

Al Khalij Holding Company Q.S.C.

Corporate Governance Review Report

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Section 1: Executive Summary

Deloitte has performed a review of the corporate governance practices of Al Khalij Holding Company (Q.S.C.) (KHC) and has compared the existing practices of the company against the corporate governance framework issued by the QFMA on 27 Jan 2009 (“QFMA corporate governance framework”). The details of the scope and process of our work is given in the engagement letter of the assignment (for engagement letter refer appendix – H).

This review is primarily performed to assess the company’s adherence to the QFMA corporate governance framework and in cases of non-compliance we have obtained management responses / justification of non-compliance. The review focuses on the requirements that are mentioned in the explanation letter issued by Qatar Exchange to the companies on 28 July 2010. This review should not be construed as a review of compliance with the requirements of Commercial Companies Laws. The information mentioned in the appendices (Section 4) is for reference purposes and is not audited for its completeness. This report is prepared for the management of the company.

The review was conducted with the main source of information being the review of documents provided to Deloitte.

Below is a summary of our key observations, for details of the review work performed refer (Section 3) of this report.

No.	Observations	Management’s Comments
Chairman of the board as GM		
1.	<p>QFMA corporate governance framework prohibits a person to occupy or practice both the positions of the chairman and the CEO. It does not permit any one person in the company to have unfettered powers to take decisions.</p> <p>The chairman of the board is also currently working as the acting General Manager or CEO of the company.</p>	<p>KHC in process of hiring GM as the previous GM resigned on June 2010.</p>
Required Committees		
2.	<p>As per QFMA corporate governance framework a company is encouraged to have the following committees:</p> <ol style="list-style-type: none"> 1. Nomination committee. 2. Remuneration committee. 3. Audit committee. <p>The company has planned to establish the above mentioned committees and they will be ready to be effective from the next board meeting.</p>	<p>Due to the expansion of activities subsequent to transferring the company into holding entity and merging with Qatari Investors Group; it has been scheduled on the top priorities of the next board meetings to set the mentioned committees at the nearest possible time before the next general assembly meeting.</p>
Required Policies and Procedures		
3.	<p>The QFMA corporate governance framework requires the BOD of a company to approve various policies to regulate the internal control environment of the company.</p> <p>The management have drafted various required policies which are pending approval of the board, please refer appendix G for the list of policies. These policies will be approved by next Board meetings.</p>	<p>The Company now in a process to approve all the policies and procedures from the Board in the next meeting.</p>

No.	Observations	Management's Comments
Ongoing education and training for the board members and orientation pack for incoming directors		
4.	<p>As per QFMA corporate governance framework the board should put in place the following:</p> <ol style="list-style-type: none"> Induction program for newly appointed board members in order to ensure that, upon their election, board members are made fully aware of their responsibilities, and have proper understanding of the manner in which the company operates; and On-going training program to provide appropriate understanding to the directors about their role and duties and to educate them about financial, business, and industry practices as well as the company's operations. A process to ensure that the directors are at all times kept updated about the latest developments in the area of corporate governance. <p>The company does not have the above mentioned processes.</p>	<p>The current board of directors are all appointed for 5 years as per the AOA.</p> <p>Furthermore; they are all businessmen frequently elected to board membership, hence they are not fresh members there is no need for such program for the time being.</p>
Performance Management System and Employee Incentive Scheme		
5.	<p>QFMA code requires that a company should establish a performance management mechanism for the staff. It also requires that a company should have an approved incentive scheme for the employees, and incentive scheme should be linked with the long term objectives of the company.</p> <p>The company does not have a performance management system or an approved incentive scheme.</p>	<p>The main project of the company being under construction for the last years not give such considerable number of staff to establish such system. Nevertheless; a proposal for the incentive scheme has been suggested and is under drafting.</p>
Shareholder's rights		
6.	<ol style="list-style-type: none"> As per QFMA corporate governance framework the company shall include in its AOA procedures of access to information to ensure that shareholders rights of access to company documents and information in a timely manner and on regular basis are preserved. <p>The AOA of the company do not describe the process for the shareholders to obtain information such as:</p> <ul style="list-style-type: none"> - Instruments creating a charge or right on the company's assets; and - Related party contracts. <ol style="list-style-type: none"> The QFMA code requires that shareholders should have the right of *cumulative voting for the board members election. <p>The AOA of the company do not specifically mention the process as "cumulative voting".</p> <ol style="list-style-type: none"> The QFMA codes require that companies should adopt in their AOA provisions for the protection of minority shareholders interests. <p>The AOA of the company does not contain any specific clause for the protection of minority interest.</p> <p><u>*Cumulative Voting</u></p> <p>For the election of board members every shareholder shall hold a total number of votes equal to the shareholder's total number of voting shares multiplied by the number of seats to be filled on the board. The shareholder shall have the right to allocate the said total number of votes to single board candidate or distribute his/her votes amongst such number of candidates as decided by the said shareholder.</p>	<p>It is well known that AOA in Qatar is not tailor able at the pleasure of the founders; albeit it is a model of application that leaves no room for alteration. Article 44 (Company By-Law) gives such information access to all shareholders.</p> <p>Furthermore; the Corporate Governance has been issue subsequent to the AOA issuance Date; hence it needs a general assembly meeting (extraordinary) to amend the AOA to comply with the said requirements (Scheduled).</p> <p>*Article 50 of Company By-Law adopt Straight voting not Cumulative voting which needs to be implemented an amendment to the AOA (Scheduled)</p>

No.	Observations	Management's Comments
Board secretary (terms of reference)		
7.	<p>As per QFMA corporate governance framework the board should appoint a secretary whose functions include maintaining, coordinating and taking note of the deliberations and discussions during the meeting and organizing the board minutes, records, books and reports submitted to the board and by the board.</p> <p>The board secretary may be only appointed or dismissed by a resolution issued by the board of directors.</p> <p>The roles and responsibilities of the board secretary are not documented. Further the method of appointment and dismissal of the board secretary is not specifically mentioned in any company document.</p>	<p>BOD secretary is a mere coordinative post and it is commonly assigned to Chairman board the appointment and dismissal and declared in the BOD meeting.</p> <p>Nevertheless; the BOD Secretary's responsibility is indicated through AOA (Mainly Art. 39 and 44 therein)</p>

Acknowledgement:

We would like to take this opportunity to thank Al Khalij Holding Company's management and the staff for their co-operation and assistance during the course of our review.

Section 2: Company Background

Al Khalij Holding Company (Q.S.C.) is a Qatari shareholding company incorporated in the State of Qatar on May 4, 2006 under commercial registration No. 32831, with its registered office in Doha. The company is governed by the provisions of the Qatar Commercial Company's Law No. 5 of 2002 and the Doha Securities Market Regulations.

The company has been formed to primarily engage in the production and sale of cement. The Company also engages in setting up factories, importing and exporting cement, and invests in shares and real estate.

One of the subsidiaries (Gulf Cement Company) had not started operations as of the date of this report. The subsidiary's activities were confined to setting up the plant, testing of limited production of cement mill, and utilization of the monies received from the shareholders in investment activities in addition to financing all the stages of the plant's construction.

During the year, the shareholders approved in their Extra-ordinary General Assembly Meeting on April 26, 2009, the 100% acquisition of Qatari Investor Group Company W.L.L. The total purchase consideration amounted to QR. 879 million, which was settled by way of issue of the Company's shares at a premium of QR. 435.73 million. The transaction resulted in goodwill of QR. 314 million. The effective date of the acquisition was January 01, 2009

Currently the company has around 345 employees.

