



QATARI INVESTORS GROUP
مجموعة المستثمرين القطريين

COMMITTED TO BUILD QATAR

Annual Corporate Governance Report

December 2013



CONTENTS

Chairman's Foreword	2
Company Background	3
QIG Subsidiaries & Affiliates	4
Corporate Governance	5
1. Shareholders	5
2. The Board	6
2.1. THE ROLE OF THE BOARD	6
2.2. THE BOARD OF DIRECTORS COMPOSITION	7
2.2.1 Ownership of the Board of Directors	7
2.2.2 Duties of the Chairman of the Board of Directors	9
2.2.3 Duties of the Non-Executive Board Members	10
2.3. THE BOARD OF DIRECTORS SECRETARY	11
2.4. THE BOARD OF DIRECTORS MEETING	11
3. The Board of Directors Committees	12
3.1. REMUNERATION COMMITTEE	12
3.2. NOMINATION COMMITTEE	13
3.3. AUDIT COMMITTEE	13
3.3.1 Audit Committee Meeting	14
4. Internal Control System	14
4.1. POLICIES AND PROCEDURES	14
4.2. RISK MANAGEMENT AND COMPLIANCE FUNCTION	15
4.2.1 Risk Assessment	15
4.3. STRATEGIC PLANNING COMMITTEE	15
4.4. INTERNAL CONTROL & COMPLIANCE COMMITTEE	16
4.5. THE INTERNAL AUDIT	16
4.5.1 The Internal Audit Objective	16
4.5.2 The Internal Audit Function	16
5. External Auditors	17
5.1. EXTERNAL AUDIT FUNCTIONS	17
6. Disclosures	17
7. Stakeholders Right	17
Compliance with QFMA Corporate Governance Code	18



Chairman Foreword

Dear QIG Shareholders,

It is my pleasure to put forward Qatari Investors Group achievements for the year 2013.

Our commitment to deliver value to our stockholders rests on a clear recognition that, as a public shareholding company, we are stewards of other people's money. They invest with us to achieve superior long-term returns at acceptable risk.

Nonetheless, we recognize that our strict adherence to the law is not enough to run a growing organization. Beyond compliance, our commitment to ourselves, our investors, and to all of our stakeholders is to manage the Company with integrity.

The Company has implemented a corporate governance system that conforms to the best national and international standard practices; enhancing the role of independent directors, adapting a cutting edge code of ethics; unique in its business sector; establishing new monitoring rules and applied a system for delegating responsibilities; incorporating the Board of Directors at the core of the Company organization.

We have established governance and management practices that are consistent with our relentless commitment to creating long-term stockholder value. These practices are part of the reason that we have grown to be one of the best industry players and they are a part of the reason that we are well-positioned for an even more productive future.

Finally, we firmly believe that, as managers of a public company, our economic interests should always be aligned with those of our shareholders. Thus, we believe that good business practices along with transparency in corporate financial reporting; and the highest level of corporate governance, are essential components of our success.

Abdullah Bin Nasser Al Misnad
Chairman

Company Background

Qatari Investors Group is a Qatari Shareholding Company (Q.S.C.) incorporated in the State of Qatar and governed by the provisions set-out in the Qatar Commercial Company's Law No (5) of 2002 and Qatar Financial Markets Authority regulations.

The Company was incorporated on 4 May 2006, with a paid-up capital of 1.2 billion QAR.

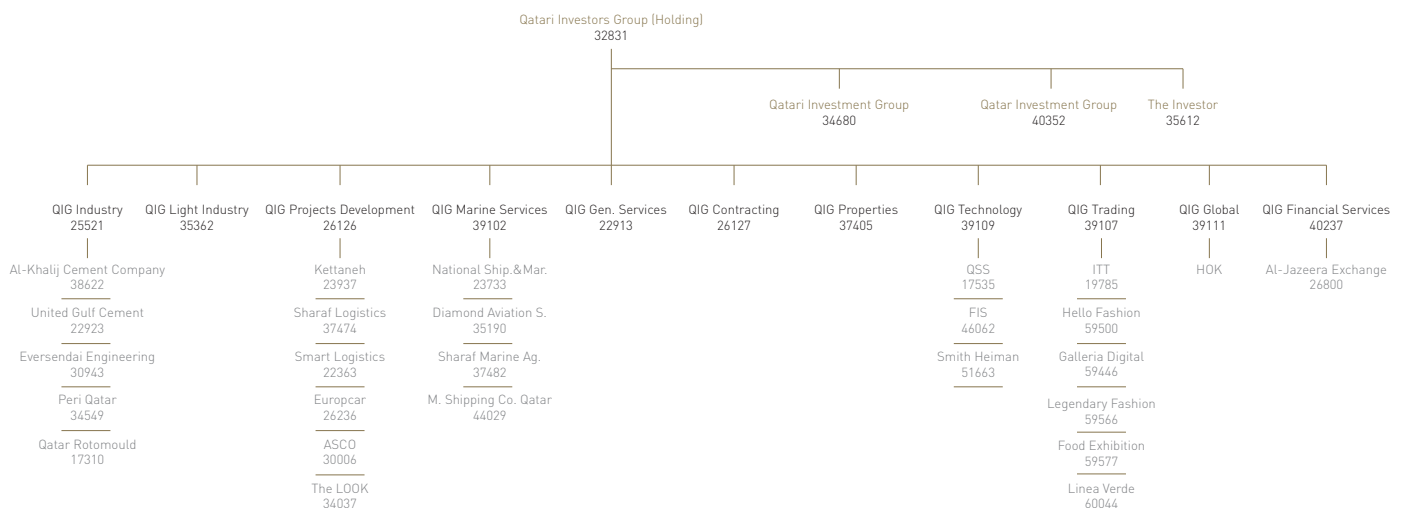
The Company is formed to primarily engage in investments with subsidiary company's shares, bonds and securities. Qatari Investors Group (QIG) plays a major role in the various fields of industrial and investments in the region namely:

- Manufacture and Sale of Cement;
- Establishing factories for Cement related products;
- Representing distinguished International Companies in the field of cement manufacturing, acquisition of land and properties and scientific research institutions for product improvement and invention of new products and Security Systems Integration;
- Investing in stocks, security market, properties and other areas inside and outside the state; and
- Participating in establishing Public Shareholding companies of limited liabilities inside and outside the state.

