

# CORPORATE GOVERNANCE REPORT 2017

p.16

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p.17

# OVERVIEW

Qatari Investors Group (QIG or the Company) has prepared this Corporate Governance Report in line with the Governance Code for Companies & Legal Entities listed on the Main Market pursuant to Decision No. (5) of 2016 (the QFMA Corporate Governance Code), issued by Qatar Financial Markets Authority (QFMA).

The Board of Directors (the BOD) and the Executive Management believe in the importance of good governance. The corporate governance framework is of utmost importance as it enables the company to always act in an ethical, transparent and responsible manner, and in the best interests of our shareholders and stakeholders.

QIG believes that the main objective of the corporate governance system is to instil the principles of fairness, transparency, objectivity, responsibility, accountability and integrity among those charged with the governance of the companies, as well as empower them with the ability to conduct internal investigations.

We also believe that a vital element of good corporate governance is goal-setting. In this regard, QIG has established clear and attainable objectives, which everyone in the organization is aware of and is committed to achieve and this will increase the likelihood of those objectives being met. The Board of Directors and the Executive Management continue to ensure that QIG operations are governed by a comprehensive range of policies and frameworks. These policies/frameworks outline the roles, responsibilities and accountability of QIG Board of Directors, Executive Management and Committees. This report explains the organization of QIG's corporate leadership and the decision-making process.

This report also demonstrates how QIG takes into consideration the importance of certain fundamental principles of good governance including but not limited to the equity and equality among shareholders, protection of minority rights, etc.

In this context, this Annual Corporate Governance Report provides a transparent disclosure of QIG's governance practices.

## 1. The Board of Directors

### 1.1 Functions of the Board

The BOD manages QIG's affairs in the best interests of the Company and its shareholders. The BOD represents all the shareholders and ensures that all the shareholders are protected from any actions/decisions that may affect them.

QIG's BOD is also responsible for the overall business strategy of the Company and ensures that all decisions of the Company are always taken in compliance with the highest standards of good governance. In this regard, the BOD ensures that the Company complies with all the related

laws and regulations as well as the Company's Articles of Association and Bylaws. The Board is also responsible for protecting the Company from any illegal, abusive or inappropriate actions and practices.

In addition to the QFMA Corporate Governance Code and its applicable laws and regulations, QIG also has a Board Charter in place that governs the functions of the Company's Board of Directors. This charter aims to make the Company's corporate governance system more transparent, understandable and accessible to all shareholders. The Board Charter also lists down the responsibilities and functions of the Board of Directors.

### Tasks and Responsibilities of the Board

The tasks and responsibilities of the Board include but are not limited to the following:

A detailed list of the Board's task & responsibilities are available under the Board Charter on the QIG website, <http://www.qatariinvestors.com/>

- Approving the strategic plan of the Company and its main objectives;
- Setting the Company's comprehensive strategy, key business plans and risk management policy;
- Setting the performance objectives and monitoring its implementation as well as the overall performance of the Company;
- Reviewing and approving the organizational structures of the Company on a periodic basis in order to ensure the distinct distribution of the functions, tasks and responsibilities of the Company, especially among the internal control units;
- Developing a written policy that will regulate conflicts of interest and rectify any possible cases of conflict by the Board of Directors, Executive Management and shareholders. This includes misuse of the Company's assets and facilities as well as mismanagement resulting from transactions with related parties;
- Developing a complete disclosure system that facilitates justice and transparency, and prevents conflicts of interest and exploitation of insider information. It will also include procedures to be followed by insiders dealing in securities, identifying prohibited periods of trading in securities of the Company or any of its subsidiary companies, and preparing a periodically updated list of insiders, which will be shared with the Board and the Market, as and when it is updated;

- Reviewing annually the effectiveness of the Company's Internal Control Procedures;
- Setting policies and procedures that ensure the Company's compliance with the laws and regulations and its obligation to disclose material information to shareholders, creditors and other stakeholders;
- Inviting all shareholders to attend the General Assembly Meeting in a manner charted by the law. The invitation and the announcement shall include a summary of the General Assembly agenda. Discussing and approving the Governance Report should be an item on that agenda;
- Developing a mechanism for dealing and cooperating with providers of financial services, financial analyses, credit ratings and others as well as with entities that identify standards and indices of financial markets in order to provide their services to all shareholders in a timely manner and with integrity and transparency;
- Carry out their duties in a responsible manner, in good faith and with due diligence. Their decisions should be based on sufficient information from the Executive Management or from any other reliable source.