Section 3: Corporate Governance Review

i. Board of directors

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Do the Articles of Association (AOA) of the company specify the number of the board of director's (BOD) members? 	<ul style="list-style-type: none"> ▪ The formation of the board is determined in the articles of association of the company. 	<ul style="list-style-type: none"> ▪ The AOA of the company was approved by the Ministry of Finance, Economy & Commerce in 18 Jun 2009. Article 31 of AOA states that the board shall be composed of 7 directors. 	<ul style="list-style-type: none"> ▪ None.
<ul style="list-style-type: none"> ➤ Does the BOD contain executive, non-executive and independent members? 	<ul style="list-style-type: none"> ▪ The board should comprise executive, non-executive and independent members in order to secure that the board decisions are not controlled by one person or a small group of individuals. 	<ul style="list-style-type: none"> ▪ There are 7 members on the BOD. For details relating to the composition of the board (refer appendix – B). 	<ul style="list-style-type: none"> ▪ None.
<ul style="list-style-type: none"> ➤ Does the BOD have sufficient independent members? 	<ul style="list-style-type: none"> ▪ One third of the board members at least should be independent members and the majority of the members should be among the non-executive members. ▪ Company should have an adequate number and appropriate composition of directors who are capable of exercising judgment independently. 	<ul style="list-style-type: none"> ▪ 6 members of the board are non-executive and independent. However, one board member is acting in executive capacity (refer appendix – B). 	<ul style="list-style-type: none"> ▪ None.

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Does the general assembly reserve the right to dismiss BOD members? 	<ul style="list-style-type: none"> ▪ The AOA of the company should specify the manner in which membership of a director is terminated. 	<ul style="list-style-type: none"> ▪ Article 40 of AOA states that the general assembly reserves the right to dismiss the chairman or members of the BOD. 	<ul style="list-style-type: none"> ▪ None.
<ul style="list-style-type: none"> ➤ Does the AOA specify the manner of termination of BOD members? 	<ul style="list-style-type: none"> ▪ The company's articles of association shall include clear procedures for removing board members in the event of failing to attend board meetings. 	<ul style="list-style-type: none"> ▪ Article 33 of the AOA specifies that the term of the director (no. of years) of the first board is 5 years however, the term for the second board and proceeding boards will be 3 years. ▪ Article 40 of the AOA provides the right to the general assembly to dismiss the chairman of the board or any of the BOD members based on a board request approved by the majority of the members or on an approved request from the shareholders, who own ¼ of the capital. 	<ul style="list-style-type: none"> ▪ None.
<ul style="list-style-type: none"> ➤ Does the chairman of the board form part of the management? 	<ul style="list-style-type: none"> ▪ It shall not be permitted that one person occupies or practices both the positions of the chairman and the chief executive officer of the company. Separation of responsibilities should be clearly applied on both positions. ▪ In all cases, it shall not be permitted that one person in the company has the absolute power to take decisions. 	<ul style="list-style-type: none"> ▪ Article 41 provides the manner by which a director can be terminated. It mentions that if a director fails to attend three consecutive or five non-consecutive board meetings in a year without a reason accepted by the board, he could be terminated by board. ▪ Mr. Abdullah Bin Nasser Al-Misnad is the chairman of the board and the managing director (refer to appendix – B). In addition, the chairman is currently also acting as general manager. ▪ The company has authority matrix in place for approvals. 	<ul style="list-style-type: none"> ▪ None. ▪ The chairman of the board is also the managing director and acting GM. ▪ None.

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Does the chairman of the board form part of any of the board sub-committees? ➤ Does the chairman approve the agenda of every board meeting? ➤ Does the chairman annually evaluate the performance of the board? ➤ Does the BOD assume all the necessary powers for the company's management? Does it take the responsibility of all the issues related to the company? 	<ul style="list-style-type: none"> ▪ The chairman of the board of directors may not be member of the remuneration or audit committee. ▪ The chairman should approve the agenda of every meeting, taking in consideration the items addressed by any member on the board. ▪ It is the responsibility of the chairman to conduct an annual evaluation of the performance of the BOD. ▪ The company shall be managed by an effective board of directors which shall be individually and collectively responsible for the proper management of the company. ▪ The board shall be responsible for <ul style="list-style-type: none"> - Approving the company's strategic objectives; - Appointing and replacing management and setting management compensation; - Reviewing management performance; - Ensuring succession planning of the management; - Ensuring the company's compliance with related laws and regulations as well as the company's articles of association and by-laws; and - Protecting the company from illegal, abusive or inappropriate actions. 	<ul style="list-style-type: none"> ▪ The chairman of the board is not a part of remuneration, nomination or audit committee. ▪ Chairman approves the agenda of every board meeting before circulation. ▪ The company does not have a process for performance evaluation of the board. ▪ As per article 37 of AOA, the company shall be managed by the board, which may exercise all such powers which are not required to be exercised by the regulations or by the AOA at AGM. ▪ The company does not have a documented board charter highlighting BOD collectively responsibilities and individual director's responsibilities. However the roles and responsibilities of the board are mentioned in the AOA. ▪ The company has drafted a succession plan for the senior management which will be approved in the next board meeting. 	<ul style="list-style-type: none"> ▪ None. ▪ None. ▪ Absence of a process. ▪ None. ▪ None. ▪ Succession plan to be approved in the next BOD meeting.

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Has the board given clear instructions in case the power is delegated to any authority? ➤ Does the board have an approved charter or terms of references (TORs) for its functions and responsibilities? ➤ Does the company have a formal system of performance appraisal of the board, board sub- committees and individual directors? 	<ul style="list-style-type: none"> ▪ The board may delegate some of its functions and constitute special committees, for the purpose of undertaking specific operations on its behalf. In this case written and clear instructions shall be given concerning the delegated function with the requirement to obtain the Board’s prior approval on specific matters. In any event the board remains liable for all of its functions or authorities so delegated. ▪ The board should ensure that the company adopts TORs for the board detailing their functions and duties to be completely observed by the board. ▪ The TORs of the board should be published and made available to the public. ▪ The TORs should comply with the requirements of QFMA and leading practices. ▪ The BOD should adopt a formal process for self assessment of the performance of the board as well as the performance reviews of the board sub- committees and individual directors. 	<ul style="list-style-type: none"> ▪ The board has documented and approved authority matrix through which power is delegated and has reserved certain powers to itself. ▪ The board has not constituted any board sub-committee; however, there are the following management committees (refer to appendix – C): <ul style="list-style-type: none"> - Compensation and human resources committee; and - Strategic planning committee. ▪ The BOD has not approved and implemented a terms of reference for BOD. However the AOA mentions directors responsibilities. ▪ N/A ▪ N/A ▪ The company does not have a formal system of performance appraisal of board, board sub-committees and individual directors. However as per the explanation letter issued by QE 	<ul style="list-style-type: none"> ▪ None. ▪ None. ▪ None. ▪ N/A ▪ N/A ▪ None.

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Does the company have a documented orientation pack /handbook/ program for incoming directors? ➤ Does the company have any program for ongoing education and training for the board members? ➤ Does the company have any procedure to ensure that the board is kept up-to date with the latest developments in the area of corporate governance? ➤ Does the board, document its meetings and prepare records of the deliberations and the voting, and arrange for these records to be kept in chapters for ease of reference? 	<ul style="list-style-type: none"> ▪ The board shall put in place an induction program for newly appointed board members in order to ensure that, upon their election, Board Members are made fully aware of their responsibilities, and have proper understanding of the manner in which the company operates. ▪ The board is responsible for having an appropriate understanding of their role and duties and for educating themselves in financial, business, and industry practices as well as the company's operations. The Board shall adopt a formal training program. ▪ The BOD shall at all times keep its members updated about the latest developments in the area of corporate governance. The board may delegate the same to the audit committee or the governance committee or to any other body. ▪ Minutes of the meetings of the board should be documented, approved and safe kept. 	<ul style="list-style-type: none"> ▪ No formal induction plan in place for newly appointed members of the board. ▪ Currently the company does not have a formal training program for the directors. ▪ Not specifically required and documented and also not specifically delegated to any committee or member of the management. ▪ Article 44 of the AOA requires all the minutes of meetings to be kept as record in a special register; chairman, managing director and board secretary are required to approve the minutes. ▪ Minutes of all the board meetings held during the year were approved by the chairman, managing director and board secretary. 	<ul style="list-style-type: none"> ▪ Absence of a formal induction program for newly appointed directors. ▪ Absence of a training program. ▪ No formal process. ▪ None. ▪ None

