



QATARI INVESTORS GROUP
مجموعة المستثمرين القطريين

Committed to **Build Qatar**

Corporate
Governance
Report 2018

Qatari Investors Group's Corporate Governance Report sets out the company's commitment to good corporate governance and describes what has been achieved during the year.



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).

QIG and its Board of Directors (the **BOD**) are committed to maintaining strong corporate governance practices that serve the interests of the Company and its shareholders and stakeholders.

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 instill the principles of fairness, transparency, objectivity, responsibility, accountability, integrity, justice and equality among those entrusted 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.

1. The Board of Directors

1.1 Functions of the Board

The Board believes that strong corporate governance applied across the Company is essential for delivering sustainable value, upholding business integrity and maintaining shareholders' confidence in the Company.

QIG's BOD is also responsible for the overall business strategy of the Company and ensures that all decisions of the Company are 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 the responsibilities and functions of the Board of Directors.

1.2 Composition and Requirements of the Board

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

The composition of the Board ensures that no member dominates the process of issuing any decisions.

In accordance with the definition under the QFMA Corporate Governance Code, a board member shall be considered non-independent, if he/she [for example but not limited to]:

- owns at least 1% of the shares of the Company or any company of its group;
- is a representative of a legal person that owns at least 5% of the shares of the Company or its group;
- has been a part of the Executive Management of the Company or any company of its group during the year preceding the board election;
- has a first-degree relative relationship with any board or executive management member of the Company, or any company of its group;
- is a board member of any company within the Group in which he/she is nominated for its board membership;
- has been an employee during the year preceding the board election, at any of the parties associated with a company within the Group such as external auditors or main suppliers, or if such member, during the two years preceding the board election, had controlling shares in any such party; and
- has, directly or indirectly, any commercial or financial dealings with the Company or any company in the Group during the two years preceding the board election.

Moreover, pursuant to the definition under the QFMA Corporate Governance Code, a Non-Executive Board member is one who does not have a full-time management position at the Company or who does not receive a wage.

The table below shows the current composition of the QIG Board of Directors as at 31 December 2018:

Director Name	Position	% of Direct Ownership	Date of Election/ Appointment	% of Indirect Ownership	Representing	Member Classification	Board Term	Board Expiry Term	Other Board Memberships Held in Listed Companies
H.E. Mr. Abdulla Nasser Al Misnad	Chairman	0.08%	7/11/2016	37.55%	Personal	Executive	3 years	*February 2020	- Vodafone - Al Khaliji Bank
H.E. Sheikh Hamad Bin Faisal Al Thani	Vice-Chairman	0%	7/11/2016	0.7%	Qatari Trading Agencies Company	Non-Executive	3 years	*February 2020	- Al Khaliji Bank - Vodafone - Qatar Insurance Company
Mr. Abdulaziz Al Khulaifi	Member	0%	7/11/2016	0%	N/A	Independent	3 years	*February 2020	None
Dr. Yarob Rayyan	Member	0%	7/11/2016	0%	N/A	Independent	3 years	*February 2020	None
Dr. Fadi Makki	Member	0%	7/11/2016	0%	N/A	Independent	3 years	*February 2020	None

Note: *AGM to review and discuss the Financial Statements for the year that ended on 31 December 2019 in accordance with Article No. (96) of the Companies Law No. (11) of 2015.

Other Board Memberships Held in Listed Companies

Director Name	Company	Date of Election/ Appointment	Position	Member Classification	Number of Shares Held Directly or Indirectly	Party Represented
H.E. Mr. Abdulla Nasser Al Misnad	Vodafone	25 July 2016	Chairman	Non-Executive, Independent	None	All Shareholders
	Al Khaliji Bank	Joined the Board since 2007 and re-elected on 27 February 2018	Vice-Chairman	Non-Executive, Non-Independent	3,605,640	Own Companies or Family Members
H.E. Sheikh Hamad Bin Faisal Al Thani	Al Khaliji Bank	Joined the Board since 2009 and re-appointed on 27 February 2018	Chairman and Managing Director	Executive	310,880	Own Companies or Family Members
					145,212,161	Qatar Investment Authority (Government)/ Qatar Holding (Government)
	Vodafone	29 March 2018	Member	Non-Executive	380,430,000	Vodafone/ Qatar Foundation
	Qatar Insurance Company	Elected on 19 February 2017	Member	Non-Independent, Non-Executive	1,864,815	In his personal capacity
Mr. Abdulaziz Al Khulaifi	None	-	-	-	-	-
Dr. Yarob Rayyan	None	-	-	-	-	-
Dr. Fadi Makki	None	-	-	-	-	-

