attiya**

Audit Committee Member

Mr. Hamad Bin Abdullah Bin Khalid Al Attiya is a Senior Investment Analyst with an overall experience of 13 years in investment, pension funds' investments, corporates and banking, listed equities, local and global portfolios.

He started in Qatar Central Bank in 2007 in the Provision and Control Department as a Bank Monitor and later joined the General Retirement and Social Insurance Authority's Investment Department, where he specialised in investment analyses and covered all local and global portfolios listed equities.

Mr. Al Attiya holds a degree in Business Administration from the University of Wales Graduate and is also an HEC Paris Executive Master holder, majoring in Innovation and Social Business.

### **Mr. Hassan Morad Agha**

Audit Committee Member

Mr. Hassan Morad Agha brings over 25 years of experience in areas of Internal Audit, Internal Control, Compliance, Enterprise Risk Management, Corporate Governance, Strategy, Board-level Communication, Business Advisory, Project Management and Resource Management; in different business segments mainly in Heavy Industries, Manufacturing, Real-Estate Development, Construction, EPC, FMCG, Hospitality and Logistics. Mr. Agha worked for Gulf General Investment Co. P.S.C. in the UAE, a public stock company listed on the Dubai Financial Market "DFM". He joined them in 2014 as the Group Head of Compliance and Internal Control, reporting to the Audit Committee and the Board of Directors, in addition to his role as the Company's Secretary, working closely with the Board of Directors.

Prior to that and since 2004, Mr. Agha worked with SENAAT, one of the UAE's largest industrial investment holding companies owned by the Government of Abu Dhabi. He was the Group Internal Audit and Risk Director, reporting to SENAAT's Audit Committee, in addition to being an Audit Committee member at all of SENAAT's Subsidiaries, including 2 public stock companies "Agthia and ARKAN" listed on the Abu Dhabi Securities Exchange "ADX". He was also appointed as an independent Audit Committee member at Khalifa Fund for Enterprise Development.

Mr. Agha holds a degree in Finance and Commerce and a Certified Internal Auditor (CIA)-USA since November 2002, a Certified Board Secretary (CBS)-UK and a member of the Institute of Internal Auditors (IIA) as well as other professional bodies.

The Chairman of the Audit Committee, Mr. Aidan Tynan, acknowledges responsibility for discharging the Audit Committee's mandate at Baladna including the review

of its work mechanism and ensuring its effectiveness in line with the approved charter of the Audit Committee.

During 2021, 6 Committee meetings were held as follows:

Meeting No.	Date	Mr. Aidan Tynan	Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya	Mr. Hassan Morad Agha
1/2021	15/3/2021	■	■	■
2/2021	26/4/2021	■	■	■
3/2021	5/7/2021	■	■	■
4/2021	11/8/2021	■	■	■
5/2021	28/10/2021	■	■	■
6/2021	26/12/2021	■	■	■

■ Present ■ Absent

## 6- Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for the review of Baladna's HR framework and compensation programmes. The Committee makes recommendations to the Board on the remuneration,

allowances and terms of service of the Company's senior executives to ensure they are fairly rewarded for their individual contribution to Baladna. 2 committee members are Non-Executive Directors of the Board while 1 member is independent from the Board.

The Nomination and Remuneration Committee members are:

### Mr. Mohamed Badr Al Sada Committee Chairman

Mr. Mohamed Badr Al Sada has worked in different sectors including Oil and Gas, Investments and Telecommunications. He recently moved to the food sector, where he became the CEO of Hassad Food, which is owned by Qatar Investment Authority and invests only in the food sector.

Mr. Al Sada has been working in the capacity of Chief Executive Officer of Hassad Food since June 2017.

Prior to that, he served as the Chief Operating Officer for Vodafone Qatar and Chief of Business Development at the same company. Before that, he worked in a senior role for Qatar Investment Authority. He also started his career as an engineer for one of the major companies in the gas sector in Qatar, spending 2 years in Japan during the development of the Dolphin Energy project.

Mr. Al Sada serves on the boards of several companies. He is the chairman of Widam Food Company QSC, Deputy Chairman of Arab Qatari for Poultry Production QSC (Al Waha), Board member of Qatar Development Bank and Arab Co. for Livestock Development (ACOLID).

Mr. Al Sada holds a degree in Engineering from the University of Arizona, USA.

### Mr. Mazen Alsabeti Committee Member

Mr. Mazen Alsabeti is an accomplished specialist in the industry, with 23 years of comprehensive and successful experience as an Executive Director, initiating growth policies as a Senior Executive. He has outstanding planning, execution, monitoring and resource balancing skills, with the ability to support multiple projects in a matrix of organisational structure.

Mr. Alsabeti is the main contact person for business stakeholders in providing accurate reporting and information regarding ongoing projects, developing and executing strategies, working and forming relationships with prominent members of the media, government and the public, to uphold a positive image for the Company and generate new business opportunities.

### Mr. Murad Sahawneh Committee Member

Mr. Murad Sahawneh is a senior management executive and a global HR thought leader with progressive and hands-on experience in all functional areas of Strategic Human Resource and Digital Transformation Management. His forward-thinking leadership enables organisations to embrace change and take employee experience to the next level.

Mr. Sahawneh assumes the responsibility of the Group Chief Human Resource Officer at PIH leading the diversified group's HR strategy and making sure that execution is fit for purpose in support of the vision and growth plans.

Mr. Sahawneh holds an MBA degree from the University of Bedfordshire in UK in addition to global HR credentials (SHRM-SCP, GPHR, SPHR, SPHRI) from the world's top HR institutes in the USA.