Board of Directors	QFMA Requirements	Current Structure	GAP
➤ Is the agenda of the board meeting and other documents provided to the board members well before the meeting?	<ul style="list-style-type: none"> ▪ The invitation should be sent along with the agenda to each member at least one week prior to the meeting. 	<ul style="list-style-type: none"> ▪ Information is generally sent 2 weeks before the meeting. (For details of the meetings and dates of circulation of agenda refer appendix – D). 	<ul style="list-style-type: none"> ▪ None.
➤ Can any director other than the chairman convene a board meeting?	<ul style="list-style-type: none"> ▪ Every member shall have the right to add any item on the agenda. 	<ul style="list-style-type: none"> ▪ Not specifically mentioned in AOA. 	<ul style="list-style-type: none"> ▪ None.
➤ Does the board meet regularly to discuss the issues relating to the company?	<ul style="list-style-type: none"> ▪ The board should meet upon an invitation by its chairman or upon a written request submitted by two members of the board. 	<ul style="list-style-type: none"> ▪ Article 39 of the AOA provides that board meetings shall be convened only by an invitation of its chairman or based on a request from at least 2 directors. 	<ul style="list-style-type: none"> ▪ None.
➤ Does the board meet regularly to discuss the issues relating to the company?	<ul style="list-style-type: none"> ▪ The board should meet at least 6 times per year. 	<ul style="list-style-type: none"> ▪ Article 39 of the AOA mentions that the board should meet at least 6 times per year. There should be a meeting every 2 months. (Please refer to appendix - D for board meetings). 	<ul style="list-style-type: none"> ▪ None
➤ Does the board review the proceedings of the meetings conducted by the committees?	<ul style="list-style-type: none"> ▪ The proceedings of the meetings conducted by committees should be included in the agenda of the first meeting of the BOD that follows the meeting of the committees. 	<ul style="list-style-type: none"> ▪ The board reviews the proceedings of the meetings conducted by the committees. 	<ul style="list-style-type: none"> ▪ None
➤ Does the board have a clear and formal directors' remuneration policy that is aligned with shareholders' interests? Is it disclosed to the shareholders?	<ul style="list-style-type: none"> ▪ A company should have a directors' remuneration policy which is in line with the shareholders' interests. 	<ul style="list-style-type: none"> ▪ The company prepared a directors' remuneration policy and in process to be approved by the BOD in the next meeting. 	<ul style="list-style-type: none"> ▪ Policy to be approved in the next BOD meeting.
➤ Is the remuneration of the directors disclosed to the general assembly?	<ul style="list-style-type: none"> ▪ The remuneration policy shall be presented to the shareholders in the general assembly for approval and shall be made public. 	<ul style="list-style-type: none"> ▪ The company prepared a directors' remuneration policy and in process to be approved by the BOD in the next meeting. 	<ul style="list-style-type: none"> ▪ Policy to be approved in the next BOD meeting.

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Has BOD approved and implemented rules for internal controls systems and does it perform periodic review of those systems? ➤ Has board approved and implemented code of conduct for directors and employees? ➤ Does the company have formally documented policies and procedures for transactions with related parties? 	<ul style="list-style-type: none"> ▪ It is the responsibility of the BOD to lay down the rules for internal control systems and performing a periodic review of the effectiveness of the internal control systems. ▪ BOD is responsible to approve and implement a code of conduct for the company's directors and staff to regulate their relationship with the stakeholders. The code should be compatible with the proper professional and ethical standards. ▪ The company shall adopt and make public general rules and procedures governing the company's entering into any commercial transaction with a related party. ▪ In any event the company shall not be permitted to enter into any commercial transaction with any a related party unless in strict compliance with the aforementioned policy. ▪ The related party transaction shall be approved by a majority vote of the shareholders, without the concerned related party participating in the voting. 	<ul style="list-style-type: none"> ▪ The company has established various internal control procedures and BOD does receive periodic reports for their effectiveness. ▪ The company has not established compliance, risk and internal audit department. However these requirements are currently not applicable on the company. ▪ The code of conduct for directors has not been prepared yet. On the other hand, the code of conduct for employees is being drafted but not finalized yet. ▪ The company prepared policies and procedures for transactions with related parties and in process to be approved by the BOD in the next meeting. ▪ Mentioned in the draft policy. ▪ Mentioned in the policy and the AOA. 	<ul style="list-style-type: none"> ▪ None. ▪ None. ▪ Policy to be approved in next BOD meeting. ▪ As above. ▪ None.

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Has board approved and implemented a policy to regulate the conflict of interest? 	<ul style="list-style-type: none"> ▪ Whenever an issue involving conflict of interests or any commercial transaction between the company and any of its board members or any party related to said board member, is discussed in a board meeting, the said issue shall be discussed in the absence of the concerned board member who may not in any event participate in the voting on the matter. Such transaction shall be made at market prices and on arm's length basis and shall not involve terms contrary to company' interests. ▪ In any event, such transactions shall be disclosed in the company's annual report and specifically referred to in the general assembly following such commercial transactions. 	<ul style="list-style-type: none"> ▪ The company prepared a policy to regulate the conflict of interest and in process to be approved by the BOD in the next meeting. ▪ Mentioned in the draft policy. 	<ul style="list-style-type: none"> ▪ Policy to be approved in the next BOD meeting. ▪ Policy to be approved in the next BOD meeting.
<ul style="list-style-type: none"> ➤ Has board approved and implemented a policy to regulate the trading by directors or shareholders in the shares of the company? 	<ul style="list-style-type: none"> ▪ Trading by board members' in the company's shares and other securities shall be disclosed and the company shall adopt clear rules and procedures governing trading by board members and employees in the company securities. 	<ul style="list-style-type: none"> ▪ The company prepared a policy to regulate the trading by directors or shareholders in the shares of the company and in process to be approved by the BOD in the next meeting. 	<ul style="list-style-type: none"> ▪ Policy to be approved in the next BOD meeting.
<ul style="list-style-type: none"> ➤ Has the BOD approved and implemented a code of corporate governance? 	<ul style="list-style-type: none"> ▪ The BOD is responsible to approve and implement a corporate governance code, supervising and monitoring in general the effectiveness of the code and amending it, whenever necessary. 	<ul style="list-style-type: none"> ▪ The company prepared a code of corporate governance and in process to be approved by the BOD in the next meeting. 	<ul style="list-style-type: none"> ▪ Code of corporate governance will be approved in the next BOD meeting.

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Have policies to ensure compliance with regulations to disclose material information to stakeholders formally documented and approved by the board? 	<ul style="list-style-type: none"> ▪ The BOD is responsible for deciding on policies to ensure company's compliance with the regulations and to disclose material information to shareholders, creditors and other stakeholders. 	<ul style="list-style-type: none"> ▪ The BOD has drafted a compliance manual, highlighting policies and procedures to ensure compliance with applicable rules and regulations. 	<ul style="list-style-type: none"> ▪ Compliance manual to be approved by the next Board meeting.
<ul style="list-style-type: none"> ➤ Has the board implemented a whistle blowing policy or established compliance hotlines? 	<ul style="list-style-type: none"> ▪ The BOD should ensure that employees are encouraged and enabled to raise serious concerns, if needed, at the right level. 	<ul style="list-style-type: none"> ▪ The BOD has not documented a policy relating to whistle blowing. However, the chairman and the secretary of the board launched a hotline email "feedback@alkhalijholding.com" and sent it to the employees in 25 Feb 2010 in order to raise suggestions/ complaints. 	<ul style="list-style-type: none"> ▪ None
<ul style="list-style-type: none"> ➤ Are the powers to be delegated to the executive management determined by the BOD? 	<ul style="list-style-type: none"> ▪ The BOD should determine the powers to be delegated to the executive management and the procedures for taking any action and the validity of such delegation. The executive management should submit to the BOD periodic reports on the exercise of the delegated powers. 	<ul style="list-style-type: none"> ▪ The BOD has approved authority matrix for the company in 27 Jul 2010. 	<ul style="list-style-type: none"> ▪ None
<ul style="list-style-type: none"> ➤ Has the board appointed a board secretary? 	<ul style="list-style-type: none"> ▪ The board appoints a secretary whose functions include maintaining, coordinating and taking note of the deliberations and discussions during the meeting and organizing the board minutes, records, books and reports submitted to the board and by the board. 	<ul style="list-style-type: none"> ▪ The chairman of the board has appointed the secretary of the board and informed the BOD. However the duties and responsibilities of the secretary are documented in the AOA and the management in process to have separate documentation for the above. 	<ul style="list-style-type: none"> ▪ Absence of a separate approved TOR document for board secretary.
<ul style="list-style-type: none"> ➤ Who can appoint and dismiss the board secretary? 	<ul style="list-style-type: none"> ▪ The board secretary may be only appointed or dismissed by a resolution issued by the board of directors. 	<ul style="list-style-type: none"> ▪ The chairman of the board has appointed the secretary of the board and informed the BOD. 	<ul style="list-style-type: none"> ▪ Secretary not appointed through a board resolution.