1.3 Responsibilities of the Board

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

- Approving the strategic plan of the Company and its main objectives;
 - Setting a comprehensive strategy for the Company as well as key business plans and risk management policy.
 - Determining the most appropriate capital structure for the Company and approving its annual budgets.
 - Supervising the main capital expenses of the company and the acquisition/disposal of assets.
 - Setting the performance objectives and monitoring the implementation thereof and the overall performance of the Company.
 - Reviewing and approving the organizational structures of the Company periodically to ensure the distinct distribution of the functions, tasks and responsibilities of the Company, especially the internal control units.
 - Approving the procedures manual needed to implement the strategy and objectives of the Company, prepared by the Executive Management.
 - Approving the annual training plan of the Company, covering programs introducing the Company, its activities and governance, according to this code.
- Setting the rules and procedures for Internal Control and supervising them, including:
 - Developing a written policy that would regulate conflicts of interest and remedy such cases of conflict by Board Members, the Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with related parties.
 - Developing a full disclosure system to promote transparency and to prevent conflicts of interest and exploiting of insider information. Such system shall include procedures to be followed when dealing in securities by insiders, and identifying prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of insiders, a copy of which should be provided to the Board and to the Market when adopted or updated.
 - Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.
 - Ensuring the implementation of control systems appropriate for risk management by identifying the risks that the Company may encounter and disclosing them transparently.
 - Reviewing annually the effectiveness of the Company's internal control procedures.
- Setting forth specific and explicit policies, standards and procedures for the board membership and implementing them after approval by the General Assembly;
- Developing a written policy that regulates the relationship among stakeholders in order to protect them and their respective rights; in particular, such policy must cover the following:
 - Identifying mechanisms to protect the stakeholders against any infringement of their rights pursuant to the laws, regulations or contracts.
 - Mechanisms of complaints or disputes that might arise between the Company and the stakeholders.
 - Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of information related to them.
 - A code of conduct for the Company's executives and employees compatible with the proper professional and ethical standards.
 - The Company's social contributions.
- Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to shareholders, creditors and other stakeholders;
- Inviting all shareholders to attend the General Assembly Meeting in the way charted by the law. The invitation and the announcement shall include a summary of the General Assembly Agenda, including the item of discussing and approving the Governance Report;
- Approving the nominations for appointment in the Executive Management, and succession planning for their positions;
- Developing a mechanism for dealing and cooperating with providers of financial service, financial analysis, credit rating and other service providers as well as the entities that identify standards and indices of financial markets in order to provide their services for all shareholders in a quick manner with integrity and transparency;
- Developing awareness programs necessary for spreading the culture of self-control and risk management in the Company;

- Setting a clear and written policy that defines the basis and method of granting remuneration to the Board Members, in addition to incentives and rewards for the Executive Management and the Company's employees in accordance with the principles of this code without any discrimination based on race, gender or religion;
- Developing a clear policy for contracting related parties; and
- Setting the foundations and standards for evaluating the performance of the Board and the Executive Management.

The Board of the Company exerts its best efforts in managing the Company in an effective and productive manner in order to balance the interests of the Company, its partners, shareholders and stakeholders.

The Board also bears the responsibility of protecting the shareholders from illegal or abusive practices and business or any acts/decisions that may be harmful to them.

In addition to the responsibilities and tasks listed above, the Board shall:

- carry out its duties in a responsible manner, in good faith and with due diligence. Its decisions should be based on adequate information from the Executive Management, or from any other reliable source;
- undertake to carry out whatever might be in the interest of the Company;
- determine the powers to be delegated to the Executive Management as well as the validity of such delegations and the procedures for taking any actions;
- determine matters reserved for decision by the Board;
- ensure that procedures are laid down for the induction of the Company's new board members; and
- ensure that sufficient information about the Company is made available to all board members, generally and, in particular to the non-executive members in order to enable them to discharge their duties and responsibilities in an effective manner.