### Roles and Responsibilities

The key objective of the Nomination and Remuneration Committee is to assist the Board in fulfilling its responsibilities regarding the following:

- Ensuring that Independent Non-Executive Directors remain independent on a continuous basis.
- Reviewing the potential for conflicts of interest and judgement, and that there are appropriate safeguards against such conflicts.
- Formulation and annual review of remuneration, benefits, incentives of the CEO and senior executives, and that the remuneration and benefits given to senior management are reasonable and in line with the Baladna's performance.
- Consideration and submission for Board approval proposals on remuneration adjustments, performance bonus, long term incentives etc.
- Driving the performance based remuneration culture within the Company through an annual performance review of Baladna's senior executives and succession planning.
- Determination of Baladna's needs for qualified staff at the level of senior executives and the basis of selection.
- Review and approve Qatarisation strategy, with a work plan for the strategy and how it will be implemented.
- Reviewing the remuneration policy and training policy to encourage the development and growth of Qatari national employees.
- Reporting to the Board on matters that in the Committee's opinion require action or improvement and providing recommendations.
- While it is the Committee's responsibility to exercise independent judgement, it does request advice from management and third-party independent sources as appropriate, to ensure that its decisions are fully informed given the internal and external environment.

The Chairman of the Nomination and Remuneration Committee, Mr. Mohamed Badr Al Sada, acknowledges responsibility for discharging the Nomination and Remuneration Committee's mandate at Baladna, reviewing of its work mechanism and ensuring its effectiveness in line with the approved charter of the Nomination and Remuneration Committee. During the year, 4 Nomination and Remuneration Committee meetings were held:

Meeting No.	Date	Mr. Mohamed Badr Al Sada	Mr. Mazen Alsabeti	Mr. Murad Sahawneh	
1/2021	9/3/2021	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	*
2/2021	15/3/2021	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
3/2021	21/6/2021	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
4/2021	4/8/2021	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

☒ Present ☐ Absent

\* Mr. Ahmed El Zeftawy a former committee member resigned on March 10, 2021 and Mr. Murad Sahawneh was appointed.

## 7- Shariah Supervisory Committee

Baladna QPSC is supervised from a Shariah perspective by a Shariah Supervisory Committee which is appointed by Baladna's Board of Directors.

The Committee consists of renowned and qualified Shariah scholars who are independent of the Company and its Board of Directors:

The Shariah Supervisory Committee members are:

### Prof. Dr. Sheikh Ali Al Qaradaghi

Committee Chairman

Prof. Dr. Sheikh Ali Al Qaradaghi is currently a Professor of the Principles of Islamic Jurisprudence in Qatar University, and the Secretary General of the International Union of Muslim Scholars (IUMS).

He holds several professional positions including: Vice President of the European Council for Fatwa and Research, Chairman of the Board of Trustees of the University of Human Development in Iraqi Kurdistan, President and an Executive Member of the Fatwa and Shari'a Supervisory Board for a number of Islamic banks, and insurance companies in the Arabian Gulf and other regions.

He has published more than 30 books and 100 academic papers. He was awarded the State Incentive Award in Islamic Comparative Jurisprudence by the state of Qatar and received the Medal of Pride by the religious administration and the Council of Muftis in Russia.

Pr. Dr. Sheikh Ali Al Qaradaghi received his PhD with honors in Shari'a and Law from Al Azhar University in the field of contracts and financial transactions in 1980.

### Dr. Sheikh Walid Bin Hadi

Committee Member

Dr. Sheikh Walid Bin Hadi started his career as a Judge at the Shari'a Court in Qatar (1991). He is also a Shari'a Committee member for various organisations including Qatar Islamic Bank, Qatar International Islamic Bank, Bank al-Rayyan, European Finance House (EFH), Solidarity Family Islamic Insurance Co. and Syrian International Islamic Bank. He has published various books and articles on Islamic Faith, Hadith, Usul al-Fiqh, Islamic Economy, Islamic Finance and Shari'a Audit.

Dr. Sheikh Walid Bin Hadi (Qatari) was educated at the University of Qatar and graduated with a B.A in Shari'a and Usul-Eldeen (1991). He also holds a Master's in Shari'a Law from Omdurman Islamic University (Sudan) in 2002, and a PhD in Shari'a from Imam Muhammad Bin Saud al- Islamiyyah University in Riyadh in 2008.

### Mr. Eyad Abulrahim

Committee Member

Mr. Eyad Abdulrahim brings over 25 years of experience in leading Finance departments in the region. He has led major publicly listed companies and family business finance departments and has also assumed board and top management positions within. He has also performed on major regional and international boards of directors. Mr. Eyad has worked with some of the major institutions within the Middle East and GCC including Emaar, The Economic City, Al Futtaim Group Real Estate, Dubai Properties Group, Arabtec Holding, DEPA LTD, Standard Chartered Bank, and Arab Bank. He has led several IPOs in the region in addition to major restructuring, complex money market transactions, and growth responsibilities within his career.

Eyad is a well-proven leader within the Finance community in the MENA area and the GCC in particular. He holds an MBA degree from UOWD and a degree in Accounting and Finance.

The Committee is responsible for assisting the Board in fulfilling its responsibilities related to monitoring the compatibility of the Company's financial statements with the provisions and the application of Islamic principles, and ensures that all of Baladna's Islamic banking products, services and operations are in compliance with the Shariah principles.

The Committee is also responsible for the following:

1. Providing Islamic advice and guidance at the request of the Company's management.
2. Reviewing the statutory auditors reports and ensuring their application with the rules of Islamic principles and submitting a report to the Board of Directors on this matter.

3. Determining whether the contracts and transactions offered to them are compatible with Islamic Shari'a.
4. The Committee submits its periodic reports on the results of its work, and its recommendations to the Board of Directors for approval.

The Chairman of the Shariah Supervisory Committee, Pr. Dr. Sheikh Ali Al Qaradaghi, acknowledges responsibility for discharging the Committee's mandate at Baladna, reviewing its work mechanism and ensuring its effectiveness in line with the approved Committee charter. During the 2021 financial year, the Shariah Supervisory Committee held 2 Shariah Supervisory Committee Meetings:

Meeting No.	Date	Pr. Dr. Sheikh Ali Al Qaradaghi	Dr. Sheikh Walid Bin Hadi	Mr. Eyad Abulrahim
1/2021	14/3/2021	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
2/2021	14/11/2021	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

☒ Present ☐ Absent

\* Mr. Eyad Abdulrahim was appointed as a committee member on August 25, 2021.