Currently, the Company holds 18 subsidiary companies, in addition to 22 partners and affiliates (local and international), in joint venture with both international and local suppliers undertaking the development of major projects in the state of Qatar.

At present, Qatari Investors Group is one of the leading Qatari shareholding companies in the State of Qatar listed in the Qatar Exchange.

QIG's subsidiaries and associates are incorporated in Qatar under the Commercial Companies Law No. (5) of 2002.



Corporate Governance

Corporate Governance involves a set of relationships between the organization's management, its Board of Directors, shareholders and other stakeholders. It provides the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring performance are determined.

QIG's Board of Directors (BOD) realizes the importance of corporate governance and understands its essential role in setting and driving the Company's Corporate Governance Framework and practices. Therefore, the BOD regularly reviews and updates its framework and practices to meet the Qatar Financial Markets Authority "QFMA" requirements as well as other applicable laws and regulations.

1. Shareholders

QIG's shareholders' rights are respected in a fair and equitable manner and stipulated in the Company's Article of Association (AOA). All shareholders have the same voting rights including proxy voting as per applicable laws and regulations. Shareholders have the right to access the Company's shareholders' register and related information, to call for a General Assembly, place and discuss items on the agenda, and the right to make informed decisions.

The annual General Assembly meeting was held on 26 February 2013, under the supervision of representatives from the Ministry of Business and Trade, and in the presence of QIG's external auditors. A one share one vote principle was applied as per the AOA and the Commercial Company Law No. (5) of 2002. The following are the decisions made during the meeting:

Ordinary General Assembly:

- Heard and approved the report of the external auditor on the Company's statement of financial position as of December 31, 2012 and on the accounts submitted by the Board of Directors;
- Discussed and approved the statement of financial position and income statement for the year ended 31 December 2012;
- Approved the proposal of the BOD to distribute to shareholders a cash dividend at the rate of 7.5% from the nominal value of share capital, representing QR 0.75 per share;
- Absolved the members of the Board of Directors from responsibility and fixed their remuneration for the financial year ended 31 December 2012;
- Discussed and approved the decision of the Board of Directors with regards to Lusail Project bidder "REDCO Construction-ALMANA" as per Article No (108) of the Commercial Company's Law;
- Appointed an External Auditor "KPMG" for the financial year 2013 and approved the proposed fees; and
- Discussed and approved the Corporate Governance Report of the year 2012

2. The Board

2.1. The Role of the Board:

The BOD is responsible for setting QIG's business strategy including the annual financial and business plan. The BOD acts in the interests of the Company, protects the rights of all shareholders and oversees the work of executive management. The BOD is ultimately responsible for controlling the overall environment set-up and risk management within QIG.

"Article 4 of the Corporate Governance Code suggests that the Board shall make sure that the Company adopts a Charter for the Board of Directors detailing the Board's functions and responsibilities as well as the Board Members duties which shall be fulfilled by all Board Members. The said Board Charter shall be drafted to comply with the provisions of this Code, and shall be based on the Board Charter annexed to this Code and as may be amended from time to time by the Authority. The said Board Charter shall be published and made available to the public."

The Company has adopted a formal charter for the BOD detailing the BOD's composition, role and responsibilities, term, and meeting procedures. For more transparency and to comply with QFMA Corporate Governance Code requirements, the BOD charter has been published on the company website on 9th September 2013. The BOD members are committed to high ethical standards and business conduct as per the charter. All decisions taken by the BOD are in the best interest of QIG and its shareholders. Six out of seven members of the BOD are independent as illustrated in the table below.

2.2. The Board of Directors Composition

"Article 9 of the Corporate Governance Code suggests that a company's Board should include executive, non-executive and independent Board members and that the Board should not be dominated by one individual or a small group of individuals. The Code further suggests that at least one-third of Board members shall be independent Board members and that the majority of all Board members should be non-executive. A non-executive Board member is one who does not perform executive management duties in the Company, who is not dedicated to the Company full time and who does not receive monthly or yearly remuneration from the Company other than that received as a Board member."

2.2.1. Ownership of the Board of Directors

The Board of Directors of QIG comprises of 7 members. The Directors were elected by way of a secret ballot in the annual General Assembly meeting held on 23 March 2011 for a period of 3 years.