### 1.2 Meetings of the Board of Directors

As per Article 14 of the QFMA Corporate Governance Code, QIG holds the required number of meetings as set out on the table below. The basis of calculating the number of meetings held is from the Annual General Meeting (AGM) of the current year up to the AGM of the coming year.

QIG's BOD meetings are structured in a way that allows open discussions and facilitates the participation of all members. The discussions are related to the strategy, trading and financial performance as well as risk management of the Company. All substantive agenda items are supported by comprehensive briefing material, which is circulated to all the members within a reasonable notice.

All decisions are taken by the majority of votes of the attendants or representatives.

Any member who is unable to attend a particular meeting will be provided with all the relevant information of such meeting and can discuss the issues that arose during the meeting with the Chairman of the Board. The Board Members may appoint a proxy for voting purposes.

Board Meeting No.	Date of Meeting	Attendees	Absentee(s)	Voting by Proxy	Date of Sending the Agenda
2017/66	2017/04/20	5	0	0	2017/04/11
2017/67	2017/06/07	5	0	0	2017/06/01
2017/68	2017/07/25	5	0	0	2017/07/09
2017/69	2017/09/19	5	0	0	2017/09/13
2017/70	2017/10/16	4	1	0	2017/10/01
2017/71	2017/12/11	5	0	0	2017/12/04
2018/72	2018/01/25	5	0	0	2018/01/10

### 1.3 Composition of the Board

QIG's BOD consists of three (3) independent members, one (1) non-executive and one (1) executive member. This complies with Article 31 of QIG's Articles of Association and Article 6 of the QFMA Corporate Governance Code.

The QIG BOD complies with Article 32 of the Company's Articles of Association as well as with Article 5 of the QFMA Corporate Governance Code.

The composition of the QIG BOD ensures that no members can dominate the issuance of any decision.

QIG's BOD has included independent BOD members since the General Assembly of 7th November 2016. The previous BOD members had delegated their powers and authority to an independent committee in order to receive the candidatures and curriculum vitae of the candidates. This committee charted the procedures for the election that was held during the said General Assembly and during which the shareholders elected our current BOD members.

The delegation of powers and authority from our previous BOD members to the independent committee had been conducted according to a clear written instruction as per Article 5.3 of the previous QFMA Regulation (previous QFMA Corporate Governance Code, dated 27 January 2009).

A transparent disclosure of the BOD election, covering all the relevant information of the candidates

Name	Position	% of Direct Ownership	Date Appointed	Representing	% of Indirect Ownership	Status
H.E. Mr. Abdulla Bin Nasser Al Misnad	Chairman	0.08	7/11/2016	Al Misnad LLC	37.55	Executive
H.E. Sheikh Hamad Bin Faisal Al Thani	Vice-Chairman		7/11/2016	Qatari Trading Agencies Company	0.7	Non-Executive
Mr. Abdulaziz Al Khulaifi	Independent Board Member		7/11/2016			Independent
Dr. Yarob Rayyan	Independent Board Member		7/11/2016			Independent
Dr. Fadi Makki	Independent Board Member		7/11/2016			Independent

#### 1.4 Remuneration of the Board

As required by the QFMA Corporate Governance Code, the remuneration of the BOD will be disclosed during the next Annual General Assembly Meeting.

QIG has established a Remuneration Policy which states, in a detailed manner, how the remuneration of the Board Members is determined and allocated.

#### 1.5 Board Qualification

BOD Members of QIG meet all required qualification and skills in order to always fulfill their respective duties.

QIG conducts a performance assessment of the BOD members, on an annual basis. This assessment is conducted by the Remuneration- Nomination Committee. The last performance assessment showed that the BOD members successfully met the criteria and goals set by the Company.

#### 1.6 Chairman of the Board

H.E. Abdulla Bin Nasser Al Misnad represents the Company as the Chairman of QIG. H.E. the Chairman ensures that the Company is managed in an effective and productive manner. H.E. the Chairman always works in the best interests of the Company, partners, shareholders and stakeholders, alike.