## Delegation of Authority

The Board is and shall remain responsible for the overall governance of the Company and for those matters that are reserved for the Board. The Board provided the Chairman and Vice Chairman with powers and authorities on behalf of the Board with the right of delegation. The Board, under Special Power of Attorney, delegated key authorities to the Managing Director such as:

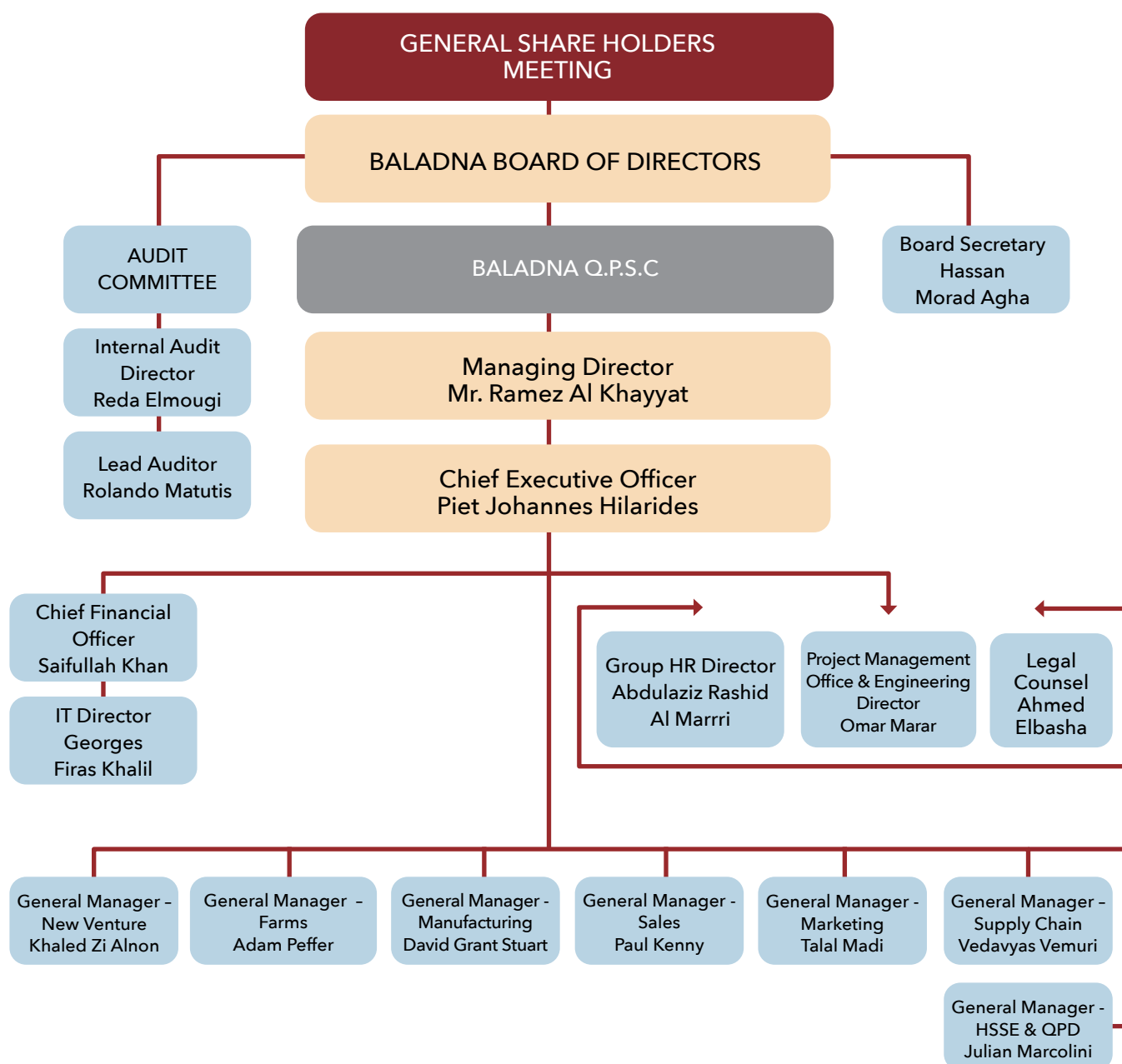
- Manage the Company and its subsidiaries' operations.
- Represent and manage the Company and its subsidiaries in all transactions and documents before the Government.
- Sign all contracts and agreements on behalf of the Company inside and outside of Qatar.
- Represent the Company in any manufacturing and/or distribution deals.

- Represent the Company before the banks for opening and closing accounts, applying for loans and financial facilities, and signing LCs, bank guarantees, and other bank documents.
- Incorporate companies and branches within Qatar and abroad and sign their Articles of Association.

In pursuance of the special powers and authorities delegated to the Managing Director who in turn delegates decision-making and approval authorities to the management as specified in the Authority Matrix approved by Board. The Delegation of Authority framework and policy is established to define the limits of authority designated to specified positions of responsibility within the Company. The Authority Matrix ensures efficient and effective decision-making which balances empowerment against controls.



# Macro Organizational Chart



## Executive Management



**Mr. Piet Hilarides**  
Chief Executive Officer

Mr. Piet Hilarides is a seasoned business professional with over 30 years of experience in FMCG. His last role was President APAC for Perfettivan Melle, a global leader in the confectionery industry. The largest part of his career was dedicated to working at Royal Friesland Campina, latest as a board member with operational responsibility for Asia and before that the Cheese, Butter, and Milk Powder business unit.

Throughout the main part of his career, Mr. Hilarides has been responsible for all business functions including upstream and downstream value chains. Mr. Hilarides can be described as an FMCG expert with extensive European, African and Asian experience in both B2C and B2B. He is skilled in developing strategies and implementing them. His continuous improvement drive and 'can do' mentality increases business's level of professionalism and secures structural improvement.



**Mr. Saifullah Khan**  
Chief Financial Officer

Mr. Saifullah Khan is responsible for the strategic management of Baladna's financial functions. He has considerable experience in scaling financial operations and organisational restructuring and has a strong track record in delivering improved financial performance, productivity and governance.

