Zee Stores PJSC

Corporate Governance Report 2021

25 February 2022

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ZEE STORE PJSC

1.1. Introduction

Zee Stores PJSC (hereafter referred as the "Company" or "Zee Stores" or "Group") was established in 2002 as a trading and distribution Company specialized in grocery and houseware trading in the Emirates of Abu Dhabi. On 8 November 2020 the Shareholders of the Company resolved to change the legal form of the Company from Limited Liability Company to Private Joint Stock Company. Zee Store has listed its shares on Abu Dhabi Exchange (ADX) Second Market on 23 December 2020.

During the year 2021, the Company acquired 60% stake in Royal Horizon Holding LLC, an entity with a group of companies operating in food and retail sectors in UAE. There are 4 retail stores in UAE under the brand name Fazaa Stores. Royal Horizon General Trading LLC and Overseas Foodstuff Trading LLC are in the import and distribution of various food products mainly rice, cardamom, pepper, pulses, canned and preserved foods like salt, milk, sugar etc.

In December 2021, the Company acquired 100% stake in Tamween Group LLC which owned the following entities:

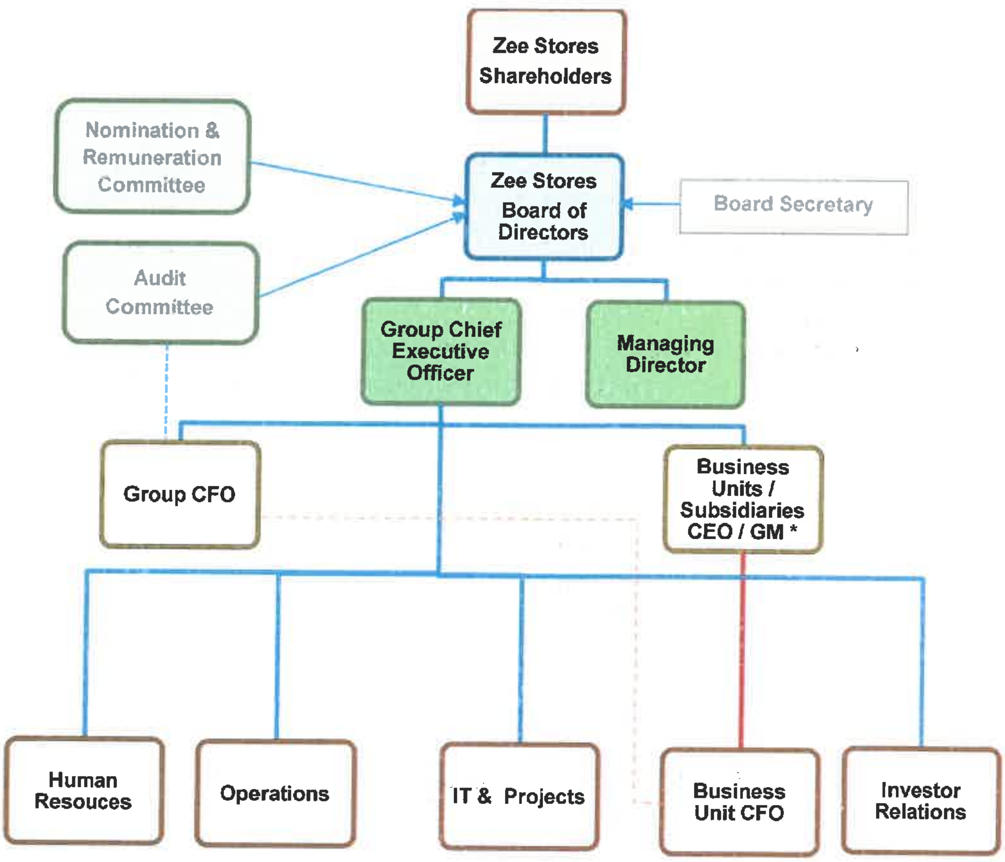
- AGRINV SPV RSC Limited – an Investment Company specialising in agricultural activities (100% stake) through its subsidiary in Egypt, Al Hashemiya for land reclamation and cultivation SAE.
- Alliance Food Co LLC – a leading provider of fresh and frozen sea food across middle east (100% stake)
- Al Ajban Poultry LLC – a producer of reared fresh chicken in the region (100% stake)
- Agriculture Investment Holding Company (Ethmar) LTD – a Joint Venture between Tamween and Sudanese company Dal Group. The Joint Venture develops farm land in Sudan (50% stake)
- NRTC Food Holding LLC – one of the region's biggest fruit and vegetable suppliers (41% stake)

Also, the Board of Directors of Zee Stores PJSC approved the rebranding of the Company into Ghitha Holding PJSC and expand its strategy to become a Key Player in the food industry, which will support the UAE's food security agenda. Ghitha, a Holding Company, will add a number of related businesses to its existing portfolio, through future acquisitions and subsidiaries' formation, which will enhance its core capabilities in wholesale importing and trading fresh and canned foods; packaging; and providing food services to industrial sites such as gas and oil fields. The new strategic direction will enable Ghitha Holding to become one of the largest and most important players in the regional food trading sector.

This is the first corporate governance report of the Company and gives an overview of Zee Stores' corporate governance systems and procedures as of 31 December 2021. It is being filed with the Ministry of Economy (MOE), posted on the ADX website and the Company's website. The format of this report is prescribed by the Securities and Commodities Authority.

1.2. Group Governance Structure

Corporate Governance is the system by which the business of the Company is directed and controlled. The Board of the Company has established a governance structure to direct and control the business in an efficient manner. The structure specifies the distribution of rights and responsibilities among various stakeholders within the Company and establishes the policies and procedures for making business decisions. The company's Organization Chart is given below.