His presence during the board meetings is of immense importance. Hence, in line with Article 11 of the QFMA Corporate Governance Code, his functions includes but are not limited to the

including their respective curriculum vitae, was provided to all the shareholders within a sufficient and reasonable notice period.

The table below shows the current composition of the QIG Board of Directors as at 31 December 2017:

following [The Chairman's functions are also listed under the Board Charter]:

- Approving the agenda of the Board's meetings;
- Encouraging the BOD members to actively participate in the Board's functions and ensuring that they undertake their tasks in the best interests of the Company;
- Providing all the relevant information/data to the Board members in order to take the necessary decisions and actions in a learned manner;
- Providing shareholders with information in an effective and transparent manner via various communication channels [more information is provided in the Investors Relation section below];
- Consulting the board members on the strategy, business development and risk management of the Company;
- Informing the board members, without delay, of important events that are essential for the assessment of any situation as well as for the development and management of the Company;
- Representing the Company in all active or passive lawsuits before all jurisdictions;
- Monitoring the Company's performance with the objective of achieving QIG's corporate goals;

- Supervising the management of the Company.

Throughout the year, H.E. the Chairman has ensured that the Company, the BOD and the Executive Management have complied with all the relevant laws and regulations.

#### 1.7 Prohibition of Combining Positions

In order to comply with the QFMA's requirements and keep a high standard of good governance, the Chairman cannot be the Chairman of any Committee or combine his position with any other executive position in the Company.

QIG complies with the provisions stated under Article 7 of the QFMA Corporate Governance Code, based on the Article 98 of the Companies Law (Law No. 11 of 2015) and Article 2 of the QFMA Corporate Governance Code.

Moreover, none of the BOD Members can be board member for more than three (3) shareholding companies which have their headquarters located in the State of Qatar.

#### 1.8 Secretary of the Board

The Secretary of the Board performs a myriad of tasks aimed at managing the records and administrative functions of the Board of Directors.

The Secretary of the Board sends invitations to the Board Members accompanied by the agenda, within the appropriate timeframe.

The Secretary of the Board records and maintains the minutes of each and every board meeting. The minutes list and highlight the predetermined agenda of each meeting as well as the decisions taken during such meetings.

As required by the QFMA Corporate Governance Code, the Secretary of the Board keeps a special record of the Board Members' acknowledgment of not occupying prohibited positions.

#### 1.9 Board Committees

In order to effectively manage its duties, QIG's Board delegates some of its powers to its committees. These committees include the Nomination-Remuneration Committee and the Audit Committee.

The Board receives an annual report from every committee, in which those committees share their respective recommendations with the Board.

##### 1.9.1 Nomination-Remuneration Committee

As of now and pursuant to Article 19 of the QFMA Corporate Governance Code, the Nomination Committee and the Remuneration Committee are combined into one single committee.

Hence, this committee is involved in two different scopes - remuneration and nomination.

The Nomination-Remuneration Committee assists the Board of Directors in setting the Company's Remuneration Policy on a yearly basis. This policy identifies and sets the remuneration framework as well as the incentives of the Chairman of the Board, the BOD Members, the Executive Management and the employees.

It ensures that the remuneration allocated to the BOD members does not exceed five percent (5%) of the Company's net profit, in accordance with Article 46 of QIG's Articles of Association, Article 119 of the Companies Law (Law No.11 of 2015) and Article 18 of the QFMA Corporate Governance Code.

The Nomination-Remuneration Committee is also in charge of the nomination of the directors and the Executive Management members. The Committee takes into consideration the skills, knowledge and experience as well as the professional, technical and academic qualifications and personality of the candidates.

The Nomination-Remuneration Committee was established in compliance with Article 18 of the QFMA Corporate Governance Code and is composed of the following members:

Name	Position	Board Member Type
H.E. Sheikh Hamad Bin Faisal Al Thani	Chairman of the Committee	Non-Executive
Dr. Yarob Rayyan	Member	Independent
Dr. Fadi Makki	Member	Independent

### 1.9.2 Audit Committee

The Audit Committee was established in accordance with Article 18 of the QFMA Corporate Governance Code. QIG's Audit Committee is chaired by an Independent Board Member and includes the majority of the independent members.