Mr. Khan's career has spanned a range of sectors including construction, manufacturing and dairy, and he has served in senior-level financial positions with a range of multinational companies such as NLC Pakistan and Qatar Power Construction.

Mr. Khan holds a Bachelor's degree in Accounting, a Master's degree in Finance and CPA certification.



**Mr. Adam Douglas Pepper**  
General Manager - Farms

Mr. Adam Douglas Pepper is responsible for managing all farms, which includes planning, developing and implementing policies, procedures, and practices for the operation of dairy farms to ensure compliance with the Company's standards for farm production.

Mr. Pepper has over 22 years of experience in farm management in conjunction with Business Management in setting and achieving production and financial targets.



**Mr. David Stuart**  
General Manager - Manufacturing

Mr. David Stuart leads the Manufacturing and Plastics operations at Baladna and brings more than 3 decades of experience working in the food industry, including over 15 years in the GCC, covering Fast Moving Consumer Goods, Foodservice and Ingredients. Prior to joining Baladna, Mr. Stuart held senior operational roles with Almarai Company.

Mr. Stuart has qualifications in Engineering and Manufacturing Operations and holds a Certificate in Leadership Development from IMD in Switzerland.



**Mr. Khaled Zialnon**  
General Manager - New Ventures

Mr. Khaled Zialnon's main role at Baladna is driving business growth and business diversification strategy to increase Baladna Food Industry's geographical footprint in the international market from Business concept to Business implementation, through M&A and FDI Transactions.

Prior to this post, Mr. Zialnon has led Baladna's massive expansion as General Manager-Supply Chain overseeing all activities aimed to implement, develop and manage the end-to-end Supply Chain function across Baladna Food Industry by introducing E-Modules, Workflow Process and top industry SOP's, moving the supply chain function to the next level of efficiency.

Aside from being a passionate team leader, with his professional and intensive experience in procurement and supply chain functions, he identified the needs and developed talented individuals to handle the requirements of the business. Throughout his management Mr. Zialnon mentors and motivates the team, to achieve the Company's strategic objectives.



**Mr. Julian Marcolini**  
General Manager - Quality,  
Product Development, Health &  
Safety, Security and Environment

Mr. Julian Marcolini joined Baladna Food Industries as General Manager Quality, Product Development, Health and Safety, Security and Environment.

Mr. Marcolini is an accomplished senior management professional, with more than 20 years' experience in the areas of Quality, Food Safety, Manufacturing, Supply Chain and Continuous Improvement.

Mr. Marcolini has worked in the Middle East for the last 12 years for Almarai and has held several senior positions including Group Head of Quality and Head of Supply Chain for Almarai Infant Nutrition.

Mr. Marcolini holds a Master's degree in Business Administration from The University of Warwick and a degree in Food Science Management from The University of Salford and holds a Certificate in Leadership Development from IMD, Switzerland.



**Mr. Firas Khalil**  
Information Technology  
Director

Mr. Firas Khalil is one of the founding team members at Baladna and has been instrumental in the development of information systems at the Company. He has led the digital transformation at Baladna with the implementation of SAP across business functions.

Prior to joining Baladna, Mr. Khalil worked with a number of leading IT services providers in France including Automotive Valeo, Dassault, and EDF Energy.

Mr. Khalil holds a Master's degree in ERP Project Management from EI-CESI, Paris, and a Bachelor's degree in Mechanical and Production Engineering from Paris XI University.



**Mr. Omar Marar**  
Project Management  
Office & Engineering  
Director

Mr. Omar Marar is responsible for construction and engineering projects at Baladna. As a professional risk and claims expert, he has oversight of Baladna's project life cycles including all aspects of planning, programming, tendering, and progress monitoring.

Mr. Marar has over a decade of experience in strategic planning and project control and analysis, contributing to the successful delivery of major construction projects across the Middle East, Africa, and Europe.



**Mr. Vedavyas Vemuri**  
General Manager - Supply  
Chain

Mr. Vedavyas Vemuri's main role as the Chief Supply Chain Officer provides strategic support and direction for all Supply Chain initiatives to achieve the organisation's operational and financial objectives. He leads, develops, directs and implements the best Supply Chain, Warehousing and Logistic practices within budget.

Mr. Vedavyas is an experienced Operations and Technical Business leader with a good track record in multinational companies like Cadbury, Unilever, Perfetti Van Melle, Friesland Campina and Fonterra with both Regional and Country roles. He was the Operations Director for Fonterra.

He has 11 years proven result-orientated experience in Foods - Dairy, 11 years in Chocolate and Confectionery, 1 year in Beverages, and nearly 5 years in Pharmaceuticals delivering the P&L responsibility at a gross margin level to the Key accounts and Distributors. He has handled the entire Supply chain for more than 25 years at a management team level in 7 countries - India, Thailand, Malaysia, Vietnam, Indonesia, China, and Nigeria.



**Mr. Talal Madi**  
General Manager -  
Marketing

Mr. Talal Madi is an accomplished professional with 23 years of experience in marketing and management across diverse organisations. Distinguished for setting up departments and spearheading operations to profitability utilising managerial acumen and financial prudence.

Mr. Madi is skilled in implementing strategic initiatives, developing of market penetration techniques, brand creation, and has a proven track record in increasing sales and growth while leading operational improvements to drive productivity and reduce costs. Highly focused and pragmatic, he excels in dynamic, demanding, and challenging environments.

Mr. Madi has broad experience in Marketing, Sales, Business Development and Planning, Revenue Generation, Product/Brand Management and Market Analysis in companies like Philip Morris International, Leo Burnett and Mccan Erickson in the Gulf region, Africa and Europe.

Mr. Madi is a strong believer in marketing that is aligned with business goals, creating differentiation based on strong insights leading to bottom-line gains.

## Executive Committee

The Executive Committee is composed of senior executives of Baladna, is responsible for the management of the business and meets on a regular basis. The Committee members report to the CEO. The prime role of the Executive Committee is to

review business performance, and organisational and operational matters, set strategies/initiatives and monitor their successful execution, and review key business KPIs, progress on key projects, etc.