The Board of Directors structure as of 31st December 2012:

Name of the member	Designation	% of Individual Ownership	Representing	Stake %	Status
Mr. Abdullah Bin Nasser Al-Misnad	Chairman	-	Al Misnad Holding	35.39	Executive
Sh. Hamad Bin Faisal Al-Thani	Vice Chairman	-	Al Misnad Enterprises	3.22	Independent
Mr. Mohammed Bin Ahmed Al Misnad	Member	0.06	Al Misnad Investment	3.22	Independent
Dr. Khalid Bin Mohamed Al-Attia	Member	0.03	Al Misnad Trading	3.22	Independent
Mr. Mohamed Hassan Alsaadi	Member	-	Al Misnad Property	0.20	Independent
Mr. Faisal Abdullah Al Mana	Member	0.10	Al Misnad Global	0.11	Executive
Mr. Mohamed Bin Misnad Al-Misnad	Member	-	Al Misnad Industrial Investments Co.	0.20	Independent

The newly elected BOD went through an induction program and visited QIG's various departments and production lines to be fully aware of their responsibilities and to have a proper understanding of the manner in which the Company operates. A training program will be developed for the BOD to keep them updated with the latest developments in the area of corporate governance, finance, business and industry practices.

Mr. Abdullah Bin Nasser Al-Misnad

Chairman

A member of QIG's Board of Directors since March 2011. Mr. Al Misnad is the Chairman & Managing Director of Al Misnad Holding Company, which has had its roots in the private sector since the 1950's. In addition to the post of Chairman of QIG Board of Directors, he also occupies key roles in other organizations such as Vice-Chairman of Al Khaliji bank.

Sh. Hamad Bin Faisal Al-Thani

Vice-Chairman

A member of QIG's Board of Directors since March 2011. He is a non-executive Independent member of the Board and is regarded as one of Qatar's most influential business figures. H.E. Sheikh Hamad bin Faisal Al Thani is currently the Chairman of the Board of Al Khaliji Bank.

Other notable positions previously held by H.E. include; Chairman of Qatar General Organization for Standard and Metrology, Member of Supreme Council for Economic Affairs and Investment, Director of Customs Department, Heir Apparent Office, Diwan Al Amiri.

In addition to his post as Vice-Chairman of QIG, he currently holds key positions as a Board Member of Qatari Businessmen Association and Board Member of Qatar Insurance Company (QIC).

Mr. Faisal Abdullah Al Mana

Board Member

A member of QIG's Board of Directors since March 2011, Mr. Al Mana was appointed Managing Director of Al Khalij Cement Company (a subsidiary of QIG) in June 2012. At present, he is the Committee Chairman of the Audit Committee and a member of the Remuneration Committee.

Other key positions held by Mr. Al Mana are Vice-Chairman of REDCO Al Mana Group, a member of the Board of Al Raya representing the Ministry of Economy and Finance, Director of Project Development in Qatar Development Bank, Member of the Organizing Committee of the World Trade Conference, Financial Researcher in Banking Supervision, Foreign Trade Researcher, Ministry of Economy and Finance.

Mr. Mohammed Bin Ahmed Al Misnad

Board Member

A member of QIG's Board of Directors since March 2011. He is a non-executive Independent member of the board.

H.E. Dr. Khalid Bin Mohammed Al Attia

Board Member

A member of QIG's Board of Directors since March 2011. He is a non-executive Independent member of the Board. H.E. Dr. Khalid Bin Mohammed Al Attia is currently the Minister of State for Foreign Affairs and a Member of the Council of Ministers.

Other key positions held by H.E. are Minister of State for International Cooperation, Acting Minister of Business and Trade, President of the National Committee for Human Rights, Member of the board of Trustees of the Arab Democracy Foundation, member of the board of Director's for Qatar Electricity & Water Company, Vice- Chairman of Qatar Financial Center Authority, Chairman of the Board of Directors of Qatar's Stock Exchange, Vice Chairman of the Supreme Council for Information Technology and Communications, member of the board of Trustees for Silatech, member of the board of Director's and Chairman of the executive committee for Qatari Diar Real Estate Investment Company, appointed Minister of State for Foreign Affairs and Member of the Council of Ministers as well as a Fighter Pilot for Qatar's Emiri Air Force.

Mr. Mohammad Hassan Al Saadi

Board Member

A member of QIG's Board of Directors since March 2011. He is a non-executive Independent member of the Board. Mr. Hassan Al Saadi is appointed as one of the Board of Directors of Qatar Development Bank since 2006.

At present, he is a member of the Remuneration Committee, Nomination Committee, and Audit Committee of QIG Board of Directors.

Mr. Mohammed Bin Misnad Al Misnad

Board Member

A member of QIG's Board of Directors since March 2011. He is a non-executive Independent member of the Board. He is also Committee Chairman of the Remuneration Committee and a member of the Audit Committee.

2.2.2. Duties of the Chairman of the Board of Directors

- The Chairman of the Board of Directors is responsible in ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information.
- The Chairman of the Board may not be a member of any of the Board committees prescribed in this Code.
- The duties and responsibilities of the Chairman of the Board of Directors shall, in addition to the provisions of the Board Charter, include but not be limited to the following:
 - To ensure that the Board discusses all the main issues in an efficient and timely manner.
 - To approve the agenda of every meeting of the Board of Directors taking into consideration any matter proposed by any other Board Member; this may be delegated by the Chairman to a Board Member but the Chairman remains responsible for the proper discharge of this duty by the said Board Member.
 - To encourage all Board Member to fully and effectively participate in dealing with the affairs of the Board of Directors for ensuring that the Board of Directors is working in the best interest of the Company.
 - To ensure effective communication with Shareholders and communication of their opinions to the Board of Directors.
 - To allow effective participation of the Non-Executive Board Members in particular and to promote constructive relations between Executive and Non-Executive Board Members.
 - To ensure the conducting of an annual evaluation to the Board's performance.