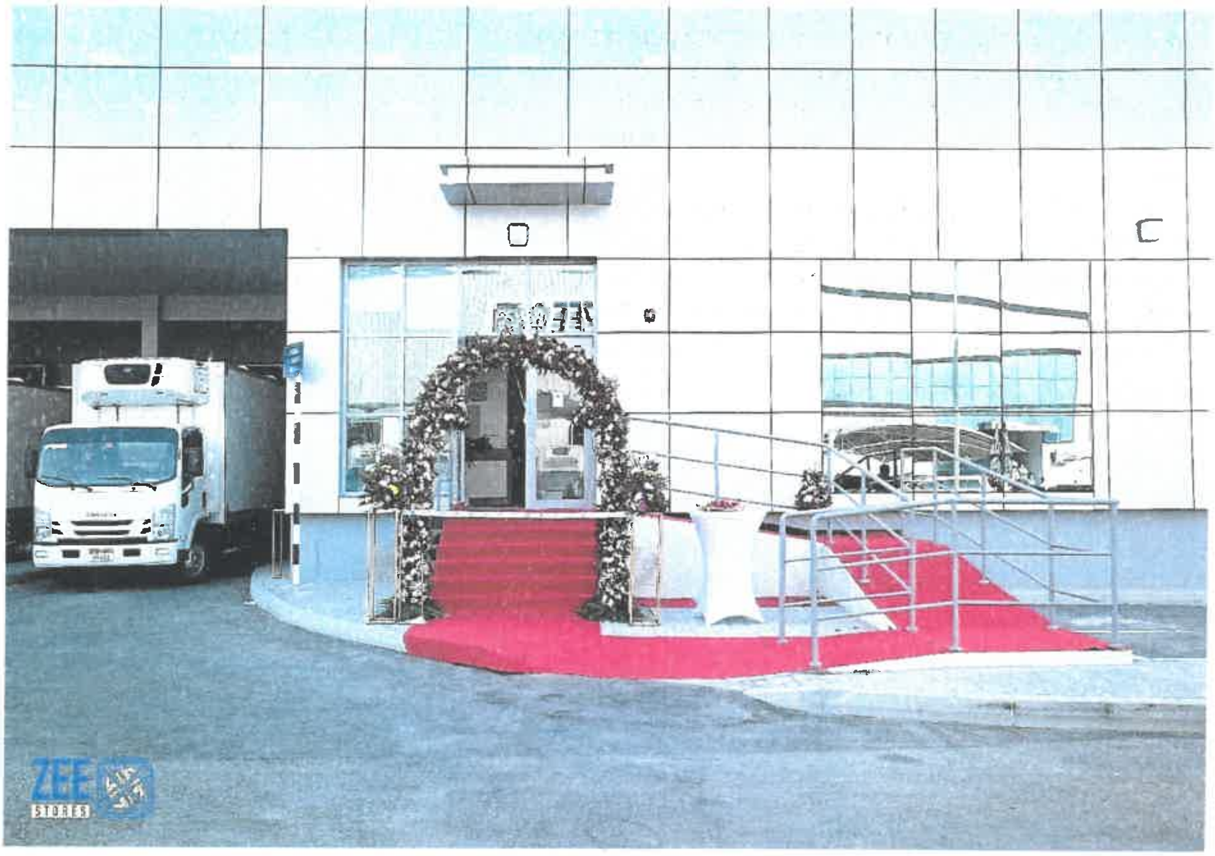
*The Business Unit CEO/ GM shall report to the Board, in case there is a separate board established for the Business Unit, and in addition to that reports to the Group CEO for necessary operational matters/ decisions.

1.3. Implementation of Corporate Governance Principles

The shareholders are the ultimate decision-makers in respect of the direction of the Company as they are responsible for appointing the Board of Directors. The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders express themselves and exercise their right to decide on the Company's direction.

The Company is managed by the Board of Directors composed of five members elected by the ordinary general assembly through a cumulative secret ballot for a period of three years. The Board of Directors then elect the Chairman and the Vice Chairman from among its members. The position of the Board's Chairman and the position of MD and CEO are separate.

The Board has established Two (2) Committees: Audit Committee, Nomination and Remuneration Committee, which review and monitor key areas on behalf of the Board and make recommendations for its approval. Each Board Committee operates under written terms of reference which are approved by the Board. The Chair of each Committee reports to the Board on their activities and minutes are circulated once they have been approved by the respective Committee. Information on the activities and composition of each Committee is set out in Section 1.7



1.3.1. Roles and Responsibilities of Zee Stores Board

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 corporate governance framework provides guidelines on how the Board operates as well as the type of decisions to be taken by the Board and which decisions should be delegated to Management. The Board is ultimately responsible for ensuring that the Company complies with its legal and regulatory obligations, the Company's Memorandum and Articles of Association, and its duties to shareholders.

Some of the key roles and responsibilities of the Board, as set out in the Board Charter, include

- Establishing necessary procedures to ensure compliance with applicable laws, regulations, resolutions and requirements of the regulatory authorities.
- Implementing procedures sufficient to ensure efficient internal control of the workflow in the Company.
- Establishing and amending Zee Stores' corporate governance structure and framework.
- Setting clear and precise standards and procedures for Board membership and putting them in force subsequent to approval of the general assembly.
- Approve various corporate governance policies and procedures.
- Review board composition and performance.
- Issuance / granting or revoking of general / specific power of attorney.
- Approve the strategy, main objectives of the Company and supervise the strategy implementation.
- Approve Annual budgets and amendments.
- Review financial performance considering the strategy, business plan and budget of Zee Stores ensuring that where necessary corrective action is taken.
- Establishment / Amendment of Authorized Bank Signatories / Mandates.
- Approval for Listing / delisting on stock exchanges.
- Approve investment related decisions including mergers and acquisitions
- Adoption and subsequent changes to Delegation of Authority including the Authority Matrix
- Approval of Quarterly / Annual Financial Statements.
- Recruitment and Termination, for Zee Stores PJSC MD, Zee Stores PJSC CEO and all direct reportees of Zee Stores PJSC CEO.
- Reward & Compensation and Benefit Matters for Zee Stores PJSC CEO and MD
- Approval of the rules on which basis incentives, bonuses, and special privileges shall be granted to Board members, Zee Stores CEO and MD in a manner that furthers the Company's interest and helps achieve its objectives.
- Opening or Closing of Bank Accounts. Approve the bank signatory matrix and the signing limits of the authorized signatories.
- Creation of any mortgage, charge or other security interest over any of the Zee Stores' assets.
- Setting procedures to prevent employees who have access to information from using the Company's confidential internal information to make tangible or intangible gains.
- Review and approve the Company's Annual Corporate Governance Report.

1.3.2. Delegation of Authority to the Board Members and Executive Management

The Zee Stores Board has delegated, through a Power of Attorney to the Chairman, the authority to represent, attend, act, and sign (with wide authorities) on behalf of the Company its subsidiaries in all matters or transactions and other acts that any of the entities may do or assume. The Power of Attorney is provided for a period of 3 years upto December 2024 and was attested by the notary public:

- Represent and manage the Company, its subsidiaries and affiliates in all transactions and documents before the Government, Semi-Government and Private entities.
- Represent the Company at the subsidiaries' or affiliates' board meetings and general assembly meetings and vote on various decisions on behalf of the Company.
- Appoint and terminate managers for the Company, its subsidiaries, and affiliates;
- Represent and sign on behalf of the Company, its subsidiaries, and affiliates any transaction that the Company, its subsidiaries and affiliates may undertake or carry out.
- Represent and sign all contracts and agreements on behalf of the Company, its subsidiaries, and affiliates inside and outside of the United Arab Emirates.
- Opening, closing and operating of any kind of bank accounts for the Company, its subsidiaries and affiliates.