The responsibilities of the Audit Committee include, but are not limited to:

- Setting the procedures of contracting and nominating External Auditors and ensuring their independence while performing their duties;
- Overseeing the Company's internal controls, monitoring the External Auditors' functions, coordinating with the External Auditors, and ensuring their compliance in implementing the best international standards;
- Overseeing and reviewing the accuracy and validity of the financial statements and the yearly and quarterly reports;
- Considering, reviewing and following up with the External Auditors' reports and notes on the Company's financial statements;

- Reviewing the financial, internal control and risk management systems;
- Developing and regularly reviewing the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company;
- Implementing the assignments of the Board regarding the Company's internal controls;
- Conducting discussions between the External Auditor and the Executive Management regarding risk audits, especially the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report;
- Coordinating the functions of the BOD, the Executive Management and the Internal Controls of the Company.

During 2017 QIG's Audit Committee held a total of six (6) meetings.

QIG's Audit Committee has adopted a formal charter which is published and available on QIG's website: <http://www.qatariinvestors.com/english/media-centre/reports/>

The Audit Committee is composed of the following members:

Name	Position	Board Member Type
Mr. Abdulaziz Khulaifi	Chairman of the Committee	Independent
Dr. Yarob Rayyan	Member	Independent
Dr. Fadi Makki	Member	Independent

Meetings of the Audit Committee during the year ended 31st December 2017:

Audit Meeting No.	Date of the Meeting	No. of the Attendees	No. of Absentees	Vote by Proxy
1.	18/01/2017	3	0	-
2.	17/04/2017	3	0	-
3.	24/07/2017	3	0	-
4.	15/10/2017	3	0	-
5.	14/11/2017	2	1	-
6.	26/12/2017	3	0	-

\*\*Note: The BOD of QIG nominated Mr. Faisal Bin Abdullah Al Mana as Managing Director and Spokesperson for the Company. This will be conveyed to the shareholders during the Annual General Assembly Meeting.

## 2. Internal Control System and Risk Management

### 2.1 Internal Control System

Corporate Governance in QIG is intended to maintain the rights of the shareholders, provide equal treatment for each of them, protect the interests of minorities and focus on disclosure of information and ensure its transparency as well as set the duties and responsibilities of the BOD members.

The BOD members ensure that the management establishes and maintains an efficient internal control system in order to safeguard the shareholders' investments and the Company's assets. The Internal Control and Compliance Committee assists the BOD members in monitoring the implementation of the Company's internal control system, internal policies and procedures, as well as addressing operational risks that might arise during the day-to-day operations. In this regard, the Board of Directors has delegated the following tasks to the Internal Control and Compliance Committee:

- Ensuring that all the internal policies comply with the QFMA Corporate Governance Code, the applicable laws/regulations and the Articles of Association and the bylaws;
- Reviewing the reports related to the risk management in the Company;
- Evaluating the adequacy of the Company's policies in comparison with the general standards of good governance practices.

The Committee is also responsible for:

- Overall internal controls and compliance;
- Deliberating corporate-wide issues;
- Providing remedial measures on internal controls and compliance; and
- Expressing its views and recommendations to the Board of Directors.

The Committee reviews and approves all the internal policies and procedures applicable for all employees, Executive Management members and Board members. Any changes/amendments to those policies and procedures should be first addressed to the Internal Control and Compliance Committee for its review and approval. The main objective is to ensure that any amendments of the said policies comply with the interests of the Company, employees and shareholders alike.

Moreover, the Committee evaluates the methods and procedures in relation to the risk management system implemented by the Company.

### 2.2 Risk Management

The Board of Directors of QIG has established the Company's objectives in line with the Company's vision, mission and strategies. In its pursuit of these objectives, the Company may encounter events and circumstances which may threaten the accomplishment of these objectives. In order to mitigate these risks, an effective system of internal control shall be designed and implemented.

To design an effective and efficient system of internal control, the Board of Directors of QIG adopted the COSO's Internal Control Framework. The adopted COSO framework has been integrated with the IIA's (Institute of Internal Audit) recommended Three Lines of Defense model to assign the responsibility of the duties outlined in the framework. To comply with the QFMA requirements and in order to assess these controls, QIG has established independent units to identify, assess, and report on risks which may affect the efficiency and effectiveness of the Company.