Additionally, in line with Article 37 of the Company's Articles of Association and Article 9 of the QFMA Corporate Governance Code, the Board shall not enter into loans that spans more than three years and shall not sell or mortgage real estate of the Company or drop the Company's debts, unless such transaction is allowed by the Company's Articles of Association.

The Board shall not make any statement or provide data/information without the prior approval of the Chairman of the Board.

The members shall attend the meetings of the Board, as stated under Section 1.5, as well as the meetings of the committees.

1.4 Responsibilities of the Board as an Individual Member

The Board plays a key role in setting the ethical rules for the Company.

Duty of Ethics

Each board member has a key role in setting the ethical tone of a company, not only by his/her own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the Company and are a means to make it credible and trustworthy. Therefore, board members shall exercise sound judgment while dealing with varying and conflicting roles. The ethics shall always follow clear limits while in pursuit of private interests, including dealing in the shares of the Company.

Duty of Care

The duty of care requires each board member to act on a fully informed basis, in good faith, with due diligence and care. Each board member shall not commit any gross negligence and each decision shall be made following due diligence.

Duty of Loyalty

The duty of loyalty is of central importance, since it helps in the implementation of the fundamental good governance principles, including but not limited to the protection and equitable treatment of the shareholders, including minority shareholders.

Conflicts of Interest

Members of the Board, in connection with their work, should not demand nor accept from any third party, payments or other advantages for themselves or for any other person or grant unlawful advantages to third parties.

Members of the Board are bound by the Company's best interests. No member of the Board may pursue personal interests in their decisions or use business opportunities intended for the Company, for themselves.

1.5 Meetings of the Board of Directors

In accordance with Article 14 of the QFMA Corporate Governance Code, QIG holds the required number of meetings as set out in the table below. Each financial year, QIG determines the numbers of BOD meetings to be held.

QIG's BOD meetings are structured in a way that allows for open discussions and facilitates the participation of all the members. The discussions are related to the strategy, trading and financial performance as well as the 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 period.

All decisions are taken by the majority of the 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
73/2018	18/04/2018	5	-	-	22/03/2018
74/2018	07/06/2018	5	-	-	24/05/2018
75/2018	23/07/2018	5	-	-	05/07/2018
76/2018	17/09/2018	5	-	-	27/08/2018
77/2018	21/10/2018	5	-	-	20/09/2018
78/2018	10/12/2018	5	-	-	27/11/2018
79/2019	30/01/2019	5	-	-	06/01/2019

1.6 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.

1.7 Board Qualification

BOD members of QIG meet all the required qualifications and skills needed 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 for the year 2018, confirmed that the BOD members successfully met the criteria and goals set by the Company.

1.8 Chairman of the Board

H.E. Abdulla 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, as well as its 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 include but are not limited to the following [The Chairman's functions are also listed under the Board Charter, published on the Company's website]:

- Approving the agenda of the board 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 considered 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; and
- Monitoring the Company's performance with the objective of achieving QIG's corporate goals.

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.

H.E. the Chairman is the spokesperson of the Company.

1.9 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 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 a board member of more than three (3) shareholding companies which have their headquarters located in the State of Qatar.

1.10 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.

Mr. Hany Moqbel is the current Secretary of the Board. He is also the Legal Counsel of the Company.

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.

1.11 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 each committee, in which those committees share their respective recommendations with the Board.

1.11.1 Nomination-Remuneration Committee

Pursuant to Article 19 of the QFMA

Corporate Governance Code, the Nomination Committee and the Remuneration Committee have been 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 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

1.11.2 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 the 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; and

- Coordinating the functions of the BOD, the Executive Management and the Internal Controls of the Company.