Board of Directors	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Is the secretary properly qualified to perform its duties and functions? ➤ Does the incentive scheme of the company link the senior management's incentives with the long term success of the company? 	<ul style="list-style-type: none"> ▪ The secretary should preferably be a member in a recognized professional accounting association, a member in a chartered secretary association, a lawyer or a university degree holder or its equivalent with three years of experience at least in assuming the affairs of a public company listed on the market. ▪ The board should develop a remuneration policy that provides incentives to employees to always perform in the best interests of the company. This policy should take into consideration the long term performance of the company. 	<ul style="list-style-type: none"> ▪ The secretary of the board is a lawyer. ▪ The company prepared remuneration policy and in process to be approved by the BOD in the next meeting. 	<ul style="list-style-type: none"> ▪ None ▪ Policy to be approved in the next BOD meeting.

ii. Committees

Committees	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Has the board devised a formal system of performance appraisal of the committees? ➤ Has the board determined the duties, duration and the powers of each of its committees and the manner in which the board monitors its activities? ➤ Do the committees notify the board of its activities, findings or decisions? Does the board periodically monitor the activities of such committees? ➤ Does the board have sufficient committees to whom the necessary duties have been allocated? 	<ul style="list-style-type: none"> ▪ The performance of the committees should be evaluated on a yearly basis. ▪ The formation of committees subordinate to the BOD should be according to general procedures laid down by the board, indicating the duties, the duration and the powers of each committee, and the manner in which the board monitors its activities. ▪ The committees should notify the board of its activities, findings or decisions with complete transparency. The board should periodically pursue the activities of such committees so as to ensure that the activities entrusted to those committees are duly performed. ▪ A company should have the following committees: <ul style="list-style-type: none"> - Nomination committee; - Audit committee; and - Remuneration committee. 	<ul style="list-style-type: none"> ▪ The company does not have a formal mechanism of performance assessment of committees. Requirement not currently applicable. ▪ There are no BOD sub-committees. Committees will be established after the next BOD meeting. ▪ The company has only the following management committees (refer to appendix – C for detail of committees): <ul style="list-style-type: none"> - Compensation and human resources committee; and - Strategic planning committee. <p>The roles, responsibilities and authorities of the compensation and human resources committee are not approved by the board yet.</p> ▪ The required committees established and in process to be approved in the coming BOD meeting. 	<ul style="list-style-type: none"> ▪ Absence of a mechanism to assess committees' performance. ▪ N/A ▪ None. ▪ Board approval to be obtained in the next BOD meeting.

a) Remuneration Committee

Remuneration Committee	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Has the board established a remuneration committee? Does it have enough independence? ➤ Does the remuneration committee have its approved terms of references? Do they describe its roles and powers? 	<ul style="list-style-type: none"> ▪ The board of directors shall establish a remuneration committee comprised of at least three non-executive board members the majority of who must be independent. ▪ Upon its constitution, the remuneration committee shall adopt and make available its terms of reference explaining its role and main responsibilities. ▪ The remuneration committee's main role shall include setting the remuneration policy of the company including remuneration of the chairman and all board members as well as senior executive management. ▪ Remuneration shall take into account the responsibilities and scope of the functions of the board members and members of senior executive management as well as the performance of the company. Compensation may include fixed and performance-related components, noting that such performance related components should be based on the long-term performance of the company. 	<ul style="list-style-type: none"> ▪ The required committee established and in process to be approved in the coming BOD meeting. ▪ N/A ▪ N/A ▪ N/A 	<ul style="list-style-type: none"> ▪ Committee to be formally established in the next BOD. ▪ N/A ▪ N/A ▪ N/A

b) Nomination Committee

Nomination Committee	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Has the BOD formed a nomination committee? Is the chairman of the nomination committee an independent board member? ➤ Does the nomination committee perform a formal assessment of the proposed director in accordance with the fit and proper criteria? ➤ Does the nomination committee have its approved terms of references? Do they describe its roles and powers? 	<ul style="list-style-type: none"> ▪ The board shall constitute a nomination committee chaired by an independent board member and comprised of Independent board members which shall recommend board members' appointments and re-nomination for election by the general assembly ▪ Nomination committee should take into account the candidates' sufficient availability to perform their duties as board members, in addition to their skills, knowledge and experience as well as professional, technical, academic qualifications & personality and should be based on the 'Fit and Proper guidelines for nomination of board members issued by QFMA. ▪ Upon its establishment, the nomination committee shall adopt and publish its terms of reference explaining its authority and role. ▪ The nomination committee's role shall also include conducting an annual self-assessment of the board's performance. 	<ul style="list-style-type: none"> ▪ The required committee established and in process to be approved in the coming BOD meeting. ▪ N/A ▪ N/A ▪ N/A 	<ul style="list-style-type: none"> ▪ Committee to be formally established in the next BOD. ▪ N/A ▪ N/A ▪ N/A

c) Audit Committee

Audit Committee	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Has the board established an audit committee with sufficient independent members in it? 	<ul style="list-style-type: none"> ▪ The board of directors shall establish an audit committee that shall be comprised of at least three members the majority of whom should be independent. 	<ul style="list-style-type: none"> ▪ The required committee established and in process to be approved in the coming BOD meeting. 	<ul style="list-style-type: none"> ▪ Committee to be formally established in the next BOD.
<ul style="list-style-type: none"> ➤ Is the chairman of the audit committee an independent member? Does the committee have at-least one member who is an expert in financial matters? 	<ul style="list-style-type: none"> ▪ The audit committee must include at least one member with financial and audit experience. If the number of available independent board members was not sufficient to fill the audit committee membership, the company may appoint members that are not independent board members provided that the chairman of the committee is independent. 	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A
<ul style="list-style-type: none"> ➤ Does audit committee have any members who were previously employed by the external auditors of the company? 	<ul style="list-style-type: none"> ▪ In any event, any person who is or has been employed by the company's external auditors within the last 2 years may not be a member of the audit committee. 	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A
<ul style="list-style-type: none"> ➤ How often does the audit committee meet? 	<ul style="list-style-type: none"> ▪ The audit committee shall meet as needed and regularly at least once every three months and shall keep minutes of its meetings. 	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A
<ul style="list-style-type: none"> ➤ Has the company made proper disclosures in case of dispute between committee and the board? 	<ul style="list-style-type: none"> ▪ In the event of any disagreement between the audit committee's and the board including where the board refuses to follow the committee's recommendations concerning the external auditor, the board shall include in the company's governance report, a statement detailing such recommendations and the reasons not to follow the recommendations. 	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A

Audit Committee	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Has the audit committee developed and implemented its approved terms of references? Do the terms of references cover its responsibilities relating to external auditors, validity of financial statements, internal controls and risk assessment? 	<ul style="list-style-type: none"> ▪ Audit committee should adopt and make public its terms of reference explaining its main role and responsibilities as mentioned in QFMA code. 	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A

iii. Internal Audit Function

Internal Audit Function	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Does the company have an internal controls system / policies approved by the board? ➤ As per the explanation letter issued by QE to the companies, these requirements are not currently applicable to the company. 	<ul style="list-style-type: none"> ▪ The company shall adopt internal control systems, approved by the board, to evaluate the methods and procedures for risk management, implementation of the company's corporate governance code and compliance with related laws and regulations. And the internal control systems shall set clear lines of responsibility and accountability throughout the company's departments. ▪ As per the explanation letter issued by QE to the companies, these requirements are not currently applicable to the company. 	<ul style="list-style-type: none"> ▪ The following policies have been established: <ul style="list-style-type: none"> - Finance manual (approved by the chairman in June 2010); - HR manual approved by chairman in 16 Aug 2010); - IT policy was established and not approved by the board; - Black berry policy was established in March 2010 however it is not approved by the board yet. (Refer appendix – G for available policies and procedures). <p>In addition, the company drafted the following internal controls and risk related policies:</p> <ul style="list-style-type: none"> - AML policy; - Compliance manual; - Risk management; - Various operational manuals; - Investment manual; and - Corporate governance manual. 	<ul style="list-style-type: none"> ▪ Currently the company does not have an independent internal audit function.