2.2.3. Duties of the Non-Executive Board Members

The duties of the Non-Executive Board Members include but are not limited to the following:

- Participation in the meetings of the Board of Directors and providing independent opinion on strategic matters, policy, performance, accountability, resources, key appointments and operation standards.
- Ensuring that priority shall be given to the Company's and Shareholder's interests in case of conflict of interests.
- Participation in the Company's Audit Committee.
- Monitoring the Company's performance in realizing its agreed objectives and goals and reviewing its performance reports including the Company's annual, semi-annual and quarterly reports.
- Overseeing the development of the procedural rules for the Company's corporate governance for ensuring their implementation in a consistent manner.
- Availing the Board of Directors and its different Committees of their skills, experiences, diversified specialties and qualifications through regular presence in the Board meetings and effective participation in the General Assemblies and the acquisition of a balanced understanding of Shareholder's opinions.
- A majority of the Non-Executive Board Members may request the opinion of an independent consultant, in relation to any of the Company's affairs at the Company's expense.

2.3. The Board of Directors Secretary

The Company Secretary acts as secretary to the Board and sub-committees of the Board and, with the consent of the Board, may delegate responsibility for the administration of the committees to other suitably qualified staff.

The BOD in its meeting held on 23rd September 2010 appointed the legal counsel of the Company Mr. Hany Abu Ayash, as the BOD secretary whose functions include:

- Recording the minutes of all the Board meetings and safekeeping records, books and reports submitted by or to the Board.
- Under the direction of the chairman, is responsible to ensure the timely access to information and coordination among BOD members in addition to the Company stakeholders.
- The Board Secretary shall ensure that Board Members have full and timely access to the minutes of all Board meetings, information, documents, and records pertaining to the Company.

2.4. Board of Directors Meetings

Board meetings are structured to allow open discussion and facilitate the participation by all directors in discussions relating to strategy, trading and financial performance and risk management. All substantive agenda items have comprehensive briefing material which is circulated one week before the meeting.

Directors who are unable to attend a particular Board meeting due to other commitments are provided with all the information relevant for such meetings and are able to discuss issues arising in the meeting with the Chairman and/or the Chief Executive and appoint a proxy for voting purposes.

BOD Meeting No.	Date of Meeting	Attendees	Absences	Voting By Proxy	Date of sending the Agenda
1/2013	07/03/2013	7	-	-	28 February 2013
2/2013	25/04/2013	5	1	1	11 April 2013
3/2013	05/06/2013	5	1	1	27 May 2013
4/2013	04/08/2013	7	-	-	18 July 2013
5/2013	09/10/2013	5	2	-	27 September 2013
6/2013	08/12/2013	7	-	-	1 December 2013

The Nomination Committee is also responsible to conduct an annual performance assessment of the BOD. QIG has adopted a comprehensive "Performance Management System" (PMS) that commenced officially in the last quarter of 2011. This PMS covers all functions within the Company including the BOD.

3. The Board of Directors Committees

The BOD in its meeting held 20 October 2011, established 3 Committees; Nomination Committee, Remuneration Committee and Audit Committee.

3.1 Remuneration Committee

The Remuneration Committee was established under clause (16) of QFMA Code of Corporate Governance to assist the BOD in fulfilling its responsibilities in setting the remuneration framework and incentive scheme for the BOD and senior executives. The committee has adopted a formal charter that describes its role and responsibilities. The charter is available to the public via QIG website as of 9th September 2013, to comply with QFMA Code of Corporate Governance. The Remuneration Committee is composed of 3 BOD members.

Name	Position on the Committee	Date of Appointment to the Committee
Mr. Mohamed Bin Misnad Al-Misnad	Committee Chairman	20 October 2011 – Re-appointed
Mr. Faisal Abdullah Al-Mana	Member	20 October 2011 – Appointed
Mr. Mohamed Hassan Al-Saadi	Member	20 October 2011 – Appointed

The BOD has approved a remuneration policy for its directors on 01 September 2010 that take into account the function of the BOD or senior executives as well as the performance of the Company.

3.2 Nomination Committee

The Nomination Committee is established under clause (15) of QFMA Code of Corporate Governance to seek and nominate directors and senior executives taking into account the skills, knowledge and experience as well as the professional, technical, academic qualifications and personality of the candidates. The Nomination Committee has adopted a formal charter that describes its role and responsibilities. The charter is available to the public via the QIG website as of 9th September 2013, to comply with QFMA Code of Corporate Governance. The Nomination Committee is composed of 3 BOD members.

Name	Position on the Committee	Date of Appointment to the Committee
H.E. Sheikh Hamad Bin Faisal Al-Thani	Committee Chairman	20 October 2011 – Re-appointed
H.E. Dr. Khalid Mohammed Al-Attia	Member	20 October 2011 – Appointed
Mr. Mohamed Hassan Al-Saadi	Member	20 October 2011 – Appointed

3.3 Audit Committee

The Audit Committee was established under clause (17) of QFMA Code of Corporate Governance to assist the BOD in fulfilling its responsibility to:

- Appoint the external auditors, oversee and follow up the independence and objectivity of the external auditors;
- Oversee the accuracy and validity of quarterly, semi-annual and yearly financial statements, ensure compliance with all legal and regulatory requirements; and
- Review the financial, internal control and risk management systems within QIG.