During 2018 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 2018:

Audit Meeting No.	Date of the Meeting	No. of the Attendees	No. of Absentees	Vote by Proxy
1.	24/01/2018	3	0	-
2.	17/04/2018	3	0	-
3.	22/07/2018	3	0	-
4.	19/09/2018	3	0	-
5.	18/10/2018	3	0	-
6.	18/12/2018	3	0	-

2. Executive Management

2.1 Chief Executive Officer

QIG is pleased to announce the appointment of Mr. Raja Assili as Chief Executive Officer (CEO), effective from 3rd October 2018. In line with the requirements issued by the relevant authorities, the Company carried out a rigorous selection process assessing all the potential candidates.

This appointment shows the commitment of QIG to fully adhere to the QFMA Corporate Governance Code and applies a strict separation between the position of Chairman and the Chief Executive Officer.

2.2 Profile of the Key Executive Management Members

The key personnel of QIG's Executive Management are:

Business Development Manager (BDM): The BDM is responsible for the formulation of QIG's business development policies, strategies & plans. He also oversees their implementation and monitors their effectiveness with the aim

to generate long-term shareholder's value through the realization of sustainable growth and profitability for QIG business ventures. This position is held by Mr. Samir Hamaidi.

Finance Manager: The Finance Manager of QIG defines and directs the financial strategy, policy and reporting frameworks for QIG. He also oversees financial accounting, audit and costing function, in order to maximize the shareholder value, ensure the business is commercially secure/compliant and support the achievement of the Company's overall strategic objectives. The position of Finance Manager is held by Mr. Alex Aclimandos.

Legal Counsel: The Legal Counsel of QIG is responsible for mitigating and eliminating legal risks. He also resolves related problems and disputes, and make ongoing legal assistance is available to the department heads and the business, while consistently adhering to the applicable laws and regulations as well as internal policies in order to support the achievement of QIG's short and long term objectives. Mr. Hany Moqbel holds that position.

Human Resources & Administration Manager (HRAM): Our HRAM leads, directs and manages the HR & Administration and IT functions for QIG. He also ensures effective development and implementation of strategies, processes, policies, procedures and services in order to support the achievement of business objectives in line with the vision and mission of the organization. Mr. Akram Elamin holds this position.

Internal Audit Manager: The Company's Internal Audit Manager is responsible for leading, planning and managing the design and implementation of QIG's policies related to the Internal Audit function, ensuring sustainability by managing overall assessment of internal controls and related risks within the organization thereby improving the efficiency and effectiveness of the Company's operations and implementing a comprehensive audit coverage in accordance with acceptable audit standards and objectives. Mr. Mohammad Al Matari holds this position.

Senior Executive Management's Remuneration: The remuneration of the Executive Management is QAR 196,245.

Key Executive Management Shareholding: Key Executive Managers do not hold shares in QIG.

3. Internal Control System and Risk Management

3.1 Internal Control System

Corporate Governance in QIG is intended to maintain the rights of the shareholders, provide equal treatment to 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 Board of Directors of QIG has set the entity level objectives in line with the entity's vision, mission and 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 shall be designed and implemented.

To design an effective and efficient system of internal control, the Board of Directors of Qatari Investors Group (QIG) adopted the COSO's Internal Control Framework. The adopted COSO framework has been integrated with the IIA's recommended Three Lines of Defense model to assign the responsibility for the duties outlined in the framework.

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 as well as internal policies and procedures. 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, the Articles of Association and the bylaws;
- reviewing the reports related to the risk management in the Company; and
- 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 the 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.

3.2 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.

At QIG the task of the risk management is adopted on silo bases, i.e. every manager/risk owner is responsible for identifying, compiling, reporting and communicating risks on their respective function(s).

QIG has established an Internal Audit Department, an independent unit, to act as a third line of defense in the Three Lines of Defense. The Internal Audit Department will assess the internal controls of the Company along with the risk management practices.

The Management 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.

3.3 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 advice.

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 function 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; and
- addressing any suggestion and recommendation in order to mitigate such risks.

3.4 External Audit

In accordance with Article 23 of the QFMA Corporate Governance Code, and after reviewing all the offers from the 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 & Touche was appointed as the External Auditors during QIG's Annual General Assembly Meeting held on 21 February 2018.