- Obtain all kinds of financing, banking facilities, documentary credits, letters of credit, guarantees of any form and to sign applications or documents relating to these facilities.
- Open, operate or liquidate any deposits of the Company, its subsidiaries and affiliates.
- Dispose of all the assets through any kind of transactions and legal disposals
- Incorporate or liquidate any entity in the name of the Company, its subsidiaries and affiliates.
- Establish or register branches for the Company, its subsidiaries and affiliates.
- Sign all relevant lease and rent of properties, warehouses, shops, stores, showrooms, offices and other relevant real estate items in connection with the business of the Company and its subsidiaries.
- Filing, registering and renewing all types of intellectual properties and rights including patents, industrial designs, trademarks, copyrights, franchise and other licenses, technology transfer licenses commercial and distribution agencies and domain names that belong from time to time to the company and its subsidiaries; and
- Manage the Company, its subsidiaries, and affiliates' operations.

Zee Stores Board has also delegated, through a Power of Attorney to the CEO, the authority, and powers necessary to manage the business affairs of the Group. The Power of Attorney is provided upto February 2024 and was attested by the notary public. This includes the power to:

- Represent and manage the Company, its subsidiaries and affiliates in all transactions and documents before the Government, Semi-Government and Private entities.
- Represent and sign all contracts and agreements on behalf of the Company, its subsidiaries, and affiliates inside and outside of the United Arab Emirates.
- Sign all relevant lease and rent of properties, warehouses, shops, stores, showrooms, offices and other relevant real estate items in connection with the business of the Company and its subsidiaries.
- Filing, registering and renewing all types of intellectual properties and rights including patents, industrial designs, trademarks, copyrights, franchise and other licenses, technology transfer licenses commercial and distribution agencies and domain names that belong from time to time to the company and its subsidiaries.
- Purchase, registration, deregistration, insurance and mortgage of vehicles and cars for / on behalf and for the benefits of the Company and its subsidiaries.
- Dispose of all the movables through any kind of transactions and legal disposals
- Appoint and terminate managers for the Company, its subsidiaries, and affiliates; and
- Manage the Company, its subsidiaries, and affiliates' operations.

1.3.3. Corporate Governance Policies and Procedures

Below is a summary of Zee Stores' key policies and procedures to promote and enhance higher corporate governance standards.

- Corporate Governance Manual covering the roles and responsibilities of all stakeholders involved in governance processes including the General Assembly of Shareholders, the Board of Directors including the Chairman of the Board and Board Committees, CEO, Senior Management, Internal Audit / Internal Control, External Audit, Board and Committees Secretary and other stakeholders.
- Board of Directors Charter for effective functioning of the Board.
- Charters for effective functioning of the Board Committees namely Audit Committee and Nomination and Remuneration Committee.
- Code of Conduct and Business Ethics to guide the conduct of Directors and Employees.
- Delegation of authority for Zee Stores to ensure efficient and effective decision-making which balances empowerment against controls.
- Conflict of Interest Policy sets forth requirements for the avoidance and management of potential and actual conflicts of interests.

- Disclosure and Transparency Policy provides guidelines to ensure that Zee Stores makes timely and accurate disclosure on all material matters, including the financial situation, performance, governance, rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.

The Management of the Company is in the process of preparing the above Corporate Governance Policies and Procedures which shall be reviewed and approved by the Board in due course.

1.3.4. Subsidiary Governance

Zee Stores takes an enterprise-wide approach to subsidiary governance. The Company maintains high levels of transparency and accountability which includes implementation of strong corporate governance for its subsidiaries.

The Board of 100% Subsidiary Company is appointed by the Parent Company Board of Directors and for others the Board is appointed as per the constitution documents. Incase no separate Board is established for the subsidiary then Zee Stores Board acts as the Board for the subsidiary company, subject to its constitution documents, till separate board is established. It is the practice of Zee Stores PJSC to establish separate Board for each subsidiary to have effective oversight and control.

A separate Board for Royal Horizon is constituted with representation from Zee Stores Board, Zee Stores Senior Management and other shareholder. MD and CEO of Royal Horizon report to Royal Horizon Board and Zee Stores Group CEO. Royal Horizon CFO reports to Royal Horizon Group CEO and Zee Stores Group CFO. Zee Stores Senior Management holds monthly performance meetings with Royal Horizon management to oversee the business, progress and risks involved. Resolution of Royal Horizon Partners dated 31st May 2021 have been passed to define and approve the authorized signatories and the limits for banking transactions.

1.4. The Board of Directors Transactions in Securities

1.4.1. Transactions report of the members of the Board of Directors, their spouses, and their children in the Company's securities during the year 2021

Name	Position / Relationship	Shares held as at 31 December 2021	Total Sale Transactions	Total Purchase Transactions
Mr. Mhd Somar Nassouh Ajlyaqin	Chairman – Zee Stores Board	-	-	-
Mr. Hamad Khlfan Ali Matar Alshamsi	Vice Chairman – Zee Stores Board	10,000,000 *	-	
Mr. Mohamed Mahmoud Ahmed Ali Alqaisieh	Board Member and Managing Director	3,000,000	-	-

Name	Position / Relationship	Shares held as at 31 December 2021	Total Sale Transactions	Total Purchase Transactions
Mr. Falal Ameen Valiyavalappil Kizhakkeppurayil	Board Member and CEO	3,000,000	-	-
Mr. Majed Fuad Mohammad Odeh	Board Member	67,567	-	-

* Out of 10,000,000 shares 6,500,000 shares were held in the name of a legal entity owned (Asyad Companies Management Sole Proprietorship LLC) by the Director.

1.4.2. Transactions report of the members of the Board of Directors resigned during the year 2021, and their spouses and their children in the Company's securities.

None of the Board of Directors resigned during the year 2021.

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

Members of the Board of Directors have complied with the disclosure requirements prescribed by the provisions of the law, regulations and decisions issued pursuant thereto in respect of their transactions in securities issued by the Company.

1.5. Profile of Zee Stores Board of Directors

The Board is structured to ensure that it has an effective composition, size, commitment and an appropriate collective mix of skills, experience, and expertise to discharge its responsibilities and duties. The present Board of Directors were elected at the Shareholders General Assembly Meeting held on 22nd November 2020 for a term of three years. The Board currently has five members, comprising an independent non-executive Chairman, 2 independent non-executive Directors and 2 non-independent executive Directors.