QIG has established a Risk Management Department as well as an Internal Audit Department as independent units, to act as a second line and a third line of defense in the Three Lines of Defense. The Risk Management Department will coordinate with the entity's units in order to be able to identify and assess any risks to the Company. The Internal Audit Department will assess the internal controls of the Company along with the risk management practices.

The Risk Management Department has adopted the COSO Enterprise Risk Management Integrated Framework to meet the Company's objectives regarding risk management.

Risk management is central to the strategic management of QIG. It provides a systematic process for identifying risks attaching to new and current business activities. This process involves the categorization and evaluation of each risk and the application of the management controls to mitigate the risk, based on a judgment of the likely impact combined with an assessment of the likelihood of the risk re-occurring.

The internal controls of risk management will be scrutinized by internal and external audits but these can only minimize the consequences of the occurrence based on impact and likelihood, however, the risk itself cannot be eliminated.

Risk management is a continuous process involving risk identification, risk assessment, allocation of leads to manage risk, and consideration of the residual risks after controls are implemented.

### 2.3 Internal Audit

The Internal Audit Department of QIG reports directly to the Audit Committee.

The Internal Audit Department functions independently and plays a key assurance and consultant role within the Company in order to improve the Company's operations. This department aims to add value and improve the structure by helping QIG to achieve its objectives through a systematic and disciplined method of evaluating and improving the effectiveness of risk management and control processes and governance. In this regard, the Audit Department conducts regular assessments and provides objective and independent advices.

The Internal Audit Department facilitates the timely identification of the risks that the Company might face and provides recommendations to enable the better management of the business.

The Internal Audit Department is independent and reports objectively on any functions without being constrained by the management.

The Audit Department is responsible for the following specific functions, including but not limited to:

- Reviewing and monitoring control procedures related to financial affairs, investments and risk management;
- Reviewing the impact of risk factors on the Company and the effectiveness and appropriateness of the systems established within the Company in facing any drastic and/or unexpected changes in the Market;
- Assessing any risk faced by QIG or any potential risk that it might face;
- Addressing any suggestions and recommendation in order to mitigate such risks.

### 2.4 External Audit

In accordance with Article 23 of the QFMA Corporate Governance Code, and after reviewing all the offers from External Auditors listed with QFMA, QIG's Audit Committee submits its recommendation to the Board of Directors. Based on the Board of Directors' recommendations, Deloitte & Touché was appointed as the External

Auditors during QIG's Annual General Assembly Meeting, that was held on 22nd February 2017.

The appointment period of our External Auditors have not exceeded five (5) years in accordance with Article 23 of the QFMA Corporate Governance Code.

QIG's External Auditors play a fundamental role in the Company. Hence, the External Auditors provide reasonable assurance that the financial statements fairly represent the financial position and performance of the Company. To ensure the above, the External Auditors perform their audits independent of the Company. This provides confidence to the Company's accounting information and improves QIG's ability to attract investments.

The External Auditors provide the BOD members with information related to any risk to which QIG is exposed to and also about any identified violation. In case of any violation, they will immediately notify the relevant authorities such as QFMA.

## 3. Protection of Shareholders and Stakeholders

### 3.1 Transparency and Protection against Conflicts of Interest

Transparency and the protection against any conflict of interest are treated as an essential elements of QIG's corporate governance framework.

Those two principles when combined lead to a better protection of both the shareholders and the stakeholders.

In this regard, the Company has established a Conflict of Interest Policy. This policy ensures that the Company is always fully committed to conducting its business in a fair, honest and sound manner and assures that the long-term interests of its shareholders and stakeholders are being served.

QIG expects undivided loyalty from its employees and Executive Management members. Therefore, they shall not engage in any activity which could conflict with the Company's business interests and which could adversely affect its reputation or which could interfere with the fulfilment of their responsibilities.

QIG has also developed a Disclosure Policy under which any trading conducted by employees, Executive Management members, their relatives or any insiders, shall be disclosed to the relevant authorities.

### 3.2 Investors Relations

In order to cater to the needs and requirements of the shareholders and investors in a timely manner, an Investor Relations Section has been constituted. The Investors Relations Section provides on-time information and facilitates the seamless communication between the Company and the Shareholders.