The Audit Committee has adopted a formal charter that describes its role and responsibilities. The charter is available to the public via the QIG website as of 9th September 2013, to comply with QFMA Code of Corporate Governance. The Audit Committee is composed of the following three members of the BOD:

Name	Position on the Committee	Date of Appointment to the Committee
Mr. Faisal Abdullah Al-Mana	Committee Chairman	20 October 2011 - Appointed
Mr. Mohamed Bin Misnad Al-Misnad	Member	20 October 2011 – Re-appointed
Mr. Mohamed Hassan Al-Saadi	Member	20 October 2011 – Re-appointed

3.3.1. Audit Committee Meeting (2012 – 2013)

Meeting No.	Date of the Meeting	Attendees	Subject to Discuss
1	07/03/2013	2	Internal Report for the 1st Quarter
2	05/06/2013	2	Internal Report for the 2nd Quarter
3	09/10/2013	2	Internal Report for the 3rd Quarter
4			Internal Report for the 4th quarter

4. Internal Control System

The BOD hold the ultimate responsibilities for QIG's system of internal controls. The system of internal control, consist of policies and procedures, risk management, compliance and audit functions.

4.1 Policies and Procedures

The BOD has approved a set of policies and procedures that govern day to day operations (including the code of conduct, related party transactions, conflict of interest and insider trading policies). The following are the list of approved policies and procedures along with the approved date

- Finance Manual (June 2009)
- Human Resources Manual (August 2010)
- Confidentiality Policy (August 2010)
- Manpower Planning (August 2010)
- Loan Policy (August 2010)
- IT Policies - Network Security Policy (September 2010)
- IT Policies - Blackberry Policy (October 2010)
- IT Policies - Password Policy (August 2010)
- Discipline Policy (August 2010)
- Conflict of Interest Policy (September 2010)
- Director's Remuneration Policy (September 2010)
- Related Party Transactions Policy (September 2010)
- Personal Account Trading Policy (September 2010)
- Risk Management Framework (September 2010)
- Code of Corporate Governance (September 2010)
- Time & Attendance Policy (December 2011)
- Management Incentive Scheme (September 2010)
- Dividend Policy (September 2010)
- Management Succession Plan (October 2010)
- Health, Safety and Environment Policy (October 2010)
- Security Policy (October 2010)
- Internal Audit Charter (January 2012)

4.2. Risk Management and Compliance Function

Risk and compliance issues are addressed by senior management through two different management committees (details given in section 4.3 and 4.4) depending on the risk factors to ensure prompt corrective actions in addressing the risks that may arise and escalating them to the BOD for further validation and action.

4.2.1. Risk Assessment

The risk assessment will be taking into consideration the internal control systems related to the entity's preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system of the company. The external auditor will provide the administration with a separate letter about any fundamental weaknesses which drew attention during the audit process regarding the design or implementation of internal controls related to financial reporting.

4.3. Strategic Planning Committee

The Strategic Planning Committee enables the management to create and achieve its vision by developing and implementing a dynamic and responsive planning and business development process.

The Strategic Planning Committee is overlooking QIG's operations and ensures its alignment with the corporate strategy and work on levelling it up with the support of the management team. Moreover, the Strategic Planning Committee addresses strategic risks, such as changes in the market conditions or industry practices that may affect the viability of QIG in the long run. The Strategic Planning Committee is comprised of the following four members of the Executive Management:

Name	Designation
Mr. Omar AL-Hassan	Business Development Head
Mr. Hossam EL-Araby	Chief Financial Officer
Ms. Isra Makki	Group HR & Admin Head
Mr. Jose Escalera	Operations Head

4.4. Internal Control & Compliance Committee

The main purpose of the Internal Control & Compliance Committee is to assist the Managing Director in overseeing the implementation of the Company's internal controls, policies and procedures as well as addressing operational risks that may arise from daily operations. Moreover, the Internal Control & Compliance Committee is responsible for the compliance with applicable laws, regulations and market listing requirements. The Internal Control & Compliance Committee comprised of the following four members of the Executive Management:

Name	Designation
Ms. Isra Makki	Group HR & Admin Head
Mr. Hossam El-Araby	Chief Financial Officer
Mr. Hany Abu Ayash	Legal Head
Mr. Ayman Eldrieny	Internal Audit Head

4.5. The Internal Audit

The BOD has established an independent Internal Audit Department on 1 January 2012 which reports directly to the Audit Committee. Mr. Ayman Eldrieny, the Head of Internal Audit was appointed during the Board meeting held on 20 January 2012. The internal audit charter was developed and approved by the Audit Committee on the first meeting held in 2012.

4.5.1. The Internal Audit Objective

Internal Audit is an independent appraisal function to evaluate the adequacy and effectiveness of internal controls, systems, policies and procedures within QIG. The objectives of the Internal Audit Function are as follows:

- Review the functions that are carried out by the respective departments within the organization and determine whether they are in accordance with QIG's objectives, policies & procedures and relevant rules and regulations.
- Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
- Review and appraise the economy and efficiency with which resources are employed.

4.5.2. The Internal Audit Function

The internal audit department will perform risk assessment for QIG's audit universe to develop a risk-based internal audit plan after taking into account the risk management framework and risk appetite levels set by management for the different activities of the group.

The main responsibilities of the internal audit department are to identify risks surrounding QIG's activities and assess the adequacy of the risk management, governance and internal control system to ensure that QIG's assets are properly safeguarded and to ensure the continuity of its business operations.

The internal audit department issued internal audit reports during 2013 to management and relevant parties at the conclusion of each audit in order to communicate the audit findings, recommendations and management action plan.

The internal audit department produced a quarterly report to update the Audit Committee on the progress made towards the achievement of the annual audit plan and details the summary of findings of completed audit reports and follow up reviews.

5. External Auditors

The Annual General Assembly held on 27 February 2012 appointed KPMG, an independent firm, as QIG's external auditors based on the recommendation of the BOD.