Board of Directors	Role and Committee Memberships	Category	Member Since
Mr. Mhd Somar Nassouh Ajalyaqin	Chairman – Zee Stores Board Member-Audit Committee	Independent, Non-Executive	Nov 2020
Mr. Hamad Khlfan Ali Matar Alshamsi	Vice Chairman – Zee Stores Board Chairman -Nomination and Remuneration Committee Member – Audit Committee	Independent, Non-Executive.	Nov 2020
Mr. Mohamed Mahmoud Ahmed Ali Alqaisieh	Board Member	Non - Independent, Executive	Nov 2020

Board of Directors	Role and Committee Memberships	Category	Member Since
	Managing Director Member – Nomination and Remuneration Committee		
Mr. Falal Ameen Valiyavalappil Kizhakkeppurayil	Board Member CEO Member – Nomination and Remuneration Committee	Non - Independent, Executive	Nov 2020
Mr. Majed Fuad Mohammad Odeh	Board Member Chairman – Audit Committee	Independent, Non-Executive	Nov 2020

1.5.1. Profile of Board Members

The table below shows the names, roles, experience, and capacities of the current Board of Directors.

Mr. Mhd Somar Nassouh Ajlyaqin

Position and Committee Memberships

Chairman – Zee Stores Board, Independent / Non-Executive

Member – Audit Committee

Skills, Experience and External Appointments

Mr. Somar Ajalyaqin is the Vice – Chairman of International Holding Company PJSC. He is a private equity consultant, committee member and board member in subsidiary companies of Royal Group Holding. He has versatile experience in major investments/projects aspects and attributes, which includes mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, and financial restructuring.

He is advisor to many governmental departments and committees such as Emirates Supreme Security Council, the Department of Culture and Tourism – Abu Dhabi, Louvre Abu Dhabi. He has established and managed many research centers (locally and globally). He has established and supervised many start-up companies in various fields like construction, manufacturing, IT projects and media.

Mr. Somar holds PHD in dental surgery.

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Mr. Hamad Khlfan Ali Matar Alshamsi

Position and Committee Memberships

Vice - Chairman – Zee Stores Board, Independent / Non-Executive

Chairman – Audit Committee

Member – Nomination and Remuneration Committee

Skills, Experience and External Appointments

Mr. Hamad previously served as Vice - Chairman and as a non-executive independent member of the board of International Holding Company PJSC. He is a General Manager at the Private Affairs Department of H.H. Sheikha Fatima Bin Mubarak. He holds directorship of many organizations in UAE.

Mr. Hamad holds technical diploma from Armed Forces, Abu Dhabi-1996.

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Mr. Mohamed Mahmoud Ahmed Ali Alqaisieh

Position and Committee Memberships

Board Member, Non - Independent / Executive

Managing Director

Member – Nomination and Remuneration Committee

Skills, Experience and External Appointments

Mr. Mohamed has 22 years of experience in different fields in UAE out of which 12 years of cumulative experience in retail & distribution sector.

Mr. Mohamed has been at forefront of the Company and played a key role in development of organization with a rapid growth since 2007.

He worked as a manager for the Private Office of H.H. Sheikh Zayed Bin Sultan Al Nahyan.

Mr. Mohamed holds BA, Mass Communication and Public Relations, Ajman University of Science & Technology and holds MA, Environmental Science, and University of Ain Shams-Egypt.

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Mr. Falal Ameen Valiyavalappil Kizhakkeppurayil

Position and Committee Memberships

Board Member, Non – Independent / Executive

Chief Executive Officer

Member – Nomination and Remuneration Committee

Skills, Experience and External Appointments

Mr. Falal is the Chief Executive Officer of the Company. He managed to play an important role in growth and expansion of the Company's business through adopting strategic plans to advance the Company's mission and objectives, optimizing operational efficiency, productivity, loyalty, reputation, new market opportunities and long-term growth in the Company.

Mr. Falal obtained Master's Degree in Business Administration from Staffordshire University, UK.

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Mr. Majed Fuad Mohammad Odeh

Position and Committee Memberships

Board Member, Independent / Non-Executive

Chairman – Audit Committee

Skills, Experience and External Appointments

Mr. Majed is currently the CEO of Al Qudra Holding PJSC and was the Financial Director of Royal Group, where the scope of his responsibilities includes overseeing financial affairs, financing activities and strategic planning. Prior to joining Royal Group, he held a managerial position at Price Waterhouse Coopers for 18 years, during which he worked as Associate Director of contracting where he was responsible for accepting client contracts and managing risk.

Mr. Majed has cultivated a wide network of close relationship with leading companies around the world during the course of his career of 28 years of experience in the Middle East markets.

Mr. Majed holds a master's degree in Business Administration majoring in Accounting and Finance from the Southwest Missouri University, USA.

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1.5.2. The Board Secretary

Board Secretary is the point of communication with the Board of Directors and Senior Management and plays a key role in the administration of important corporate governance matters.

Mr. Shaji Philip is currently holding the role of Board Secretary, in addition to his role of Group CFO, and has the following key responsibilities:

- Notifying Board members of the Board and Board Committee meetings dates well in advance of the meeting date.
- Attend all the meetings of the Board and Board Committees (in cases where the Secretary is unable to attend meetings, an alternative should be nominated by Board members)

- Coordinate the agenda with Chairman of the Board and Board Committees and arrange for approved agenda items to be discussed at the meeting, including inviting any required attendees to the meetings on behalf of the Board.
- Providing Board and/or Committee members with the agenda of the meeting and the related papers, documents, and information and any additional information related to subjects contained in clauses of the agenda requested by any Board member.
- Take note of all the important aspects of the proceedings i.e., agreements, disagreements, suggestions, concerns, conclusions, decisions, required actions etc.
- Prepare minutes of all meetings and submit the draft minutes to Board members to express their opinion thereon before signing it.
- Making sure that the Board members receive a copy of the minutes of the Board and Board Committee meetings, information and documents related to the Company.
- Prepare and maintain an action items list containing a brief description of the action to be taken, cross referenced to the relevant item in the minutes. The list should also note the responsible person and the date by which the action is to be completed
- Communicate the decisions of the Board to the respective parties as required
- Keep record of all the documents related to Board including a minute book and a register of all resolutions of the Board
- Informing the Company executive management about resolutions of the Board and its Committees and reporting on their implementation and application
- Coordinating between Board members and executive management.
- Making sure that Board members comply with actions approved by the Board.
- Supporting the Board evaluation process.