Subject to the period stated under Article 23 of the QFMA Corporate Governance Code, the term of our current External Auditors shall expire in 2019. We will appoint a different external audit firm, and this will be listed on the agenda of our next 2019 AGM.

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.

4. Protection of Shareholders and Stakeholders

The Company believes that stronger Shareholders' rights protection is associated with better performance. We have adopted a favorable approach towards the idea of enhancing the scope of the shareholders' rights.

4.1 Transparency and Protection against Conflict of Interests

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

Those two principles when combined together lead to better protection for the shareholders.

The Company has established a Conflict of Interests Policy. This policy ensures that the Company is always fully committed to conducting its business in a fair, honest and sound manner and at the same time ensures that the long-term interests of its shareholders are served.

4.2 Investor Relations

The Company believes in the importance of seamless communication with its shareholders. The Company treats all its shareholders equally with respect to information. All new major facts and financial information that need to be disclosed in accordance with the relevant laws and regulations are made available to all the shareholders.

In order to cater to the needs and requirements of shareholders in a timely manner, an Investor Relations function has been constituted. QIG considers the Investor Relations function to be of utmost importance as it helps in maintaining strong and transparent relationships with our shareholders and investors. Therefore, in addition to the disclosure requirements, the Investor Relations function represents the company as its day-to-day interface with various institutions and its shareholders. The Investor Relations function is dedicated to handle inquiries from our shareholders and investors.

4.3 Shareholders' Rights in Assembly Meetings

The most prominent display of shareholders' rights occurs at the general assembly meeting where shareholders may discuss and ask questions related to the items in the agenda to the Board.

Additionally, in accordance with Article 138 of the Companies Law and Article 57 of QIG's Articles of Associations, the shareholders representing at least 25% of the Company's capital are entitled to invite for 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 for serious matters.

If absent from the meeting, any shareholder may exercise their rights by way of proxy, who will attend the meeting on behalf of the shareholders and participate in voting in accordance with the relevant laws and regulations and the directions given by the said absent shareholders.

Additionally, as the election of the Board Members are based on the cumulative voting method, each shareholder has the right to use the said votes for a single candidate or divide them among the selected candidates without any duplication. This method encourages the protection of minority shareholders.

4.4 Shareholders' Rights concerning Dividends Distribution

Shareholders may pass on certain rights with regard to management and decision-making and delegate such authority to the Board and the Management and in return they receive dividends.

During the Annual General Assembly meeting, the Board Members present their proposal regarding the dividend distribution to QIG's shareholders. Such distribution shall be determined based on the Company's performance during the year.

4.5 Protection of Minority Shareholders

QIG is in no doubt that minority shareholders play an essential role in the overall success of the Company. Therefore, the Company's board ensures that all shareholders, including the minorities, are treated equally without any discrimination among them.

All shareholders receive the same information regardless of the number of shares they are in possession of.

The rights of minority shareholders shall always be protected whenever major transaction are approved. The minority shareholders shall be entitled to vote against such transactions and any objection shall be noted down in the meeting minutes.

QIG ensures that the minority shareholders are always accorded with their right to seek information and the right to voice their opinions.

Consequently, QIG ensures the equitable treatment of all shareholders, including minority shareholders, and provides them with the right to know about any sensitive transaction that may affect the Company. They also have the right to be know in advance if any General Assembly and/ or Extraordinary Assembly meetings are to take place.

5. 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.

Moreover, appropriate mechanisms have been put in place to enable 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.

6. General Assembly Meetings

QIG's shareholders gathered at an ordinary general assembly meeting held on Wednesday, 21st February 2018. This meeting was held under the supervision of the representatives from the Ministry of Economy and Commerce and in the presence of QIG's External Auditors, Deloitte and Touche. This meeting was held in accordance with the requirements of the QFMA Corporate Governance Code and the Companies Law.

7. Extraordinary General Assembly Meeting

QIG's shareholders gathered at an extraordinary general assembly meeting on Wednesday, 28th February 2018. This meeting was held in accordance with the requirements of the QFMA Corporate Governance Code and the Companies Law.