Its main aim is to provide an objective assurance to the Board and Shareholders that the financial statements are prepared in accordance with all related laws, regulations and International Financial Reporting Standards (IFRS) and they accurately represent the financial position and performance of the Company in all material aspects.

5.1. External Audit Functions

The function of the external auditor involves performing procedures to obtain audit evidence about the amounts and disclosures of the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Due to the experimental nature of the audit process and other limitations inherent in this process in addition to those inherent in any accounting system or internal control, the actions carried out by the external Auditor may not reveal all material errors in the financial statements.

6. Disclosures

All Related Party Transactions are adequately disclosed in the annual audited financial statements of the Company.

7. Stakeholders Right

The rights of Stakeholders are to be respected. Where Stakeholders participate in the corporate governance arrangements; they shall have access to relevant, sufficient and reliable information on a timely and regular basis.

The Board of Directors shall ensure that the Company's employees are treated according to the principles of fairness and equity and without any discrimination whatsoever on the basis of race, gender, or religion. The Board of Directors shall develop a remuneration policy and packages that provide incentive for the employees and management of the Company to always perform in the best interests of the Company. This policy should take into consideration the long term performance of the Company.

The Board of Directors shall adopt a mechanism enabling company employees to report to the Board suspicious behaviour, where such behaviour is unethical, illegal, or detrimental to the Company. The Board shall ensure that the employee addressing the Board shall be afforded confidentiality and protected from any harm or negative reaction by other employees or the employee's superiors.

Compliance with QFMA Corporate Governance Code

I. No	Clause No.	Article 2 – Comply or Clarify	Yes	No	N/A	Remarks	Any Non-Compliance?
1	NA	Corporate Governance Report is prepared which defines the Company's compliance with QFMA standards or provides explanations for items not complied with and the reasons and rationale for non-compliance.	✓				No

SI. No	Clause No.	Article 3 – Governance Obligation on Company	Yes	No	N/A	Remarks	Any Non-Compliance?
1	3.1	Board shall ensure that the company complies with QFMA Code. (Compliance Reports)	✓				No
2	3.2	The Board should set, and periodically review and update professional conduct rules for the Board, staff and advisors. (Professional conduct rules include Board Charter, Audit Committee's Charter, Company Regulations, Related Party Transactions, and Insider Trading)	✓				No

SI. No	Clause No.	Article 4 – Board Charter	Yes	No	N/A	Remarks	Any Non-Compliance?
1	NA	Board shall ensure that Company adopts a Board Charter detailing Board's Functions and Responsibilities.	✓				No
2	NA	The Board Charter is published and made available to the public.	✓				No
3	NA	The Board Charter includes provisions included in	✓				No

Sl. No	Clause No.	Article 5 – Board Mission and Responsibilities	Yes	No	N/A	Remarks	Any Non-Compliance?
1	5.1	The Company is managed by effective Board of Directors.	✓				No
2	5.2.1	The Board is responsible in approving the Company's strategic objectives.	✓				No
3	5.2.1	The Board appoints and replaces management and sets their compensation.	✓				No
4	5.2.1	The Board reviews management's performance.	✓				No
5	5.2.1	The Board ensures management succession planning is in place.	✓				No
6	5.2.2	The Board ensures the Company's compliance with related laws and regulations as well as the Company's AoA and by-laws.	✓				No
7	5.3	The Board may delegate some of its functions and constitute special committees, for the purpose of undertaking specific operations on its behalf.	✓				No

Sl. No	Clause No.	Article 6 – Board Members' Fiduciary Responsibilities	Yes	No	N/A	Remarks	Any Non-Compliance?
1	6.1 and 6.2	Board Members comply with the QFMA Code and Board Charter. Members should act with due diligence, care, in good faith and in the best interest of the Company and Shareholders.	✓				No
2	6.3	Board Members fulfill their responsibilities towards the Company.	✓				No

SI. No	Clause No.	Article 7 – Separation of Chairman and CEO	Yes	No	N/A	Remarks	Any Non-Compliance?
1	7.1	Same person may not act as Chairman and CEO.		✓		QIG Chairman is also acting as the Chief Executive Officer of the Company.	Yes (The Company is in the process of recruiting a new CEO to ensure compliance with QFMA)
2	7.2	No one person in the Company have unfettered powers to take decisions.	✓				No

SI. No	Clause No.	Article 8 – Duties of the Chairman	Yes	No	N/A	Remarks	Any Non-Compliance?
1	8.1	Chairman ensures proper functioning of the Board including members receive timely, accurate and complete information to perform their duties.	✓				No
2	8.2	Chairman is not a member of any of the Board Committees (Audit Committee, Nominations and Governance Committee, and Remuneration Committee).	✓				No
3	8.3	The Chairman's duties and responsibilities include points mentioned in Clause 8.3.	✓				No

SI. No	Clause No.	Article 9 – Board Composition	Yes	No	N/A	Remarks	Any Non-Compliance?
1	9.1	The Board includes executives, non-executives and independent members.	✓				No
2	9.2	One third of the Board members are independent and majority of the Board members are non-executive Board Members.	✓				No
3	9.3	Board Members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company and Members provide sufficient time to perform their duties.	✓				No

SI. No	Clause No.	Article 10 –Non- Executive Board Members	Yes	No	N/A	Remarks	Any Non-Compliance?
1	10.1	Non-Executive Board Members performs their duties as mentioned in Clause 10.1.	✓				No
2	10.2	Independent consultancy can be requested by a majority approval of Non-Executive Board Members.	✓				No