Internal Audit Function	QFMA Requirements	Current Structure	GAP
<p>➤ Does the company have an effective internal audit function that has the respect and co-operation of the BOD and management?</p>	<ul style="list-style-type: none"> ▪ The company shall have an internal audit function with clearly defined functions and role. ▪ In particular, the internal audit function shall : <ul style="list-style-type: none"> - audit the internal control systems and oversee their implementation; - be carried out by operationally independent, appropriately trained and competent staff; - Submit its reports to the board of directors either directly or through the board's audit committee and is responsible to the board; - Has access to all company's activities; and - Be independent including being independent from the day-to-day company functioning. Its independence should be reinforced for example by having the board determine compensation of its staff. 	<ul style="list-style-type: none"> ▪ Absence of an internal audit function. ▪ As per the explanation letter issued by QE on 28 July 2010, these requirements are currently not applicable on the company. 	<ul style="list-style-type: none"> ▪ Absence of an internal audit function.
<p>➤ Are the employees of the audit function appointed by the board?</p>	<ul style="list-style-type: none"> ▪ The internal audit function shall include at least one internal auditor appointed by the board of directors. This internal auditor shall report to the board or the chief executive officer of the company, directly or through the audit committee. 	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A

Internal Audit Function	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Does the internal audit report contain all the relevant details? 	<ul style="list-style-type: none"> ▪ The internal auditor shall submit to the audit committee and the board an “internal audit report” including a review and assessment of the internal control system of the company. ▪ The scope of the internal audit report shall be agreed between the board (based on the audit committee recommendation) and the internal auditor and including particularly: <ul style="list-style-type: none"> - Control and oversight procedures of financial affairs, investments, and risk management; - Comparative evaluation of the development of risk factors and the systems in place to respond to unexpected market changes; 	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A
<ul style="list-style-type: none"> ➤ How often is the audit report prepared? 	<ul style="list-style-type: none"> ▪ The internal audit report shall be prepared every three months. 	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A
<ul style="list-style-type: none"> ➤ Is there an adequate system of internal control in place to mitigate the significant risks faced by the company to an acceptable level? 	<ul style="list-style-type: none"> ▪ The company should formally document the internal control system, and conduct periodic tests of its efficiency and effectiveness. ▪ Internal audit staff should directly report to the board or audit committee. 	<ul style="list-style-type: none"> ▪ N/A ▪ N/A 	<ul style="list-style-type: none"> ▪ N/A ▪ N/A

Internal Audit Function	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Is there any violation committed during the year? ➤ Does the company have details of internal control procedures? ➤ Does the company have details of the procedures in determining, evaluating and managing significant risks? 	<ul style="list-style-type: none"> ▪ Separate report should be prepared by the management to the Board by the details of any violation committed during the financial year, the reasons and the remedial measures taken and measures to avoid the same in the future. ▪ The company shall adopt internal control procedures, including particularly the Company's oversight of financial affairs, investments and risk management. ▪ The company adopt certain procedures to in determining, evaluating and managing significant risks a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes. 	<ul style="list-style-type: none"> ▪ The Strategic Planning Committee is taking care of this rule and during financial year 2010 and there no any violation committed. ▪ The company has drafted certain internal controls and risk related policies which will cover financial affairs, investments and risk management ▪ By approval all the policies and procedures the management will control and determine all the risk factors. 	<ul style="list-style-type: none"> ▪ None. ▪ The internal control policies will be approved by the next board meeting. ▪ N/A

Internal Audit Function	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Are there any internal control failures or weaknesses during the 2010 financial year? 	<ul style="list-style-type: none"> ▪ The internal auditor shall submit to the audit committee and the board details of any internal control failures or weaknesses or contingencies that have affected or may affect the company's financial performance and the procedures followed by the company in addressing Internal Control failures on their report. 	<ul style="list-style-type: none"> ▪ The Internal Audit function will take care of this rule and during financial year 2010 there no any failures or weaknesses. 	<ul style="list-style-type: none"> ▪ Absence of an internal audit function.

iv. External Auditors

External Audit	QFMA Requirements	Current Structure	GAP
➤ How is the external auditor appointed? How many audits are performed?	<ul style="list-style-type: none"> ▪ An external auditor who is independent, and qualified, and appointed upon the recommendation of the audit committee to the board and the decision of the company's general assembly, shall undertake an annual and semi-annual independent audit. 	<ul style="list-style-type: none"> ▪ Shareholders authorized the appointment of Deloitte & Touche as external auditors. During 2009, Deloitte performed two reviews (an annual audit and a semi-annual review). 	<ul style="list-style-type: none"> ▪ None.
➤ Are the external auditors independent?	<ul style="list-style-type: none"> ▪ The external auditor shall comply with the highest professional standards and he shall not be contracted by the company to provide any advice or services other than carrying out the audit of the company. The external auditor must be completely independent from the company and its board members and shall not have any conflict of interests in his relation to the company. 	<ul style="list-style-type: none"> ▪ Deloitte & Touche is the external auditor for the company and is considered as one of the big 4 firms with the high professional standards. 	<ul style="list-style-type: none"> ▪ None.
➤ Do the external auditors attend the annual general meetings?	<ul style="list-style-type: none"> ▪ The company's external auditor must attend the company's annual ordinary general assembly where he shall deliver his annual report and answer any queries in this respect. 	<ul style="list-style-type: none"> ▪ Samer Jaghoub, who is the partner of external audit in Deloitte, attends the annual general meetings. 	<ul style="list-style-type: none"> ▪ None.
➤ How often are the external auditors changed?	<ul style="list-style-type: none"> ▪ A listed company shall change its external auditor every three years at a maximum. 	<ul style="list-style-type: none"> ▪ Deloitte has been the external auditors for the company since 2007. 	<ul style="list-style-type: none"> ▪ None.
➤ Does the Company compliance with applicable market listing and disclosures rules?	<ul style="list-style-type: none"> ▪ The company's external auditor makes sure that the Company compliance with applicable market listing and disclosures rules and requirements 	<ul style="list-style-type: none"> ▪ Deloitte & Touche is the external auditor and they mentioned on their semi and annually review and audit reports that the company in compliance with Other Legal and Regulatory Requirements 	<ul style="list-style-type: none"> ▪ None.

v. Shareholders

Shareholders	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Do the AOA and by-laws specify the procedures and precautions that are necessary for the shareholders' exercise of all their lawful rights? ➤ Does the company keep valid and up-to date records of shareholding? Do the shareholders have access to the shareholders register? ➤ Do the articles of association provide the details relating to the procedure of access of information by shareholders and other shareholders' rights? 	<ul style="list-style-type: none"> ▪ Shareholders shall have the right to review and access for free the company's shareholders' register at the company's regular office hour or as otherwise determined in the company's access to information procedures. ▪ The shareholder shall be entitled to obtain a copy of the following: <ul style="list-style-type: none"> - Shareholders' register; - Board members' register; - AOA and by-laws of the company; - Instruments creating a charge or right on the company's assets; - Related party contracts and any other document as the authority may decide upon payment of a prescribed fee. ▪ The company shall include in its articles of association and by-laws procedures of access to information to ensure that shareholders rights of access to company documents and information in a timely manner and on a regular basis, are preserved. 	<ul style="list-style-type: none"> ▪ Most of the information is available on the website such as audited financial statements, AOA and board members register. Shareholders' register can be accessed in the company. ▪ Not specifically covered in the AOA however most of the information is available on the website such as audited financial statements, AOA and board members register. ▪ Procedure of access to information for the shareholders is not specifically mentioned in the AOA or any other document. 	<ul style="list-style-type: none"> ▪ None. ▪ Access rights not specifically covered in the AOA or any other document for instruments creating charges and related party contracts. ▪ None.