8. Disclosure Requirements

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

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

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

QIG strives 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 disclose (when applicable) any violation committed during the financial year, provide the reasons why they happened and mention 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 on QIG's website] defines 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 the Board Remuneration in order to ensure compliance with fairness and transparency. The remuneration of the BOD members reflects the interests of our shareholders and the Company, and takes into consideration any specific matter, including the assignments and the responsibilities undertaken. In addition, the remuneration policy helps to promote the long-term goal of 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 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 it to the Chairman of the Board for his consideration and this proposal will be also presented to the Annual General Assembly for approval.

The remuneration of the Senior Executive Management Members will be proposed by the Nomination-Remuneration Committee, after taking into account the respective duties, the responsibilities attributed to each assigned objective and delegated authority 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.

With reference to the disclosure of the procedures of risk management and the 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 Committees' duties, please refer to the section related 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 related to the Internal Control System and Risk Management.

The Board of QIG believes that a performance evaluation process is essential to enhance board effectiveness. The 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 focused on important factors such as leadership, strategy, performance, composition, skills, experience, committees, planning and organizing. The evaluation process was initiated by the Nomination-Remuneration Committee and was 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 organizational level objectives in line with the Company's vision, mission and 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 has been designed and implemented.

During the financial year of 2018, 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.

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 have decided that the lawsuits will be disclosed on a case by case basis after evaluating the risks to the Company's interests. Since the Company is confronted with a high number of cases which are connected to each other and are revolving around similar subjects, QIG will be disclosing the final verdicts accordingly. Hence, such disclosures about similar cases would not bring any benefit and/or protection to our shareholders.

In accordance with article 25 of the QFMA Corporate Governance Code, below is the table that show the current Company's major shareholders Company's major shareholders:

NIN	Name	Nationality	Card/ID No.	Shares	Address	Phone	Total No. of Shares	% of Ownership
280289	Al Misnad LLC	Qatar	16	59,000,000	3735	4888081	59,000,000	47.5
398312	Brookdale Capital Holding LP	Cayman Islands	MC85626	3,752,231	309 Ugland House, Grand Cayman, KY 11104	971566558298	28,109,156	22.6
398314	Altdale Capital Holdings LP	Cayman Islands	MC85624	3,752,114	309 Ugland House, Grand Cayman, KY 11104	971566553298		
398267	Fenderdale Capital Holdings LP	Cayman Islands	MC85625	2,913,492	309 Ugland House, Grand Cayman, KY 11104	971566558298		
398268	Doedale Capital Holdings LP	Cayman Islands	MC85629	2,794,801	309 Ugland House, Grand Cayman, KY 11104	971566558298		
398266	Eskdale Capital Holdings LP	Cayman Islands	MC85623	2,737,293	309 Ugland House, Grand Cayman, KY 11104	971566558298		
398313	Conderdale Capital Holdings LP	Cayman Islands	MC85628	2,635,353	309 Ugland House, Grand Cayman, KY 11104	971566558298		
398262	Juradale Capital Holdings LP	Cayman Islands	MC85630	2,382,713	309 Ugland House, Grand Cayman, KY 11104	971566558298		
398264	Hodderdale Capital Holdings LP	Cayman Islands	MC85622	2,382,394	309 Ugland House, Grand Cayman, KY 11104	971566558298		
398263	Irkdale Capital Holdings LP	Cayman Islands	MC85631	2,380,574	309 Ugland House, Grand Cayman, KY 11104	971566558298		
398265	Gowydale Capital Holdings LP	Cayman Islands	MC85627	2,378,191	309 Ugland House, Grand Cayman, KY 11104	971566558298		

**In accordance with the Shareholders List received from QCS as at 31 December 2018

With reference to the disclosure of the Related Party Transactions, please refer to the disclosures stated in our financial statements. QIG has also developed a policy regarding the Related Party Transactions. This policy follows the requirements stated by the Companies Law as well as those stated by Qatar Stock Exchange. This policy will work in tandem with the other internal policies in place, in order to ensure that QIG strives to meet the objectives of the best professional practices and good governance. In conclusion, QIG recognizes the importance of a continuous governance system's development. We want to confirm our commitment to the QFMA's corporate governance requirements, and we are striving to implement these requirements to provide better protection to our shareholders and stakeholders.