SI. No	Clause No.	Article 11 – Board Meetings	Yes	No	N/A	Remarks	Any Non-Compliance?
1	11.1	The Board meets at least 6 times per year.	✓				No
2	11.2	The Board is called by Chairman or two members. Invitation and Board Agenda is communicated to all Board Members at least one week before the meeting.	✓				No

SI. No	Clause No.	Article 12 –Board Secretary	Yes	No	N/A	Remarks	Any Non-Compliance?
1	12.1 and 12.4	The Board has appointed a secretary (through a resolution) for Board administrative matters, timely access to information and coordination with Board Members, stakeholders and the Board.	✓				No
2	12.2	The Board Secretary ensures that Board members have access to all the information and records pertaining to the Company.	✓				No
3	12.3	The Board Secretary provides services to all Board Members.	✓				No
4	12.5	The Board Secretary is a member of professional accountant body /member of a chartered body of corporate secretaries/ a lawyer/graduate from a recognized university or equivalent. The Board Secretary has at least 3 years' experience of handling affairs for a listed company.	✓				No

SI. No	Clause No.	Article 13 –Conflict of Interest and Insider Trading	Yes	No	N/A	Remarks	Any Non-Compliance?
1	13.1	The Company has adopted and made public, Related Party Policy governing the Company's entering into any commercial transaction.	✓				No
2	13.1	Related party transactions are approved by a majority of shareholders without the concern related party participating in the voting.	✓			AGM held on 2013, approved the BOD's decision to grant the project of AL Lusail Tower to Redco AL-Mana Company.	No
3	13.2	Board members do not participate in meeting where they have a conflict of interest or are related to the transaction.	✓				No
4	13.3	Related Party transactions are disclosed in the Company's Annual Report and referred to in the AGM.	✓				No
5	13.4	Board Member trading in company shares shall be disclosed. An Insider Trading Policy has been adopted by Board Members and Employees.	✓				No

SI. No	Clause No.	Article 14 –Other Board Practices and Duties	Yes	No	N/A	Remarks	Any Non-Compliance?
1	14.1	The Board has access to all company documents.	✓				No
2	14.2	The Board ensures that Remuneration, Nomination and Audit Committee members, Internal Auditor and External Auditor attend AGM.	✓				No
3	14.3	An induction program for newly appointed members is in place, members responsibilities clearly discussed upon joining.	✓				No
4	14.4	The Board shall adopt a formal training to enhance Board Member knowledge.		✓			Yes [However, QIG will ensure to comply with this provision.]
5	14.5	The Board Members shall be kept up to date about the latest development on Corporate Governance directly or through Audit/ Governance Committee.	✓				No
6	14.6	The AoA of the Company shall include procedures for removing members who fail to attend meetings.	✓				No

Sl. No	Clause No.	Article 15 –Nomination Committee	Yes	No	N/A	Remarks	Any Non-Compliance?
1	15.1	Formal, rigorous and transparent Board Appointment Procedure in place.	✓				No
2	15.2	The Company has a Nomination Committee chaired by Independent Board Member and Board Members which shall recommend Board Members appointment and re-nomination. comprised of Independent	✓				No
3	15.3	Nomination Process/ Assessment of Board Members in accordance with Annex 2 of QFMA.	✓				No
4	15.4	Nomination Committee TOR is adopted and published.	✓				No
5	15.5	Annual Self-Assessment Process is in place.	✓				No
6	15.6	Banks and other companies shall comply with any conditions or requirements relating to the nomination, election or appointment of Board Members issued by Qatar Central Bank or any other relevant authority.	✓		✓		NA

Sl. No	Clause No.	Article 16 –Remuneration Committee	Yes	No	N/A	Remarks	Any Non-Compliance?
1	16.1	Remuneration Committee comprised of at least 3 non-executive Board Members, majority of whom must be independent.	✓				No
2	16.2	Remuneration Committee’s TOR is adopted and published.	✓				No
3	16.3	The Remuneration Committee’s main role includes setting the remuneration policy of the Company including remuneration of the Chairman and all Board Members as well as Senior Executive Management.	✓				No
4	16.4	Remuneration Policy presented to the AGM for approval and made public.	✓				No
5	16.5	Remuneration Committee takes 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.	✓				No

Sl. No	Clause No.	Article 17 – Audit Committee	Yes	No	N/A	Remarks	Any Non-Compliance?
1	17.1	Audit Committee comprised of at least 3 members, majority of whom must be independent. One member with Financial and audit experience. If the no. of independent members are insufficient, the Company may appoint non-independent Board Members, provided that the Chairman is independent.	✓				No
2	17.2	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.	✓				No
3	17.3	The Audit Committee may consult at the Company's expense any independent expert or consultant.	✓				No
4	17.4	The Audit Committee meets as needed and regularly, at least quarterly and keeps minutes of the meetings.	✓				No
5	17.5	Disagreements between the committee and the Board are noted in the Governance Report including the reasons.			✓		NA
6	17.6	Audit Committee has adopted and published its TOR explaining its main roles and responsibilities as mentioned in Clause 17.6.	✓				No