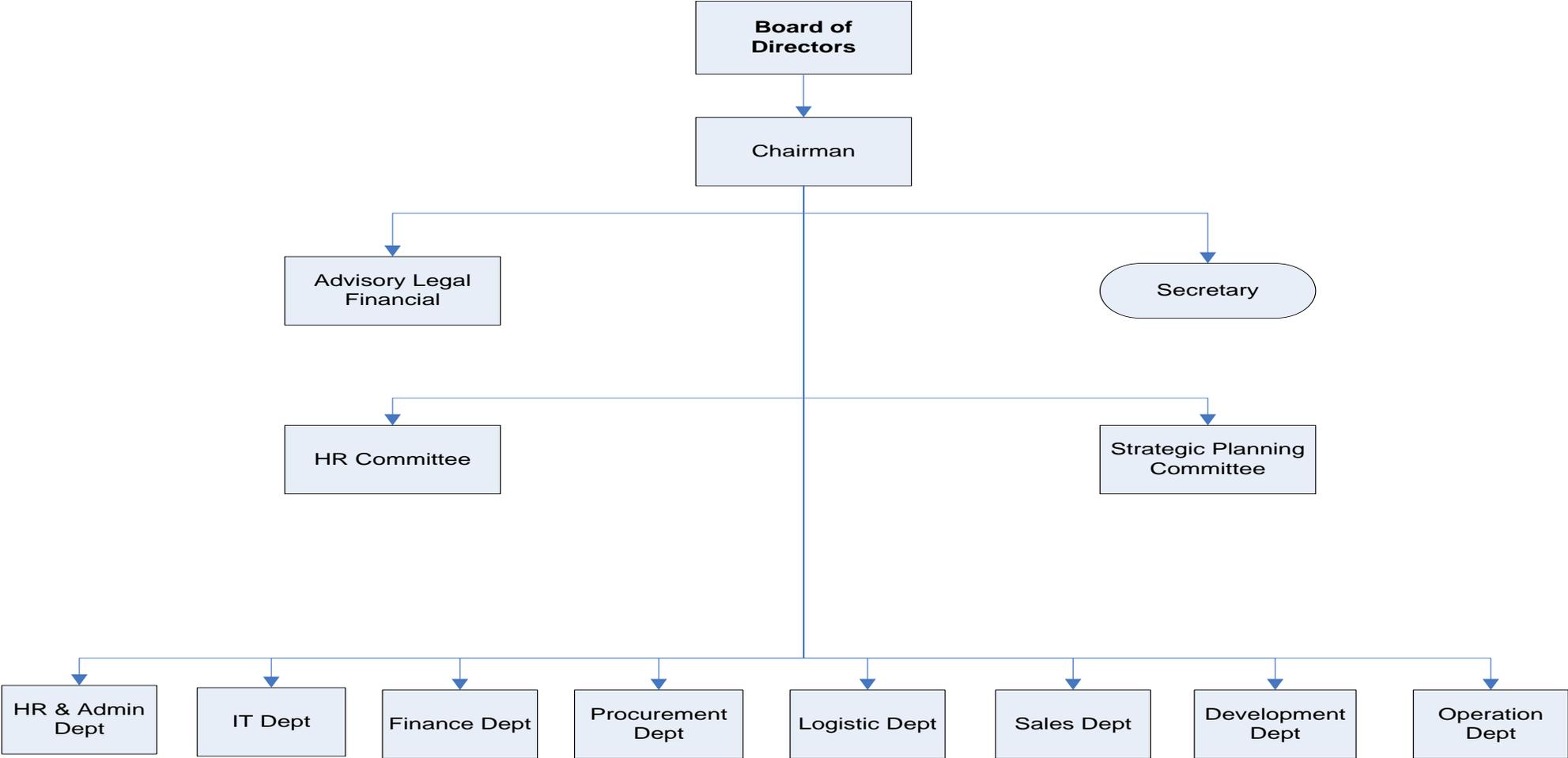
Shareholders	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Does the company have a website? Does it provide all the necessary information? ➤ Does the AOA specifically provide the shareholders with the rights to call for general assembly and place items on agenda? ➤ Do all the shares of a class have similar rights attached to them? 	<ul style="list-style-type: none"> ▪ The access to information procedures shall be clear and detailed and shall determine: <ul style="list-style-type: none"> - the accessible company information including the types of information accessible on an on-going basis to individual shareholders or to shareholders representing a minimum percentage of the company's share capital, and - clear and express procedures to access such information ▪ The company shall have a website where all relevant information and public information and disclosures must be posted. This includes all information that is required to be made public by this code and any related laws and regulations. ▪ The company's articles of association and by-laws shall include provisions ensuring effective shareholders' right to call for a general assembly and be convened in a timely manner; the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers thereupon. ▪ All shares of the same class shall have the same rights. 	<ul style="list-style-type: none"> ▪ Most of the relevant information has been placed on the website of the company. However, the AOA does not specify the information that is accessible to the shareholders on an on-going basis. The procedure to access of information is also not expressly defined. ▪ The company has established a website and has made public some information relevant for the shareholders i.e. directors' details, senior management details, audited financial statements and vision/ mission statements. ▪ Article 57 of the AOA states that shareholders, who have value of 25% or more of the total value of the issued share capital, may request the board to call an EOGM. However, the AOA does not mention that the shareholders have the rights to place items on agenda for the EOGM. ▪ The company has only issued one class of shares with same rights, attached to each share. 	<ul style="list-style-type: none"> ▪ Access to information process not clearly mentioned in AOA. ▪ None. ▪ None. ▪ None.

Shareholders	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Do articles provide provision for receipt of candidature information of directors by the shareholders? ➤ Do the articles contain provisions relating to the protection of minority shareholders? ➤ Do the articles contain provisions relating to the trigger of a public offer or the exercise of tag along rights? ➤ Has any dividend policy prepared, reviewed and approved by the BOD? 	<ul style="list-style-type: none"> ▪ The company's AOA should include provisions ensuring that shareholders are given information relating to board members' candidates including professional, technical skills, experience and other qualifications. ▪ Shareholders shall have the right to cast their votes for board member's election by cumulative voting. ▪ Companies should adopt in their AOA provisions for the protection of minority shareholders in the event of approval of major transactions where the said minority shareholders have voted against such major transactions. ▪ Companies should adopt in their AOA, a mechanism ensuring the trigger of a public offer or the exercise of tag along rights in the case of a change in ownership exceeding specific percentage. The shareholders should take into account shares held by third parties but under the control of the disclosing shareholder, including shares covered by shareholder agreements. ▪ The board of directors shall submit to the general assembly a clear policy on dividend distribution. This shall include the background and rationale of such policy in terms of the best interest of the company and the shareholders. 	<ul style="list-style-type: none"> ▪ Details relating to directors candidate information is provided to shareholders. ▪ The AOA does not specifically mention cumulative voting method. ▪ Absence of any provision relating to minority protection in the AOA. ▪ Article 12 of the AOA states that no member may hold (directly or indirectly) shares comprising 5% or more of the issued share capital of the company. ▪ Article 74 in the AOA mentions a general method of calculation for the distribution of net profits. However, the company does not have a documented and approved dividend policy. 	<ul style="list-style-type: none"> ▪ None. ▪ Cumulative voting method not specifically mentioned. ▪ Absence of a required provision. ▪ None. ▪ Absence of an approved dividend policy.

Shareholders	QFMA Requirements	Current Structure	GAP
<ul style="list-style-type: none"> ➤ Does the general assembly approve the appointment of the independent external auditors? 	<ul style="list-style-type: none"> ▪ The appointment of the external auditors should be authorized by the shareholders. 	<ul style="list-style-type: none"> ▪ Article 65 of the AOA states that the shareholders appoint the external auditors. ▪ Shareholders authorized the appointment of Deloitte & Touche as external auditors. 	<ul style="list-style-type: none"> ▪ None.