QIG attaches immense importance to the Investors Relation Section as it helps in maintaining strong and transparent relationships with its shareholders.

### 3.3 Shareholders' Rights

QIG treats all its shareholders in an equitable manner. The BOD members ensure that all the shareholders have equal rights in accordance with Article 29 of the QFMA Corporate Governance Code.

Protecting our shareholders' rights is of immense importance to QIG. The Company's Articles of Association as well as its compliance with the relevant laws and regulations ensure this.

QIG's Articles of Association contain provisions that provides guarantees to all shareholders to exercise their rights.

Additionally, QIG has adopted a policy that provides protection for the shareholders as well as the minorities when major transactions are undertaken.

The shareholders shall have access to all relevant information that might affect their investments. All shareholders have access to the Company's website <http://www.qatariinvestors.com> where they can view the quarterly financial reports as well as the Annual Report, which includes the QIG's Corporate Governance Report, Board Charter, Articles of Association and Information on the Company's Executive Management.

Additionally, as per Article 57 QIG's Articles of Association as well as Article 32 of the QFMA Corporate Governance Code, shareholders representing at least 25% of the Company's capital are entitled to be invited to an Extraordinary General Assembly.

Moreover, in line with Article 32 of the QFMA Corporate Governance Code, the Shareholders representing at least 10% of the Company's capital shall be entitled to convene a General Assembly.

In line with Article 34 of the QFMA Corporate Governance Code, proxy voting is permitted in order to ensure that the shareholders can exercise their rights, at all times. Additionally, during the Annual General Assembly meeting, the BOD Members present their proposal regarding the dividend

distribution to QIG' Shareholders. Such distribution shall be determined based on the Company's performance within the year.

Shareholders have the right to attend general assembly meetings and are entitled to ask questions to the BOD members and receive answers in a manner that does not prejudice the Company's interests.

Shareholders' rights regarding the distribution of their dividends are determined under the Company's Articles of Association.

### 3.4 Stakeholders' rights

QIG's BOD ensures that all employees and all stakeholders in general, are treated equally without any discrimination, whatsoever be their race, gender, or religion.

Remuneration policies and packages have been established in order to incentivize and reward employees who demonstrate exceptional performance.

Moreover, appropriate mechanisms have been put in place that enables all employees to report any suspicious, unethical, immoral or illegal activity to the Executive Management members. This mechanism ensures that such reports are made in a confidential manner and will not affect the concerned employee.

Accordingly, QIG has established a Whistle-blowing Policy. This policy defines the protection and framework including but not limited to the right of any employee to disclose any malpractice within the Company such as misuse or inappropriate use of QIG's funds or resources, any criminal offences, etc.

### 3.5 General Assembly Meetings

QIG's shareholders gathered at an ordinary general assembly meeting on Wednesday, 22nd February 2017. This meeting was held under the supervision of representatives from the Ministry of Economy and Commerce and in the presence of QIG's External Auditors, Deloitte and Touché.

The following were part of the agenda of the aforesaid meeting:

- Hear the statement of His Excellency the Chairman and the report of the Board of Directors on the Company's activities and its financial position for the year ended 31st December 2016 and its business plan for 2017;

- Hear and endorse the report of the External Auditors on the Company' statement of financial position and the accounts submitted by the Board of Directors for the year ended 31st December 2016;
- Discuss and endorse the Company's financial statements and income statement for the year ended 31 December 2016;
- Discuss the recommendation of the Board of Directors to distribute to the shareholders a cash dividend at the rate of 10% of the nominal value of the share capital, representing QAR 1.00 per share for the year ended 31 December 2016;
- Absolve the members of the Board of Directors from any liability for the financial year ended 31 December 2016;
- Appoint an External Auditor for the financial year 2017 and fix their fees;
- Discuss and endorse the Corporate Governance Report for the year 2016.

### 3.6 Disclosure Requirements

In line with Article 4 of the QFMA Corporate Governance Code and in order to always be transparent with our Shareholders, QIG undertakes the required disclosure under this report, as follows:

Based on the recent updates and new requirements issued by the QFMA, QIG has amended and adjusted its:

- Articles of Association;
- Board Charter;
- Audit Committee Charter; and
- Internal Policies and Procedures

QIG is always willing to update and implement new requirements issued by the relevant Authorities, in order to improve the protection of the Company and its Shareholders.