## Compensation for the key management personal

	For the year ended 31 December 2021
	QR
Salary, bonus and other allowances	12,593,881
Leave salary expenses	564,366
Air ticket expenses	616,002
End of service benefits	417,287
<b>Total Compensation of key management personal</b>	<b>14,191,536</b>

## Insider Trading

One of the main responsibilities of the Board of Directors is to ensure proper governance is applicable at Baladna for insider trading. Therefore, an insider's trading policy has been approved by the Board of Directors to ensure the highest level of integrity, transparency and disclosure. These rules are binding upon members of the Board, management of the Company and its employees, with the following obligations:

- Members of the Company's Board of Directors, as well as senior executives and major shareholders or controlling shareholders, are obliged to disclose the number of shares they hold within 15 days of their membership, as well as at the end of each financial year, and all trading by the Company's Board Members, its executive management and, in compliance with the laws, the regulations and instructions issued in this regard.
- The Chairman, members of the Board of Directors with listed securities in the market, its general manager or any employees who are familiar with the Company's material information, are prohibited from trading in the market,

whether by himself, or in any other capacity, for the account of third parties in the securities of the same company, the parent company, subsidiary sister or ally of that Company, if any of these companies are listed on the market, during the prohibition periods stipulated in the applicable laws and regulations.

- The Company is obliged to disclose information about the dealings of insider persons and their relatives in securities issued by the Company, parent company, subsidiaries or sister companies, including members of the Board of Directors in accordance with the regulations, laws and instructions issued in this regard through the preparation of a special and integrated register for all insider persons, including those who may be considered temporarily insider persons and who have access to the Company's internal information prior to publication. The register also contains prior and subsequent disclosures of insider persons.
- Board Members and any insider employees shall not use confidential information that may affect the price of securities for personal gain and any such act or transaction shall be null and void.

## Internal Control

Baladna's system of internal control aims to ensure that the Board and management are able to fulfill the Company's business objectives. An effective internal control framework contributes to safeguarding the shareholders' investment and the Company's assets. The objective of Baladna's internal control framework is to ensure that internal controls are established; that policies and procedures are properly documented, maintained and adhered to, and are incorporated by the Company within its normal management and governance processes.

In accordance with the requirements set out in the Governance Code for Companies and Legal Entities Listed on the Main Market Issued by the QFMA's Board, pursuant to Decision No. (5) of 2016, management performs an ongoing process of identifying, evaluating, and managing the risks faced by Baladna and establishes and maintains effective controls for the risks identified, including those over financial reporting.

The Company carries out the review of its internal controls over financial reporting on an annual basis with respect to all material financial balances, whereby the management assesses the adequacy of design and operating effectiveness of such internal controls over financial reporting. This assessment is reviewed by the Company's independent auditors.

Management has assessed the adequacy of design and the operating effectiveness of the Company's internal controls over financial reporting as of 31 December 2021. Based on the assessment, management has concluded that the internal controls over financial reporting are adequately designed and operating effectively with no material weaknesses identified.

Baladna's operating policies and procedures are considered to be adequate and effective, while recognising that such a system is designed to mitigate rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss.

The Board of Directors acknowledges its responsibility for Baladna's internal control framework. The Board has delegated responsibility for oversight of the Internal Audit Department (IAD) to the Audit Committee. The Head of Internal Audit is appointed by the Audit Committee. The Audit Committee reviews the effectiveness of the IAD function.

The objective of the IAD function is to provide independent assurance and consulting services using a disciplined systematic approach to improve the effectiveness of risk management, internal control, compliance and governance process, and the integrity of Baladna's operations. The function is also responsible for monitoring the compliance of the Company and its employees with the law, regulations and resolutions, as well as internal policies and procedures. Baladna's IAD functions are governed by a charter which sets out the purpose, authority and responsibility of the function, in addition to Baladna's internal audit procedural manual.

During the period from 1 January to 31 December 2021, no significant operational internal control failures were identified. However, process level improvements were identified by the IAD and accepted by management for implementation towards the continuous improvement of Baladna's internal controls. On an ongoing basis, the Audit Committee monitors the progress that management has made with respect to remedial actions taken on issues and findings raised by the IAD.

Mr. Reda El Mougi is the Internal Audit Director reporting to the Audit Committee.

### Qualifications:

Bachelor's degree in Auditing and Accounting, a Certified Internal Auditor (CIA), and Risk Management Assurance and other professional certificates.

### Violations

During the period from 1 January to 31 December 2021, Baladna was not subject to any material fines or penalties imposed by QFMA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.



## Risk Management

Risk management is integral to Baladna's strategy and to the achievement of our long term goals. The Board has established a risk and control structure designed to manage the achievement of strategic business objectives. In doing so, we take an embedded approach that places risk management at the core of the leadership team agenda, which is where we believe it should be.

The Board provides oversight of Baladna's risk management strategy and has the overall responsibility for setting the Company's risk appetite. Risk appetite guides the Company in determining the nature and extent of risk it would ordinarily accept, while executing the business model for creating sustainable shareholder value.

Baladna accepts and applies a moderate risk appetite as it seeks a balanced management of opportunities for sustained business growth along with focused identification and exploitation of opportunities generated through its business. The Audit Committee oversees compliance with risk management processes and the adequacy of risk management activities related to Baladna's operations. In addition, management reviews the risk appetite and makes recommendations to the Board through the Audit Committee and actions required to ensure adequate controls/mitigating actions are in place against key identified risks. The Company applies a structured and robust Enterprise Risk Management approach whereby the risk management process is implemented in defined steps - Identify, Assess, Prioritise, Mitigate, Monitor and Report.

## External Auditors

The appointment and remuneration of the external auditors was approved by the General Assembly meeting of Baladna held on 20 April 2021. The shareholders appointed Moore Stephens and Partners Certified Public Accountants - 'Qatar' as the External Auditors for the year 2021 for a professional fee of QR 340,000, in accordance with the provisions of Article 141 of the Companies Law.

Moore is a multinational professional services firm headquartered in the United Kingdom. It is one of the recognised audit firms and has been the only external auditor of the Company since it was listed on the Qatar Exchange, since their appointment at the Constitutive General Assembly meeting held on 26 November 2019. Mr. Fathi Abu Farah is the partner issuing the Independent Auditors' Report.