Appendix – A

High Level Organizational Structure



Appendix – B

Board Composition

	Name of the member	Status with BOD	Designation	% of Shares Owned	Corporate Represented	% Owned by Corporation	Board Seats in Other Companies
1	Mr. Abdullah Bin Nasser Al-Misnad	Chairman	Managing Director	-	<ul style="list-style-type: none"> Almisnad Holding 	35.39	<ul style="list-style-type: none"> AlKhaliji Bank. Vodafone.
2	Sh. Hamad Bin Faisal Al-Thani	Vice Chairman	-	0.20	<ul style="list-style-type: none"> Qatari Commercial Agencies 	0.21	<ul style="list-style-type: none"> Chairman and MD in AlKhaliji Bank.
3	Mr. Mohammed Bin Ahmed Al Misnad	Member	-	-	<ul style="list-style-type: none"> Almisnad Investment 	3.22	<ul style="list-style-type: none"> None.
4	Mr. Nasser Sraiya Al-Ka'abi	Member	-	-	<ul style="list-style-type: none"> Al-Sorayea Co. 	0.64	<ul style="list-style-type: none"> Qatar Industrial Manufacturing Company. Qatar Islamic Insurance Company. Qatar Islamic Bank.
5	Mr. AbdulBasit Ahmed Al-Shaibi	Member	-	0.08	<ul style="list-style-type: none"> Private Projects Co. 	0.64	<ul style="list-style-type: none"> Qatar International Islamic Bank.
6	Dr. Yousif Ahmad Al Nima	Member	-	0.15	<ul style="list-style-type: none"> Qatari Islamic International Bank 	0.03	<ul style="list-style-type: none"> Qatar International Islamic Bank. Syrian Islamic Bank.
7	Mr. Mohammed Bin Misnad Al Misnad	Member	-	-	<ul style="list-style-type: none"> Almisnad Industrial Investments Co. 	0.67	<ul style="list-style-type: none"> None.

Board Composition (Continued)

Board Members

Mr. Abdullah Bin Nasser Al-Misnad		Role: Chairman and Managing Director
Date of Appointment	2 May 2006	
Terms (no. of years)	4 Years	
Date of Expiry of Terms	1 May 2011	
Executive / Non-Executive	Executive	
Independent / Non-Independent	Non-Independent	
Number of board meetings attended during the year 2009	Attended 6 meetings	
Member of Investment / Real Estate committees	None.	
Brief Background	<ul style="list-style-type: none"> Mr. Abdulla Nasser Al Misnad is the Chairman & Managing Director of Al Misnad Holding Company having its roots in the private sector business since 1950's. 	

Sh. Hamad Bin Faisal Al-Thani		Role: Vice Chairman
Date of Appointment	2 May 2006	
Terms (no. of years)	4 Years	
Date of Expiry of Terms	1 May 2011	
Executive / Non-Executive	Non-Executive	
Independent / Non-Independent	Independent	
Number of board meetings attended during the year 2009	Attended 6 meetings	
Member of Investment / Real Estate committees	None.	
Brief Background	<ul style="list-style-type: none"> His Excellency joined Al Khaliji in February 2009; He is widely known in the region and regarded as one of Qatar's most influential business figures; and He held a number of prominent positions, including the post of Minister of Economy and Commerce of Qatar. 	

Board Composition (Continued)

Board Members

Mr. Mohammed Bin Ahmed Al Misnad		Role: Member
Date of Appointment	18 Jun 2009	
Terms (no. of years)	1 Year	
Date of Expiry of Terms	1 May 2011	
Executive / Non-Executive	Non-Executive	
Independent / Non-Independent	Independent	
Number of board meetings attended during the year 2009	Attended 6 meetings	
Member of Investment / Real Estate committees	None.	
Brief Background	<ul style="list-style-type: none"> He is the Chairman for Al Misnad Investment company and a known businessman. 	

Mr. Nasser Sraiya Al-Ka'abi		Role: Member
Date of Appointment	2 May 2006	
Terms (no. of years)	4 Years	
Date of Expiry of Terms	1 May 2011	
Executive / Non-Executive	Non-Executive	
Independent / Non-Independent	Independent	
Number of board meetings attended during the year 2009	Attended 6 meetings	
Member of Investment / Real Estate committees	None.	
Brief Background	<ul style="list-style-type: none"> Mr. Nasser was elected member of the Shura Council in 1995, he also chaired the Commission on Elections to the Chamber of Commerce and Industry of Qatar in the interim period between nomination and election of 2002. 	

Board Composition (Continued)

Mr. AbdulBasit Ahmed Al- Shaibi		Role: Member
Date of Appointment	2 May 2006	
Terms (no. of years)	4 Years	
Date of Expiry of Terms	1 May 2011	
Executive / Non-Executive	Non-Executive	
Independent / Non-Independent	Independent	
Number of board meetings attended during the year 2009	Attended 6 meetings	
Member of Investment / Real Estate committees	None.	
Brief Background	<ul style="list-style-type: none"> ▪ Mr. Abdul Basit Ahmad Shaibi has more than 20 years experience in the banking sector including experience with the Qatar Central bank; and ▪ He held several prominent positions in the government sector and many institutions. 	



Dr. Yousif Ahmad Al Nima		Role: Member
Date of Appointment	2 May 2006	
Terms (no. of years)	4 Years	
Date of Expiry of Terms	1 May 2011	
Executive / Non-Executive	Non-Executive	
Independent / Non-Independent	Independent	
Number of board meetings attended during the year 2009	Attended 6 meetings	
Member of Investment / Real Estate committees	None.	
Brief Background	<ul style="list-style-type: none"> ▪ Dr. Yousef worked with the Ministry of Justice, where he held several senior administrative positions such as Under Secretary of the Ministry. 	



Board Composition (Continued)

Board Members

Mr. Mohammed Bin Misnad Al Misnad		Role: Member
Date of Appointment	3 Aug 2009	
Terms (no. of years)	1 Year	
Date of Expiry of Terms	1 May 2011	
Executive / Non-Executive	Non-Executive	
Independent / Non-Independent	Independent	
Number of board meetings attended during the year 2009	Attended 6 meetings	
Member of Investment / Real Estate committees	None.	
Brief Background	<ul style="list-style-type: none">Mr. Mohammed Bin Misnad Al Misnad held several positions in the government sector.	

Appendix – C

Detail of Committees

The company has only established the following two management sub-committees, noting that the terms of reference of the compensation and human resources committee is not approved by the board:

- I. Compensation and human resources committee; and
- II. Strategic planning committee.

I. Compensation and Human Resources Committee

The compensation and human resources committee is responsible of establishing and maintaining executive compensation practices designed to enhance the profitability of the company and enhance long-term shareholder value.

The committee is also centrally interested in recruiting high calliper & heavy experienced staff providing executive development and succession planning, and in workforce diversity, hence, the committee is responsible of drafting the strategies aligning with this direction.

Following are the members of the committee:

	Status	Name
1.	Group Financial Advisor	Mr. Essam Abdelmajeed
2.	Group IT Head	Mr. Tamer Amin

II. Strategic Planning Committee

The strategic planning committee (reports directly to the board of management) enables the management to create and achieve its vision by developing and implementing a dynamic and responsive planning & business development process pertain to the company.

Furthermore, the committee will be overlooking Al Khalij holding operations and will ensure its alignment to the corporate strategy and work on levelling it up with the liaison of the management team.

Following are the members of the committee:

Members of the committee

	Status	Name
1.	Business development Manager	Mr. Omar Alhassan
2.	Plant Manager	Mr. Saikumar
3.	Group Finance Head	Mr. Hossam AlAraby
4.	Group IT Head	Mr. Tamer Amin

III. Internal Control & Compliance Committee

The Main purpose of the Internal Control & compliance committee is to assist the Board and/or Chairman in overseeing the Company's policies & compliance program.