1.5.3. Key focus areas for the Board during 2021

During 2021, the Board of Directors focused and made decisions on various areas as below.

- Reviewed updates from the Management on Company performance
- Approved new investments (details given in Section 1.17). The investments include 60% stake in Royal Horizon Holding LLC and100% stake in Tamween Group LLC which also comprised of the following entities
    - AGRINV SPV RSC Limited – 100% stake
    - Alliance Food Co SO LLC – 100% stake
    - Al Ajban Poultry LLC – 100% stake
    - Agriculture Investment Holding Company (Ethmar) LTD – 50% stake (Joint Venture)
    - NRTC Food Holding LLC – 41% stake
- Establishment of Corporate Governance system and approval of Corporate Governance implementation plans.
- Appointment of Board of Directors (representing Zee Stores PJSC) in Royal Horizon Holding LLC.
- Approval of resolution for defining the signatories and their signing limits for banking transactions.
- Regular review with Executive Management on key risk including COVID-19 pandemic situation.
- Review and approve the re-branding of Zee Stores PJSC into Ghitha Holding PJSC and expand its strategy to become a Key Player in the food industry, which will support the UAE's food security agenda. Ghitha, a Holding Company, will add a number of related businesses to its existing portfolio, through future acquisitions and subsidiaries' formation, which will enhance its core capabilities in wholesale importing and trading fresh and canned foods; packaging; and providing food services to industrial sites such as gas and oil fields. The new strategic direction will enable Ghitha Holding to become one of the largest and most important players in the regional food trading sector.

1.6. The Board of Directors Other Statements

1.6.1. Method of Determining the Remunerations of Board of Directors

The Board of Directors' remuneration shall be determined in accordance with the Articles of Association of the Company, subject to the provisions of Federal Law No. (2)/2015 regarding commercial companies. The remuneration of the members of the Board of Directors, subject to approval of the shareholders, is linked to the financial results of the Group.

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

- **Total Board Remunerations paid/proposed to the Members of Board of Directors in 2021**
  No remuneration has been paid / proposed for the Board of Directors for the year 2021.

- **Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for the year 2021.**
  No allowances were paid for attending the meetings of the Board of Directors or the Committees emanating from the Board for the year 2021.

- **Details of the additional allowances, salaries or fees received as a Board member, during the year 2021, other than the allowances for attending the committees and their reasons.**
  No allowances, salaries, or additional fees were disbursed during the year 2021.

1.6.2. The Board Meetings

The Board of Directors had convened five (5) meetings during 2021 as follows:

No	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
1.	10 February 2021	5	-	-	-
2.	7 March 2021	5	-	-	-
3.	29 July 2021	5	-	-	-
4.	24 October 2021	5	-	-	-
5.	19 December 2021	5	-	-	-

Below details of Board meetings attendance during the year 2021 as follows:

Board of Directors	No. of Absences/ No. of Meetings	First Meeting 10 February 2021	Second Meeting 7 March 2021	Third Meeting 29 July 2021	Fourth Meeting 24 October 2021	Fifth Meeting 19 December 2021
Mr. Mhd Somar Nassouh Ajlyaqin	-	✔	✔	✔	✔	✔
Mr. Hamad Khlfan Ali Matar Alshamsi	-	✔	✔	✔	✔	✔
Mr. Mohamed Mahmoud Ahmed Ali Alqaisieh	-	✔	✔	✔	✔	✔
Mr. Falal Ameen Valiyavalappil Kizhakkeppurayil	-	✔	✔	✔	✔	✔

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Board of Directors	No. of Absences/ No. of Meetings	First Meeting 10 February 2021	Second Meeting 7 March 2021	Third Meeting 29 July 2021	Fourth Meeting 24 October 2021	Fifth Meeting 19 December 2021
Mr. Majed Fuad Mohammad Odeh	-	✔	✔	✔	✔	✔

1.6.3. Summary of Board Resolutions Passed During 2021

Resolutions Passed at the Board Meetings

Sr No	Board Meeting Date	Resolutions Passed
1	10 February 2021	▪ Approval of the financial statements for the year ended 31 December 2020.
2	7 March 2021	▪ Finalised Invitation and agenda items for the Annual General Meeting of the Shareholders on 7th April 2021. ▪ Approved the nomination and appointment of the following as representative Directors of Royal Horizon Holding LLC on behalf of Zee Stores PJSC for the management of the business. ○ Mr Hamad Khlfan Ali Matar Alshamsi – Chairman ○ Mr Falal Ameen Valiyavalappil Kizhakeppurayil – Board Member ○ Mr Shaji Philip – Group C.F.O.
3	29 July 2021	▪ Approval of the interim financial statements for the period ended 30 June 2021.
4	24 October 2021	▪ Approval of the interim financial statements for the period ended 30 September 2021.
5	19 December 2021	▪ Approval of changing Company's activity to a holding company. ▪ Approval of amendment to Articles 6 of the Company's Articles of Association. ▪ Approval of transfer of Company's business to its subsidiary Zee Stores International LLC. ▪ Approval of amendment of Company's tradename to Ghitha Holding PJSC and amendment to Articles 3 of the Company's Articles of Association. ▪ Approval to enter into partnership with strategic shareholders in the future. Tamween Group LLC and its subsidiaries were acquired as part of this strategic partnership during December 2021 and further partnerships with other strategic shareholders are under evaluation.

1.6.4. Summary of Other Resolutions Passed During 2021

Sr No	Board Meeting Date	Resolutions Passed
1	3 January 2021	• Approval for the acquisition of 60% stake in Royal Horizon Holding LLC.
2	9 March 2021	• Approval of the Authority Matrix for banking transactions.

1.7. Board of Directors' Committees

1.7.1. Audit Committee

It is the responsibility of the Committee to provide the board with independent, objective advice on the adequacy of management's arrangements with respect to the following key aspects of the management of the Organization.

a. Audit Committee Acknowledgment

The Audit Committee members, acknowledge responsibility for discharging the Audit Committee's mandate across the Group including review of its work mechanism and ensuring its effectiveness in line with the approved charter of the Audit Committee.

b. Members of Audit Committee as of 31 December 2021

S. No	Name	Title	Category
1	Mr. Majed Fuad Mohammad Odeh	Chairman	Non-Executive/Independent
2	Mr. Mhd Somar Nassouh Ajlyaqin	Member	Non-Executive/Independent
3	Mr. Hamad Khlfan Ali Matar Alshamsi	Member	Non-Executive/Independent

c. Audit Committee Functions

Financial Reporting

- Review with the management and the external auditors all significant matters including audit opinions on the quarterly, half-yearly (as applicable) and year-end financial statements and recommend its adoption by the Board.
- Monitor compliance with financial reporting standards and regulatory requirements.
- Review significant accounting and reporting issues.
- Review the Company's financial and accounting policies and procedures.
- Review any management letter from the external auditors and ensure corrective actions by executive management.