QIG is committed to disclosing (when applicable) any violations committed during the financial year, provide their reasons and the remedial measures taken to avoid the same in the future.

QIG has developed a remuneration policy which translates the Company's remuneration philosophy into policies. The Remuneration Policy [published under QIG's website] defines and clarify the remuneration schemes applied at the various levels in the Company (including BOD members and Senior Executive Management Members). This policy sets a guideline for Board Remuneration

to assure compliance fairness and transparency. The remuneration for BOD Members reflects the interests of our Shareholders and the Company, taking into consideration any specific matters, including the assignments and the responsibilities undertaken. In addition, the remuneration policy helps promoting long-term goals for safeguarding the Company's interests.

BOD remuneration shall never exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends to our Shareholders as stated under Article 18 of the QFMA Corporate Governance Code.

The remuneration of our BOD Members for the intended financial year will be reviewed by the Nomination-Remuneration Committee. The Nomination-Remuneration Committee will present to the Chairman of the Board for his consideration and this proposal will be presented to the Annual General Assembly for approval.

Remuneration of Senior Executive Management Members will be proposed by the Nomination-Remuneration Committee, taking into account the respective duties, responsibilities attributed to each assigned objectives and delegated authorities, etc...The BOD Members will review such proposal for approval and any remuneration allocated to the Senior Executive Management Members will be administrated and recorded on monthly basis.

With reference to the disclosure of procedures of risk management and internal control system of the Company, including the supervision of the financial affairs, investment and any relevant information, please refer to the section related to the Internal Control System and Risk Management.

With reference to the relevant information regarding the Committee's duties, please refer to the Section relating to the Board's Committees. Moreover, any relevant recommendation issued by the Board will be shared accordingly during the next Annual General Assembly.

With reference to the disclosure of the procedures followed by the Company in determining, evaluating and managing risks, analyzing the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes, please refer to the section relating to the Internal Control System and Risk Management.

The Board of QIG believe that a performance evaluation process is essential to enhance Board effectiveness. The conducted performance evaluation concluded that the Board and its committees remain effective in fulfilling their responsibilities appropriately and that each Board member continues to demonstrate a valuable contribution in the Board meetings.

The performance evaluation of the Board conducted focused on important factors such as, leadership strategy, performance, composition, skills, experience, committees, planning and organizing. The evaluation process had been initiated by the Nomination-Remuneration Committee and facilitated by the Board secretary.

The performance evaluation is a critical process to ensure continuous improvement of the Board's performance and to align the Board's practices with the regulatory requirements as well as international best practices.

The Board of QIG has set the entity level objectives that align with the entity's vision, mission & strategies. In pursuit of these objectives, the organization encounters events and circumstances which may threaten the achievement of these objectives. To mitigate these risks, an effective system of internal control had been designed and implemented.

During the financial year of 2017, no breach of controls has taken place which may affect the Company's financial performance and position.

The Company has prepared this Corporate Governance Report in line with the Governance Code for Companies & Legal Entities listed on the Main Market. Hence, QIG adheres and complies with all applicable market listing and disclosure rules and requirements.

Regarding the disclosure of lawsuits where QIG is involved and in line with Article 52 of the Offering & Listing of Securities Rulebook (dated November 2010), the BOD Members decided that the lawsuits will be disclosed case by case after evaluating the risks for the Company' interests. Hence, due to the high number of cases which are connected to each other and revolving about similar subjects, QIG is disclosing final verdicts accordingly. Therefore such disclosures about similar cases would not bring any benefit and/or protection to our Shareholders.

With reference to the disclosure of the Related Party Transactions, please refer to the disclosures stated in our Financial Statements. Moreover, QIG has developed a policy regarding the Related Party Transactions. This Policy follows the requirement stated under the Companies Laws as well as the requirements listed by Qatar Exchange. With this policy and the other internal policies, QIG aims to always meet the objectives of the best professional practices and good governance.

**H.E. Abdulla Bin Nasser Al Misnad**  
Chairman of the Board of Directors