There have been no qualified opinions reported by our external auditors on Baladna's interim semi-annual and annual consolidated financial statements as at 31 December 2021. Please refer to the Independent Auditors' Report in the Financial Statements for further details.

## Corporate Social Responsibility (CSR)

Baladna's approach to Corporate Social Responsibility centres on the idea of creating shared value for all of its stakeholders through economic, environmental and social actions. Accordingly, the CSR programme has 4 pillars: Community, Workplace, Nutrition and Wellbeing, and Environment and Sustainability. At Baladna, the heart of the shared value concept rests on the ability of a company to create private value and to transform this into public value for the society.

The total amount spent during the period from 1 January to 31 December 2021 on CSR initiatives was QR 13,818,933. One of the key initiatives or sponsorships during the period was the support of the Social and Sports Activities Fund.

## Protection of Shareholders & Stakeholders Rights

Baladna is committed to protecting shareholders' and stakeholders' rights in accordance with the required bylaws, regulations and as part of its corporate governance framework. To accomplish this, Baladna exercises diligence and care in conducting all its operations, including effective and efficient use of resources to maximise shareholder benefits.

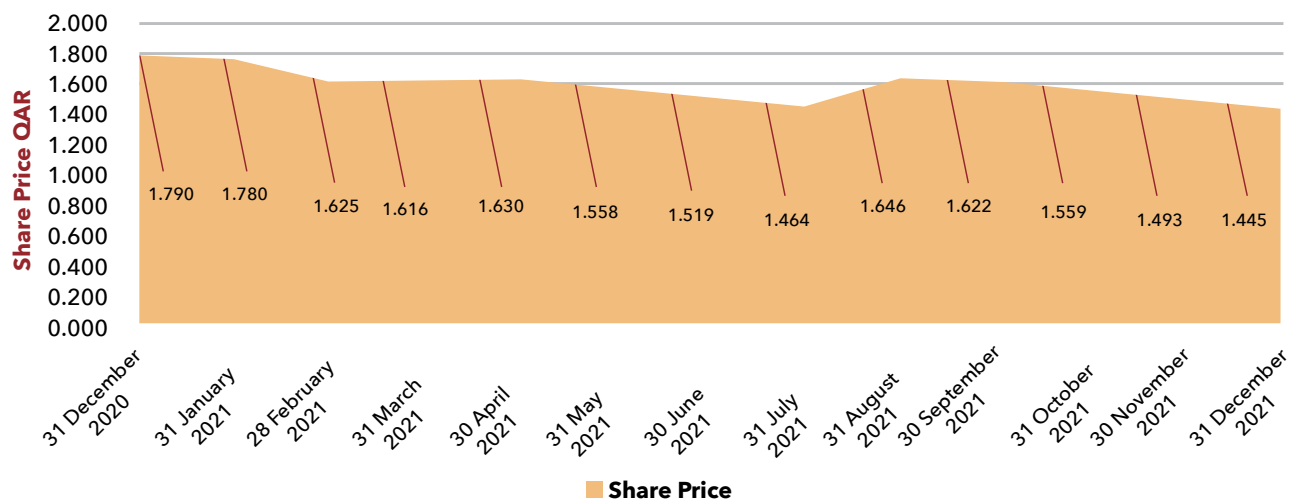
Baladna ensures that all shareholders are entitled to their rights fairly and equally and that they are protected against any violation to those rights. To ensure that shareholders' assets are protected against any misuse that may occur from the Board of Directors, executive management or relevant stakeholders, Baladna maintains a robust Shareholders' and Stakeholders' Rights Policy.

## Share Performance

Baladna Share price at the end of each month in 2021 compared with the market and industry index:

Month	Year	Closing Price QR	Max Price QR	Min Price QR	AVG Price QR	Market Index	Sector Index
January	2021	1.780	1.849	1.706	1.773	10,473.50	8,002.00
February	2021	1.625	1.809	1.530	1.688	10,145.99	7,704.37
March	2021	1.616	1.745	1.550	1.663	10,401.50	8,075.94
April	2021	1.630	1.715	1.615	1.652	10,911.40	8,332.65
May	2021	1.558	1.629	1.551	1.590	10,748.26	8,215.98
June	2021	1.519	1.633	1.420	1.563	10,730.68	8,100.23
July	2021	1.464	1.543	1.447	1.502	10,753.28	8,118.00
August	2021	1.646	1.689	1.471	1.618	11,092.90	8,308.34
September	2021	1.622	1.682	1.590	1.632	11,485.23	8,180.19
October	2021	1.559	1.676	1.557	1.631	11,764.77	8,286.23
November	2021	1.493	1.585	1.471	1.544	11,386.31	8,176.26
December	2021	1.445	1.505	1.432	1.465	11,625.81	8,216.64

## Baladna Share Price





## Shareholder Information

### Shares Distribution as of 31 December 2021

	National		GCC		Arab		Foreign		Total	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Individuals	1,146,149,271	60.292%	1,207,414	0.063%	47,838,923	2.517%	18,802,438	0.989%	1,213,998,046	63.861%
Companies	425,494,204	22.383%	9,822,910	0.517%	83,000	0.004%	33,385,566	1.756%	468,785,680	24.660%
Governments	218,041,774	11.470%	-	-	-	-	-	-	218,041,774	11.470%
Institutions	174,500	0.009%	-	-	-	-	-	-	174,500	0.009%
<b>Total</b>	<b>1,789,859,749</b>	<b>94.154%</b>	<b>11,030,324</b>	<b>0.580%</b>	<b>47,921,923</b>	<b>2.521%</b>	<b>52,188,004</b>	<b>2.745%</b>	<b>1,901,000,000</b>	<b>100.000%</b>

### Shareholders owning 5% or more shares

Shareholder	Number of Shares as of 31 December 2021	%
Mr. Moutaz Al Khayyat	237,475,000	12.492%
Mr. Ramez Al Khayyat	237,485,000	12.493%
General Retirement and Social Insurance Authority (GRSIA)	183,841,968	9.671%
<b>Total</b>	<b>658,801,968</b>	<b>34.656%</b>