Corporate Governance

- Oversee and monitor the implementation of the corporate governance framework within Zee Stores and ensure compliance to the regulatory requirements.
- Review and recommend to the Board, the Annual Governance Report submitted to the regulatory authorities.

Internal Control and Risk Management

- Review the Company's financial control, internal control, and risk management systems.
- Discuss the internal control system with the Management and ensuring that it fulfils its duty to establish an effective internal control system.
- Ensure an annual review of internal control system is performed to determine the overall adequacy and effectiveness of Zee Stores Internal Control System.

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External Audit

- Assessing annually their independence and objectivity considering relevant professional and regulatory requirements and the relationship with the auditor, including the provision of any non-audit services
- Meet regularly with the statutory auditor to discuss the auditor's remit and any issues arising from the audits.
- Evaluate on an annual basis the external auditor's qualifications, performance and independence.
- Ensure that Senior Management is taking necessary corrective actions to address the findings and recommendations of statutory auditors in a timely manner.

Internal Audit

- Review and approve the Internal Audit Charter.
- Review and approve audit plans, budget, staffing, and organisational structure of the Internal Audit Function and related Internal Control activities.
- Review the appointment, resignation or dismissal of the Chief Audit Executive and the internal audit provider, in case of an outsourced service provider.
- Review all reports submitted to the Committee by the Internal Audit Function and monitor management response and action to the findings and recommendations. Ensure that control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors are adequately and timely addressed by Executive Management.
- Review performance of the Chief Audit Executive, Internal Audit Function/Outsourced Internal Audit service provider (as applicable) and evaluate its performance on an annual basis.
- Report to the Board all matters presented to the Audit Committee by virtue of the delegation.
- Review all reports submitted to the Committee by International Holding Company's Audit Committee and monitor management response and action to the findings and recommendations. Ensure that control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors are adequately and timely addressed by Executive Management.
- Consider the results of the investigations in internal control matters assigned to them by the Board of Directors or are inherited by the Committee and approved by Board of Directors.

Compliance Monitoring

- Monitor the status of Zee Stores' compliance with applicable laws, regulation and agreements.
- Review the related parties' transactions with the Company and ensuring that there is no conflict of interest and recommending them to the Board of Directors before their conclusion.

d. Audit Committee Meetings During the Year 2021

Audit Committee Members	No. of absences/ No. of Meetings	Meeting 10/02/2021	Meeting 29/07/2021	Meeting 24/10/2021
Mr. Majed Fuad Mohammad Odeh	-	✔	✔	✔
Mr. Mhd Somar Nassouh Ajlyaqin	-	✔	✔	✔
Mr. Hamad Khlfan Ali Matar Alshamsi	-	✔	✔	✔

1.7.2. Nomination and Remuneration Committee

a. Nomination and Remuneration Committee Acknowledgment

The Nomination and Remuneration Committee members, acknowledge responsibility for discharging the Nomination and Remuneration Committee's mandate across the Group, review of its work mechanism and ensuring its effectiveness in line with the approved charter of the Nomination and Remuneration Committee.

b. Members of Nomination and Remuneration Committee as of 31/12/2021

S. No	Name	Title	Category
1	Mr. Hamad Khlfan Ali Matar Alshamsi	Chairman	Non-Executive/Independent
2	Mr. Mohamed Mahmoud Ahmed Ali Alqaisieh	Member	Executive / Non – Independent
3	Mr. Falal Ameen Valiyavalappil Kizhakkeppurayil	Member	Executive / Non – Independent

c. Committee Functions

- Propose policies and criteria for membership in the Board and Senior Management. The policy shall consider gender diversity encouraging active participation of women.
- Annually review the required needs of skills for Board membership and prepare description of qualification and abilities required for Board membership.
- Identify individuals qualified to become Board members, consistent with criteria approved by the Board, and to recommend to the Board the director nominees for the next annual meeting of shareholders.
- Regularly review the structure, size, and composition (including the skills, knowledge, and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- Continuously ensure that independent Directors remain independent throughout the term of their office.
- If the Committee finds that a member lacks the conditions of independence, it shall submit the matter to the Board to notify the member by a registered letter to his address known to the company about the grounds of lacking independence. The member shall reply to the Board within fifteen days from the notice date. The Board shall issue a decision that the member is independent or not independent at the first meeting following the member reply or expiration of the period referred to in the preceding paragraph without reply.
- Conduct an annual evaluation of Board performance and the performance of Board members and Committees to determine ways to strengthen its effectiveness.
- Identify the competencies required for Senior Management and the basis of selecting them.
- Consider succession planning for Directors and other senior executives in the course of its work, considering the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future.
- Formulate and carry out and annual review of policies on granting remunerations, benefits, incentives and salaries to Board members and employees of the Company.
- Annually review executive compensation trends and policies at peer groups of companies and make relevant modifications to its own policies and practices to consider market practice.
- Oversee any major changes in employee benefit structures throughout the Company
- Develop, recommend, and review annually the Company's human resources and training policies and monitor the implementation of the same.

d. Committee Meetings During the Year 2021

Member of the Committee	No. of absences/ No. of Meetings	Meeting Date 04/03/2021
Mr. Hamad Khlfan Ali Matar Alshamsi	-	✓
Mr. Mohamed Mahmoud Ahmed Ali Alqaisieh	-	✓
Mr. Falal Ameen Valiyavalappil Kizhakkeppurayil	-	✓

1.8. Executive Management

The following table lists out senior executives in the Company, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2021:

Position	Appointment Date	Total salaries and allowances paid during the year 2021 - in dirham	Total bonuses paid during the year 2021 – in dirham	Any other bonuses to be paid in the future for the year 2021 – in dirham
Managing Director	01-Nov-2007	782,748	-	-
Group CEO	01-Nov-2007	659,048	-	-
Group CFO	26-May-2009	501,586	384,000	-
General Manager	01-Nov-2007	456,000	304,000	-
H.R Manager	01-Dec-2007	320,920	107,418	-
CEO (Royal Horizon)	10-Mar-2021	799,913	-	-
MD (Royal Horizon)	07-Apr-2009	659,667	-	-
CFO (Royal Horizon)	04-Jun-2018	600,000	-	-

1.9. Related Parties Transactions

Summary of transactions with related parties amounting to 5% or more of Company's capital for the year 2021

The Company did not have transactions with any related parties amounting to 5% or more of Company's capital for the year 2021.