Following are the members of the committee:

Members of the committee

	Status	Name
1.	Group Finance Head	Mr. Hossam AlAraby
2.	Group IT Head	Mr. Tamer Amin

Appendix – D

Details of Board and General Assembly Meetings Held During 2010

Board Meetings

No.	Nature of Meeting	Date of Meeting	Date of sending the Agenda
1.	Board Meeting	1/2/2010	17/1/2010
2.	Board Meeting	28/3/2010	20/3/2010
3.	Board Meeting	22/4/2010	6/4/2010
4.	Board Meeting	26/7/2010	11/7/2010
5.	Board Meeting	23/9/2010	5/9/2010
6.	Board Meeting	1/3/2011	13/2/2011

General Assembly Meetings

No.	Nature of Meeting	Date of Meeting
1.	Annual General Assembly Meeting	16/3/2010

Appendix – E

Details Relating to Senior Staff

Appointment of Current Executives

No.	Name	Department / Function	Date of Joining
1.	Mr. Hossam ElAraby	Group Finance Head	26 Feb 2009
2.	Mr. Tamer Attia Amin	Group IT Head	1 Jul 2009
3.	Mr. Omar Saeed Al Hassan	Business development Manager	1 Sep 2009
4.	Mr. Essam Ebrahim	Logistic Manager	11 Jul 2010
5.	Mr. Hany Elsayed	Procurement Manager	8 Aug 2010

Resignation/ Termination of Executives

No.	Name	Department / Function	Date of Leaving
1.	Dr. Omer I. Yagi	General Manager	30 Jun 2010
2.	Mr. Karim Farid Beshara	Sales Manager	9 Nov 2009
3.	Mr. Ali Alzamat	Al Khalij Investment Director	18 Feb 2010
4.	Mr. Hamad Almarri	HR & Admin Manager	31 Mar 2010
5.	Mr. Muhammad Fayyaz Butt	Procurement Manager	14 May 2010
6.	Mr. Ketan Raval	Sales Manager	3 Jun 2010
7.	Mr. Jose Chacko	Commercial Manager	15 Jun 2010
8.	Mr. Hassan Youssef Alfar	HR & Admin Manager	15 Jul 2009
9.	Mr. Yehia Morsi	Group HR head	30 Sep 20010

Appendix – F

List of Reports Reviewed by the Board during 2010

No.	Date of Meeting	Name of report
1.	1/2/2010	<ul style="list-style-type: none">- Bonuses of the BOD for 2009; and- Financial statements report of 2009.
2.	28/3/2010	<ul style="list-style-type: none">- Financial statements report of 1st quarter of 2010
3.	22/4/2010	<ul style="list-style-type: none">- Providing the right to the BOD to approve the semi-annual budget of 2010.
4.	26/7/2010	<ul style="list-style-type: none">- Approving the previous meetings' agendas; and- Approving the semi-annual financial statements of 2010.
5.	23/9/2010	<ul style="list-style-type: none">- Financial statements of the 3rd quarter of year 2010.
6.	1/3/2011	<ul style="list-style-type: none">- Bonuses of the BOD for 2010; and- Financial statements report of 2010.

Appendix – G

List of Policies and Procedures

No.	Policy Name	Date of Approval by BOD
1.	Finance manual	Approved by Chairman in June 2009
2.	Human resources manual	Approved by Chairman in 16 Aug 2010
3.	Confidentiality policy	Approved by Chairman in 16 Aug 2010
4.	Manpower planning	Approved by Chairman in 16 Aug 2010
5.	Loan policy	Approved by Chairman in 16 Aug 2010
6.	IT policy	Not yet approved by the board.
7.	Black berry policy	Not yet approved by the board.
8.	Discipline policy	Not yet approved by the board.
9.	Conflict of interest policy;	Not yet approved by the board.
10.	Director's remuneration policy;	Not yet approved by the board.
11.	Related party transactions policy	Not yet approved by the board.
12.	Personal account trading policy	Not yet approved by the board.
13.	Risk management framework	Not yet approved by the board.
14.	Code of corporate governance	Not yet approved by the board.
15.	Compliance manual	Not yet approved by the board.
16.	Management incentive scheme	Not yet approved by the board.
17.	Dividend policy	Not yet approved by the board.
18.	Management Succession Plan	Not yet approved by the board.

Appendix – H

Engagement Letter and Scope

We would like to take this opportunity to thank you for selecting Deloitte & Touche (hereinafter referred to as “Deloitte”) to conduct a Corporate Governance Review, for Al Khalij Holding (hereinafter referred to as “the company”) as required by Circular No. 015/02/2010 of 2010 issued by Doha Securities Market dated 21 February 2010. It is an opportunity that we highly value.

DSM’s circular requires, all the companies that are listed on the stock exchange to prepare an Annual Governance Report for compliance with the regulations as required under article 30 of Section IX and provide justifications/ reasons for non-observance of any regulation as required under article 2 of section I of the Corporate Governance Regulations issued by QFMA on 27 January 2009 (QFMA Corporate Governance Regulations). The aforementioned report is required to be published and signed by the chairman of the company.

This letter is to confirm our understanding of the terms and conditions of this engagement and the nature and scope of the consulting services Deloitte will provide to the company.

Scope of our review

Deloitte will perform a high level review of the mechanism / system adopted by the company to ensure compliance with the following requirements of the QFMA Corporate Governance Regulations.

- Functions and responsibilities of the board of directors;
- Duties of the board members in terms of trust;
- Separation of the chairman and general manager position;
- Duties of the chairman of the board of directors;
- Rules relating to the formation of the board of directors;
- Duties of the non-executive members of the board of directors;
- Requirements relating to the board meetings;
- Rules relating to the appointment of the board members and nomination committee;
- Rules relating to the remuneration of the board members and compensation committee;
- Requirement to develop and publish the board’s terms of reference;
- Requirements relating to the board secretary;
- Requirements relating to the conflict of interest and insiders’ relations;
- Requirements and responsibilities of the audit committee;
- Requirements relating to the internal controls procedures;
- Requirements and responsibilities of the internal audit function;
- Requirements and responsibilities of external auditors;
- Rules relating to the risk management process of the company;
- Requirements relating to the code of conduct of the company;
- Requirements relating to the disclosure of information; and
- Rules relating to the shareholders’ rights, mainly:
 - Ownership records;
 - Access to information;
 - Rights relating to general assembly;
 - Equitable treatment and practice of voting right;
 - Rights in relation to the election of board members;
 - Rights in relation to the distribution of profits; and
 - Disclosure of capital structure and protection of minority shareholders.

Scope Limitation

Our review will be primarily based on discussions, review of documents and limited testing to assess the methods adopted by the company to comply with the requirements. Our work will not constitute development of policies or establishment of corporate governance framework. The responsibility of implementation of any recommendations contained in the report rests with the management of the company.

Deliverable

Our deliverable will be a **“Corporate Governance Review Report”** directed to the management of the company detailing findings / weaknesses (non-compliance with the requirements of the QFMA corporate governance regulations) identified from the scope as set out above. We would also incorporate management comments / justification on our findings. Our deliverable will be in English.

Appendix – I

Circular issued by DSM

الرقم: صق/م.و.م/015/02/2010
التاريخ: 2010/02/21

المحترمين

السادة / سادة الشركات المدرجة
بورصة قطر
الدوحة

السلام عليكم ورحمة الله وبركاته،،،

بالإشارة إلى صدور نظام حوكمة الشركات المساهمة المدرجة في الأسواق التي تخضع لرقابة الهيئة، بتاريخ 27 يناير 2009، بناءً على قرار مجلس إدارة هيئة قطر للأسواق المالية وحسب نص المادة (3/31) يحتسب النظام ساريًا منذ نشره في الجريدة الرسمية، حيث تم نشره بتاريخ 25 يونيو 2009.

وبما أن الحسام الأول تسريان النظام قد أوضح على الانتهاء (25 يونيو 2010)، على جميع الشركات إصدار التقرير المنصوص عليه في المادتين (2/2) و(30)، متضمنًا معلومات شاملة وكافية عن الالتزام بتطبيق المواد الواردة في النظام، أو توضيح أسباب عدم التطبيق، وفي حالة الخلل تدابير تختلف عن تلك التي المنصوص عليها في النظام، يتم توضيح تلك التدابير، وذكر الأسباب التي دعت الشركة لأخذ بها أو أية ملاحظات أخرى على النظام، على أن يسلم التقرير إلى الهيئة في وقت لا يتجاوز نهاية شهر أغسطس عام 2010.

وتفضلوا بقبول فائق الاحترام والتقدير،،،

مايكل ماركسي
مدير إدارة الأوراق المالية
وشؤون الإصدار بالإنابة

Management Responsibility & Confidentiality

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be needed. Recommendations for improvements should be assessed by management for their full commercial impact before they are implemented. The performance of this review should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasize that the responsibility for a sound system of internal controls and corporate governance practices rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses that may exist. Neither should this review be relied upon to identify all circumstances of fraud or irregularity should there be any, although our procedures have been designed so that any material irregularity has a reasonable probability of discovery. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system and corporate governance practices.

This report has been prepared solely for the use of the management of Al Khalij Holding. The report should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

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