### Shares distribution based on the size of ownership as of 31 December 2021

Ownership of Shares	No. of Shareholders	Shares owned	Shares as a percentage of Capital
Less than 50,000 Shares	32,417	223,193,173	11.741%
50,000 - less than 500,000 Shares	2,124	235,750,196	12.401%
500,000 - less than 5,000,000 Shares	236	275,835,715	14.510%
More than or equal 5,000,000 Shares	23	1,166,220,916	61.348%
<b>Total</b>	<b>34,800</b>	<b>1,901,000,000</b>	<b>100.000%</b>

### Qatar Central Securities Depository (QCSD)

On monthly basis Baladna receives updates on its shareholders register, furthermore, Baladna sends QCSD updates on its list of insiders regularly and/or whenever its gets updated.

## Investor Relations

To comply with the Qatar Exchange rules and controls over Investor Relations for listed companies, Baladna has implemented the following:

- Appointment of an Investor Relations Officer. Mr. Upendra Jayamaha was appointed as the Investor Relations Officer in addition to his role as Baladna's Finance Manager. The following are his contact details:
  - E-mail: [u.jayamaha@baladna.com](mailto:u.jayamaha@baladna.com)
  - Phone: +974 3053 4106
- Maintenance of effective communication with the shareholders: Baladna regularly announces its results to QFMA, Qatar Exchange and shareholders by way of interim statements, quarterly, semi-annual and annual results. Significant matters relating to share trading or business development are disclosed to QFMA, QE and the general public by way of market disclosures and announcements in accordance with the related provisions of applicable laws and regulations, in addition to press releases and postings on Baladna's website. Furthermore, Baladna's investor relations function includes:
  - Quarterly conference calls on financial results with the investment community.
  - Responding to enquiries from shareholders through Baladna's investor relations function.
  - Meetings between investors, analysts and senior management.
  - Regular investor conferences organised by the investment community.
  - A section dedicated to investors on Baladna's website, which comprises of annual reports, quarterly results, corporate governance report, analyst coverage, investor presentations, share price and dividend information. (<https://baladna.com/investor-relations/>)

The Company uses the above link to update and publish information and data that has been already disclosed, in addition to other information related to the Company and its shareholders.

## General Assembly Meeting

Baladna held its General Assembly meeting on 20 April 2021, and the following decisions were taken:

- The General Assembly approved the Chairman's report on the Company's activities and the financial position for the financial year ended

31 December 2020, as well as the Company's business plan for the year 2021.

- The General Assembly approved the External Auditor's report on the Company's Financial Statements for the year ended 31 December 2020.
- The General Assembly approved the Company's consolidated and audited financial statements, for the financial year ended 31 December 2020, including the profit and loss, and balance sheet statements.
- The General Assembly approved the proposal of the Board of Directors to distribute dividends at a rate of 5.3% of the nominal value of the share for the year ended 31 December 2020.
- The General Assembly approved discharging members of the Board of Directors from any liability relating to their directorship duties and responsibilities for the financial year ended 31 December 2020 and approved the Board's recommendation to award bonuses to the board members for the financial period ended 31 December 2020.
- The General Assembly approved discharging the external auditors from any liability relating to their duties and responsibilities for the financial period ended 31 December 2020.
- The General Assembly approved the appointment of Moore Stephens as the Company's auditors for the financial year 2021 and approved their fees as per the Board's recommendation.
- The General Assembly approved the Company's Corporate Governance Report for the year 2020 and approved the Annual Report for the year ended 31 December 2020.

## Whistle-blowing

Baladna maintains robust guidelines, channels, safeguards and protection mechanisms to encourage whistleblowing in Baladna. The Whistleblowing Policy at Baladna encourages employees to raise genuine concerns within the Company without fear of reprisals, rather than overlooking a problem. The Whistleblowing Policy at Baladna provides guidelines on the whistleblowing concept and sets minimum standards for these matters within Baladna to ensure that any such cases reported by the employees in good faith are properly dealt with. Thus, the objective of this policy is to provide employees with a channel for whistleblowing, to ensure that appropriate action is taken on a timely basis and to ensure that Baladna's reputation is maintained.

Generally, this misconduct is a violation of law(s), rule(s) and regulation(s): fraud, bribery, health and safety violations, corruption and/or a direct threat to public interest. Whistleblowing encourages employees to report wrongdoings or violations that they are aware of or have suspicions or concerns about, to earmark the responsible and designated internal authority within Baladna, so that appropriate action can be taken immediately to resolve the problem. Furthermore, it serves to minimise the Company's exposure to reputational or financial damage that may occur when employees circumvent internal mechanisms and demonstrates to employees and stakeholders that Baladna is serious about adherence to its Code of Conduct

### The Company's Irregularities

Baladna's Board of Directors and its top management are keen to implement all rules and regulations outlined in corporate governance and legal entities listed on the main market order issued by Qatar Financial Markets Authority and Commercial Companies Law No. (11) for 2015. Accordingly, the Company did not commit any irregularity during the year 2021. There are no major lawsuits filed with the court against the Company that affect in any way the Company's operations, financial performance, and share price.

### Conflict of Interests:

The Company adopts a policy that ensures the confidentiality and integrity for any reports of illegal actions relating to employees and general performance measures, which are clarified in Baladna's Code of Conduct. The Code includes the expected behaviour of employees, particularly regarding compliance with laws and regulations.

Employees must avoid conflicts of interest, particularly in commercial transactions, business administration and activities, using the Company's assets, records and information, and relationships with related parties outside the Company. No employee may accept or request gifts or bribes, loans or bonuses, prizes or commissions. The Company is resolved to combat all forms of conflicts of interest in addition to other matters.