1.10. Risk Management and Internal Control System

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

1.10.1. Risk Management

Risk Management is the responsibility of the Board and is integral to the achievement of strategic objectives. The Board is responsible for establishing the system of risk management, setting the risk appetite and for maintaining a sound internal control system. The Audit Committee oversee the risk management process and assesses the effectiveness of risk management within the Company

Risk Management within Zee Stores starts with management's forward-thinking approach, and cascades to the business units and functions identifying, monitoring, and mitigating risks in their own sphere of work on a continuous basis. Zee Stores evaluates risk, and it seeks a balanced approach between risk and opportunities for sustained business growth.

For every new investment / acquisition, assessment of risks and opportunities starts at the initial phase and is continuously monitored and managed during execution. Any risk taken is considered within the Company's risk appetite and tolerance levels, which are reviewed annually by the Board.

1.10.2. Internal Controls

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

- The Board of Directors acknowledges its responsibility for the Company's internal control system and its review and effectiveness.
- The Company's internal control system is established to ensure that the Board and Management are able to achieve their business objectives in a prudent manner, safeguarding interests of the Company's shareholders and other stakeholders, whilst at the same time minimizing key risks such as fraud, unauthorized business activity, misleading financial statements, un-informed risk-taking, or breach of legal or contractual obligations, and also ensuring highest quality achieved in a safe and sustainable environment.
- The Board is responsible for establishing and maintaining an effective system of internal control and has established a control framework within which the Company operates. The objective of the Company's internal control framework is to ensure that internal controls are formally established as necessary. The appropriate policies and procedures are then properly documented, maintained, and adhered to, and are incorporated by the Company within its normal management and governance processes. This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Company's business objectives will be achieved.
- The Audit Committee reviews the effectiveness of the system of internal controls in accordance with its remit.

Internal Control Function- Profile and Working Mechanism

The Company's internal audit activities for the year 2021 has been performed by global consulting firm Protiviti as part of the Group Audit plan of International Holding Company, Ultimate Parent Company of Zee Stores.

Protiviti (www.protiviti.com) is a reputable firm that has been operating in the region for a number of years, with particular experience in internal audit services. Protiviti and its independent, locally owned member firms also provide consulting and managed solutions in finance, technology, risk and internal audit through its network of offices. Protiviti is a wholly owned subsidiary of Robert Half, which was founded in 1948, and is a member of the S&P 500 index.

Protiviti has strong presence in Middle East Region with offices across Abu Dhabi, Bahrain, Dubai, Egypt, Kuwait, Oman, Qatar and Saudi Arabia. They work with 70% of the top 100 GCC companies in terms of their market capitalization. Protiviti employs over 600 employees in the region with the large pool of skilled and qualified professionals. They are also the largest employer of risk advisory and internal audit professionals.

The outsourced internal audit function governs itself by adherence to the institute of internal auditors' mandatory guidance including the definition of internal auditing, the code of ethics, and the international standards for the professional practice of internal auditing (Standards).

Number of Reports Issued by Internal Control Function

During the year 2021 01 report was issued by Protiviti. During the year, no significant operational internal control failures were identified. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the Group.

1.11. External Auditor

1.11.1. Brief About the Company's External Auditor

Ernst & Young (EY) was appointed as the company's external auditor for the fiscal year 2021. Ernst & Young (EY) has people and operations in more than 150 countries, which are organized into three areas – Americas, Asia-Pacific and EMEIA – and further divided into Regions. It has been in the MENA region for more than 90 years, and in UAE since 1966. All their people work in one of their service lines – Assurance, Advisory, Tax, Transaction Advisory Services (TAS) – or in Core Business Services (CBS) which provides internal operational support such as HR and EY Technology.

Ernst & Young has been appointed since 2020 and Mr. Raed Ahmed is the Engagement Partner

The scope of the audit for the financial year 2021 is as follows:

- Provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards.
- Provide an audit opinion on the financial statements of all subsidiaries of the company in accordance with International Financial Reporting Standards; and
- Provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

1.11.2. External audit fees, Services & Costs

Below are the details and breakdowns of the external audit costs paid during 2021

- The external audit services fees of Ernst & Young for 2021 amounted to AED 420,000. These fees are against annual audit and interim review of financial statements of the Company and its subsidiaries.
- The Company incurred AED 835,783 for Financial Due Diligence, Legal Advisory, Accounting Support and Consultancy Services. The firms which provided the services are

- Acquara Management Consultant
- Hadef & Partners LLC
- The National Investor
- Mazars Chartered Accountants
- Chartered House Tax Consultancy
- Max Growth Consulting
- Guardian Independent Services
- Intelmax Management Consulting
- BSA Ahmed Bin Hezeem & Associates LLP

1.11.3. External Auditor's opinion on the financial statements

The Company's external auditor did not have any reservations to any item of the interim and annual financial statements during 2021.

1.11.4. Violations Committed by the Group during the year 2021

During the year 2021, the Group was not subject to any material fines or penalties imposed by 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.

1.12. Share Holding and Share Price Information

1.12.1. Share Price

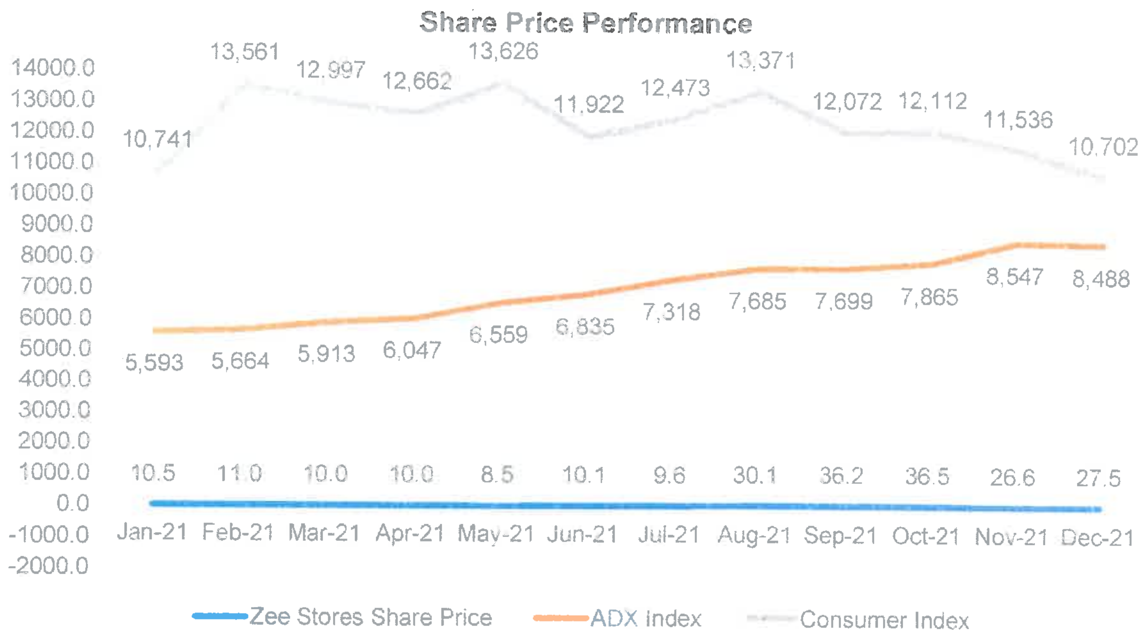
The following table presents the company's highest and lowest share price at the end of each month during the year 2021 and share performance against market index and sector index as of 31st December 2021:

	Share Price (AED)					Share Performance		
Month	High	Low	Closing price	Market Index	Consumer goods Index	Absolute	VS Market	Vs Sector
January	13.860	9.800	10.500	5,593.48	10741.46	0.0%	-10.9%	-21.8%
February	12.100	10.360	11.000	5,663.62	13561.24	4.8%	3.5%	-21.5%
March	11.020	9.600	10.000	5,912.56	12997.08	-9.1%	-13.5%	-4.9%
April	11.900	9.020	10.000	6,046.80	12662.44	0.0%	-2.3%	2.6%
May	10.000	7.950	8.520	6,558.71	13625.89	-14.8%	-23.3%	-22.4%
June	10.320	8.000	10.100	6,835.43	11921.94	18.5%	14.3%	31.0%
July	10.000	9.140	9.620	7,318.18	12473.11	-4.8%	-11.8%	-9.4%
August	30.080	9.140	30.080	7,684.61	13370.85	212.7%	207.7%	205.5%
September	53.000	30.000	36.220	7,698.81	12072.41	20.4%	20.2%	30.1%
October	44.960	31.500	36.500	7,865.11	12111.71	0.8%	-1.4%	0.4%
November	37.000	24.600	26.600	8,546.52	11536.25	-27.1%	-35.8%	-22.4%
December	32.100	25.520	27.500	8,488.36	10702.34	3.4%	4.1%	10.6%

Overall Performance During 2021	53.000	7.950	27.500	8,488.36	10,702.34			

1.12.2. Company's share price performance during the year 2021

1.12.3. Performance of the Company's shares, compared with the ADX index and ADX Consumer Goods index during the year 2021



1.13. Distribution of Shareholders' Ownership

Description	Individuals	Companies	Governments	Total
UAE	7,798,720	88,681,228	-	96,479,948
GCC	-	-	-	-
Arabs	107,903	2,000	-	109,903
Foreigners	3,410,149	-	-	3,410,149
Total	11,316,772	88,683,228	-	100,000,000
Percentage %	**11.3%**	**88.7%**	-	**100%**

1.13.1. Statement of Shareholders Ownership 5% or More

Name of Shareholders	Shares Owned in the Company	Shareholders Share %
IHC Food Holding LLC	70,181,800	70%
Sublime Commercial Investment	6,915,300	7%
Asyad Companies Management Sole Proprietorship LLC	6,500,000	6.50%
Total	**83,597,100**	**83.5%**

1.13.2. Shareholders Ownership Distribution

Ownership of Shares	Number of owned shares	Number of shareholders	Ownership %
Less than 50,000	521,646	155	0.5%
From 50,000- Less than 500,000	1,725,361	15	1.7%
From 500,000- Less than 5,000,000	14,155,893	7	14.2%
More than 5,000,000	83,597,100	3	83.6%
Total	100,000,000	180	100%

1.14. Investor Relations Affairs

The Company has established a department specialized in managing the affairs of the shareholders. The Investor Relations Officer has been appointed and holds the following qualifications:

- Holds a bachelor's degree in accounting and finance.
- Aware of the relevant legal and legislative requirements.
- Has full knowledge of the company's activities and opportunities.
- Has the ability to use different channels of communication and has the skills to communicate with investors in securities.

Mr. Mohammed Jasheer Mustafa has been appointed as Investor Relations Officer for Zee Stores. Contact details for Investor Relations Officer:

Mr. Mohammed Jasheer Mustafa

Address:
Zee Stores PJSC
P.O. Box 53314
Abu Dhabi, U.A.E.
T: +97126733161 (145) | M: +971506694123
Email: mohammed.jm@zeestores.ae

1.15. Special Resolutions Presented to the General Assembly Held During 2021

No special resolutions were passed at the General Assembly during 2021.

1.16. Emiratization Percentage in the Company as of 2021

2021

Number of Employees	Emiratis	Non-Emiratis	Total
Total	5	1,772	1,777
Ratio	0.28%	99.72%	100.00%

1.17. Significant Events During 2021

January 2021

- Acquisition of 60% stake in Royal Horizon Holding LLC, a leading soft commodity distributor.

September 2021

- Commencement of operations at the newly constructed additional warehouse measuring 21,520 sq ft in Kizad area.

December 2021

- Approval by the Board of Directors of Zee Stores to rebrand Zee Stores to Ghitha Holding. Zee Stores was rebranded as Ghitha Holding PJSC in January 2022.
- Acquisition of entire shareholding of the following entities of Tamween Group LLC, a subsidiary of IHC.
  - AGRINV SPV RSC Limited – 100% stake
  - Alliance Food Co SO LLC – 100% stake
  - Al Ajban Poultry LLC – 100% stake
  - Agriculture Investment Holding Company (Ethmar) LTD – 50% stake (Joint Venture)
  - NRTC Food Holding LLC – 41% stake

1.18. Initiatives and Innovations During 2021

During the year 2021, Zee Stores launched the following new products

- Launch of Hand Sanitizer (Gel and Spray) and Hand wash products under the brand name "Zeal".
- Launching of new products (spices, pulses, sugar) under "Delice" brand.

ZEE STORE PJSC

The Report was approved by the Board of Directors on 25/02/2022

Mr. Mhd Somar Nassouh Ajalyaqin
Chairman, Board of Directors

Mr. Majed Fuad Mohammad Odeh
Chairman- Audit Committee

Mr. Hamad Khlfan Ali Matar Alshamsi
Chairman- Nomination and Remuneration Committee

ZEE STORE PJSC