Sl. No	Clause No.	Article 18 – Compliance, Internal Control and Internal Auditor	Yes	No	N/A	Remarks	Any Non-Compliance?
1	18.1	The Company adopted Internal Control System (for risk management, compliance and governance) approved by the Board.	✓				No
2	18.2	The Company conducts independent Risk Assessments.	✓				No
3	18.2	The Company has an internal control system that includes operational and financial internal audit functions. The Internal Control System ensures related party transactions are handled appropriately.	✓				No
4	18.3	The Company has an Internal Audit Function with clearly defined functions and roles as mentioned in Clause 18.3	✓				No
5	18.4	Internal Audit Function with at least one auditor who reports to the Board/ CEO, either directly or through the Audit Committee.	✓				No
6	18.5	Internal Auditor prepares and submits to the Audit Committee and to the BOD which includes relevant information as mentioned in Clause 18.5.	✓				No
7	18.6	Internal Audit Reports are prepared on quarterly basis.	✓				No

SI. No	Clause No.	Article 19 – External Auditor	Yes	No	N/A	Remarks	Any Non-Compliance?
1	19.1	Appointed external auditor does annual and semi-annual audits.	✓				No
2	19.2	The External Auditor is completely independent from the Company and its Board Members and does not have any conflict of interests in his relation to the Company.	✓				No
3	19.3	External Auditor attends AGM.	✓				No
4	19.4	External Auditor raises any concerns to regulatory authority, if no action taken by the Board.	✓				No
5	19.5	External Auditor is rotated every 3 years.	✓				No

SI. No	Clause No.	Article 20 – Corporate Governance Report	Yes	No	N/A	Remarks	Any Non-Compliance?
1	20.1	Financial Disclosures are made available, including shareholding of Board Members, senior executives and major shareholder.	✓				No
2	20.2	The Company ensures disclosure about Board Members resume inclusive of education, profession, board seats they hold.	✓				No
3	20.3	The Company ensures disclosures of the names of the members of various committees along with their composition.	✓				No
4	20.4	External Auditor raises any concerns to regulatory authority, if no action taken by the Board.	✓				No
5	20.5	The Company's Financial report is in accordance with IFRS/IAS and ISA. Further, External Auditor report states the Company conforms to IFRS/IAS and that the Audit is conducted in accordance with IAS.	✓				No
6	20.6	Audited financials are made available to all shareholders.	✓				No

SI. No	Clause No.	Article 21 – General Rights of Shareholders and Key Ownership Elements	Yes	No	N/A	Remarks	Any Non-Compliance?
1	NA	The Company adopted Internal Control System (for risk management, compliance and governance) approved by the Board.	✓				No

SI. No	Clause No.	Article 22 – Ownership Records	Yes	No	N/A	Remarks	Any Non-Compliance?
1	22.1	Share ownership records are maintained and updated.	✓				No
2	22.2	Shareholder register can be freely accessed by all Shareholders during office hours or in accordance with Access to Information Procedure.	✓				No
3	22.3	Shareholders may obtain any document listed in 22.3 for a fee.	✓				No

SI. No	Clause No.	Article 23 – Access to Information	Yes	No	N/A	Remarks	Any Non-Compliance?
1	23.1	Access to Information Procedures included in AoA and By-laws.	✓				No
2	23.2	The Company shall have a website where all public information and disclosures are posted.	✓				No

SI. No	Clause No.	Article 24 – Access to Information	Yes	No	N/A	Remarks	Any Non-Compliance?
1	NA	Shareholders right to call for an AGM, right to place items on the agenda, discuss matters listed on the agenda and address questions are included in the AoA and by-laws.	✓				No

Sl. No	Clause No.	Article 25 – Equitable Treatment of Shareholders and Exercise of Voting Rights	Yes	No	N/A	Remarks	Any Non-Compliance?
1	25.1	Shareholders rights in same class are the same.	✓				No
2	25.2	Proxy voting is permitted.	✓				No

Sl. No	Clause No.	Article 26 – Shareholders’ Rights in Board Member’	Yes	No	N/A	Remarks	Any Non-Compliance?
1	26.1	AoA and By-laws include provisions ensuring shareholders are given information relating to Board Member Candidates.	✓				No
2	26.2	Voting for Board Members is through Cumulative Voting.			✓	Voting mechanism is in accordance with Commercial Companies Law and is not on a cumulative vote basis.	NA

Sl. No	Clause No.	Article 27 – Dividend Distribution	Yes	No	N/A	Remarks	Any Non-Compliance?
1	NA	BOD submits to the AGM a clear policy on dividend distribution.	✓				No

SI. No	Clause No.	Article 28 – Capital Structures, Shareholder Rights and Major Transactions	Yes	No	N/A	Remarks	Any Non-Compliance?
1	28.1	Capital structure is disclosed and company shall determine the type of shareholder agreements that shall be disclosed.	✓				No
2	28.2	AoA and/or by-laws protect minority shareholders in the event of approval of Major Transactions when minority shareholder is against such transactions.	✓				No
3	28.3	AoA and/or by-laws provide triggers or Tag Along Rights in case of a change in ownership exceeding a specific percentage (threshold).	✓				No

SI. No	Clause No.	Article 29 – Stakeholders’ Rights	Yes	No	N/A	Remarks	Any Non-Compliance?
1	29.1	Stakeholders have access to relevant, sufficient and reliable information on a timely and regular basis and rights are protected.	✓				No
2	29.2	Employees treated in accordance with principles of fairness and equity without discrimination.	✓				No
3	29.3	Employees’ remuneration policy and packages developed by the Board which should take into consideration long term performance.	✓				No
4	29.4	Board adopts a mechanism for reporting unethical behavior (whistle-blowing), where whistle-blower is protected.	✓				No

SI. No	Clause No.	Article 30 - Corporate Governance Report	Yes	No	N/A	Remarks	Any Non-Compliance?
1	30	Corporate Governance Report signed by the Chairman which covers the items documented in Article 30.	✓				No