Furthermore, the Company complies with Articles 108, 109, 110 and 111 of the Commercial Companies Law No. 11 for 2015 and its amendments that states the following:

1. The Chairman or a Board member may not participate/engage in any business that competes with the Company's business, or may not be involved, either on his/her own behalf or on others' behalf, in any type of business or activities in which the Company is engaged, otherwise the Company is entitled to ask him/her for compensation or take the ownership of the activities he/she is engaged in.
2. The Chairman, a Board member or a Director is not permitted to practice any activity that is similar to the Company's activities, or to have any direct or indirect interest in contracts, projects and covenants made in favour of the Company.
3. The Company may not offer a cash loan of any kind to any member of its Board of Directors or to guarantee any loan held by one of them with others, or make an agreement with banks or other credit companies to lend money to any of the Board members, or open a facility or guarantee a loan with other parties beyond the terms and conditions set by the Central Bank of Qatar. Agreements beyond the provisions of this Article will be considered null and void, and the Company retains its rights to request compensation, when necessary, from the offending parties.
4. It is prohibited for the Chairman and the board members or the Company's staff to take advantage of any information delivered to his/her knowledge by virtue of his/her membership or position for the benefit of him/herself, his/her spouse, his/her children or any of his relatives to fourth degree either directly or indirectly, as a result of dealing in company securities of the Company. Nor may they have any interest, directly or indirectly, with any entity conducting operations intended to make a change in the securities prices issued by the Company. This ban stays in effect for 3 years after the expiry of the person's membership on the Board of Directors or the expiry of his work at the Company.

## Related Party Transactions

Sales and Purchases	Relationship	For the year ended 31 December 2021	
		Sales	Purchases
		QR	QR
Yemek Doha Catering Services W.L.L.	Affiliate	19,108,649	-
Widam Food Company Q.P.S.C.	Affiliate	6,120,000	-
Aura Hospitality W.L.L.	Affiliate	3,739,678	54,308
Elegancia Landscape W.L.L.	Affiliate	3,652,110	2,522,682
Aura Entertainment W.L.L.	Affiliate	836,495	-
Sazeli Restaurant W.L.L.	Affiliate	439,075	-
Orient Pearl Restaurant W.L.L.	Affiliate	172,149	75,927
Urbacon Plant, Machinery and Vehicles (A Branch of Urbacon Trading and Contracting Company W.L.L.)	Affiliate	141,347	90,193
Damasca Restaurant W.L.L.	Affiliate	99,230	-
Power International Holding W.L.L.	Affiliate	-	15,596,205
Urbacon Workshop Department (A Branch of Urbacon Trading and Contracting Company W.L.L.)	Affiliate	-	13,980,125
Aalaf Qatar W.L.L.	Affiliate	-	5,817,833
Joury Tour & Travels W.L.L.	Affiliate	-	4,145,327
Stark Security W.L.L.	Affiliate	-	1,363,823
Credo Trading Company W.L.L.	Affiliate	-	1,203,497
Elegancia Electro Mechanical Services W.L.L.	Affiliate	-	323,680
Assets Real Estate Development Co. WLL	Affiliate	-	240,921
General Pension and Social Security Authority	Affiliate	-	182,298
Elegancia Gabro Trading and Transport W.L.L.	Affiliate	-	102,306
Printshop for Printing Services W.L.L.	Affiliate	-	42,240
Elegancia Stone for Marble & Granite Trading W.L.L.	Affiliate	-	14,681
Retaj Baywalk Residence W.L.L.	Affiliate	-	8,000
Elegancia Steel Trading W.L.L.	Affiliate	-	3,500
Urbacon Trading and Contracting W.L.L.	Affiliate	-	1,718
<b>Others</b>			
Mr. Moutaz Mohammad Al Khayyat	Chairman	445,782	-
		<b>34,754,515</b>	<b>45,769,264</b>

## Capital Expenditure

Related Party	Nature of transactions	For the year ended 31 December 2021
		QR
Urbacon Trading and Contracting W.L.L.	Construction work	30,321,846
Elegancia Electro Mechanical Services W.L.L.	Supply and installation of utilities	25,432,098
Credo Trading Company W.L.L.	Supply and installation of portable RO plant/IT equipment	1,320,000
Elegancia Steel Trading W.L.L.	Supply and installation of furniture and fixtures	84,000
Aura Hospitality W.L.L.	Sale of asset	4,000

## Related Party - Transactions

## Due From Related Parties

	31 December 2021
	QR
<b>Affiliates</b>	
Yemek Doha Catering Services W.L.L.	4,385,838
Aura Hospitality and Food Services W.L.L.	4,200,713
Elegancia Landscape W.L.L.	3,896,269
Widam Food Company Q.P.S.C.	760,000
Aura Entertainment W.L.L.	980,540
Sazeli Restaurant W.L.L.	557,636
Printshop for Printing Services W.L.L.	289,025
Damasca Restaurant W.L.L.	161,876
Orient Pearl Restaurant L.L.C.	70,005
Urbacon Plant, Machinery and Vehicles (A Branch of Urbacon Trading and Contracting Company W.L.L.)	50,554
Retaj Baywalk Residence W.L.L.	24,000
	15,376,456

## Related Party - Transactions

### Due to Related Parties

	31 December 2021
	QR
<b>Affiliates</b>	
Urbacon Workshop Department (A Branch of Urbacon Trading and Contracting Company W.L.L.)	5,857,181
Urbacon Trading and Contracting W.L.L.	5,205,487
Elegancia Electro Mechanical Services W.L.L.	2,375,529
Aalaf Qater W.L.L.	401,839
Assets Real Estate Development Co. WLL	255,921
Joury Tour & Travels W.L.L.	185,393
Elegancia Hospitality Services W.L.L.	162,227
Elegancia Steel Trading W.L.L.	125,308
General Pension and Social Security Authority	15,729
Others	5,825
	<b>14,590,439</b>

### Significant Events during 2021

- Successfully launched 44 new SKUs across all categories/channels and increased market share in major category
- Final dividend declaration of QR 101million in April 2021 (QR 0.053 per share)
- Started building new factory for Evaporated Milk and Sterilized Creams which is expected to be completed in 2022
- Baladna initiated discussions with Azerbaijan, Indonesia and Philippines for geographical expansions in addition to Malaysia
- Commenced building a waste water treatment plant in Farm.