

Doha Insurance Company

Introduction:

Acting upon Article 31 of Governance regulations for the Companies listed in the main market / stock exchange issued by the Qatar Financial Market Authority under which DIC's board should prepare an annual report on governance to be signed by the Chairman.

The Board of Directors of Doha Insurance Company is pleased to submit to Qatar Financial Markets Authority his 2016 governance report containing the statements and information thereto, along with the new procedures and policies that have been adopted by the Company during 2016. With the introduction of these new procedures and policies, we hope DIC would add to its track record in commitment to Governance regulations what is new and required.

Section one: Governance Framework

In the first section of the new report, the Company seeks to demonstrate the extent of the Company's compliance with the Governance Regulations and its positive attitude thereto, referring to the steps that were adopted by the Company in 2016 as follows:

First: The Board of Directors

The members of the existing Board of Directors were elected in the Ordinary General Assembly Meeting held on 3/3/2015, for a term of three years (2015-2017) in accordance with the conditions and rules provided for in the Commercial Companies' Law No.(5) for 2002 and its amendments, and the provision of the Company's Memorandum which requires for candidacy to the membership of the BOD that the candidate should hold 50 thousand of the Company's shares.

What follows is a statement of the names of the BOD, for the period (2015-2017), who are a group of prominent businessmen:

	Name and position of the member	Representation	Percentage of shareholding	Number of shares owned	Category
1.	Sheikh/ Nawwaf Nasser Bin Khaled Al Thani (Chairman)	Himself	0.40	198,498	Non-independent non-executive
2.	Sheikh Khalifa Bin Jassem Bin Mohamad Al Thani (Vice	Arab Company for Engineering Construction	0.45	225,022	Non-independent Non-executive

	Chairman)				
3.	Mr. Adel Ali Bin Ali Al Maslamani (member)	Himself	0.39	196,470	Non-independent Non-executive
4.	Sheikh Jabur Bin Hamad Bin Jassem Al Thani (member)	Himself	0.41	205,542	Non-independent Non-executive
5.	Sheikh Ali Bin Ghanim Bin Ali Al Thani (member)	Ali Bin Ghanim Al Thani Group	1.6	800,000	Non-independent Non-executive
6.	General/ Dahlan Jama'an Basheer Al-Hamad (member)	Armed Forces Investment Portfolio	1.21	606,863	Non-independent Non-executive
7.	Mr. Victor Nazeem Ridha Agha (member)	Borooq Trading Company	2.70	1,349,919	Non-independent Non-executive
8.	Mr. Husam Abdel Salam Abu Essa (member)	Himslef	0.35	176,194	Non-independent Non-executive
9.	Mr. Saud Omar Hamad Al-Manie (member)	Al Manie Group	0.27	134,532	Non-independent Non-executive
10.	Mr. Hatmi B. Ali Alhatmi (member)	Ali Bin Khalifa Alhatmi	0.39	196,470	Non-independent Non-executive
11.	Mr. Hassan Jassim Darweesh Fakhro (member)	Himself	0.64	318,016	Non-independent Non-executive

Attendance of BOD's Meetings During (2016)

Number of Meetings “6”

S	Board Members	Attendance	Letter of Proxy	Absence	Percentage of Attendance (%)
1.	Sheikh/ Nawwaf Naser Bin Khaled Al Thani	(6)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100
2.	Sheikh Khalifa Bin Jassem Bin Mohamad Al Thani	(6)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100
3.	Mr. Adel Ali Bin Ali Al Maslamani	(4)	(2)	<input checked="" type="checkbox"/>	67
4.	Sheikh Jabur Bin Hamad Bin Jassim Al Thani	(4)	<input checked="" type="checkbox"/>	(2)	67
5.	Sheikh Ali Bin Ghanim Bin Ali Al Thani	(5)	<input checked="" type="checkbox"/>	(1)	83
6.	General Dahlan Jama'an Basheer Al Hamad	(2)	(1)	(3)	33
7.	Mr. Victor Nazeem Ridha Agha	(2)	(2)	(2)	33
8.	Mr. Husam Abdul Salam Abu Essa	(5)	<input checked="" type="checkbox"/>	(1)	83
9.	Mr. Saud Omar Hamad Almanie'	(3)	(2)	(1)	50
10.	Mr. Hatmi Bin Ali Alhatmi	(1)	(1)	(4)	17
11.	Mr. Hassan Jassim Darweesh	(5)	(1)	<input checked="" type="checkbox"/>	83

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Second: Board of Directors' Charter

The BOD's Charter has been adopted and drawn up in line with the attached form of Governance System for Companies and with the rules and the standards therein, in addition to the provisions of both Commercial Companies' Law No. (5) for 2002 as amended, and the Company's Article of Association and Memorandum as amended with respect to the BOD, the conditions of membership therein and the terms of reference, obligations, duties, and rights of its members, taking also in consideration the subsequent binding amendments made therein in accordance with the provision of the new Commercial Companies' Law No. (11) for 2015.

The Board of Directors' Committees:-

The Board is assisted by a number of committees to which the Board has delegated specific jobs thus helping the Board to fulfill its duties and responsibilities. These committees fulfill their role under the supervision of the BOD.

The elected BOD, in its first meeting immediately following the end of the ordinary General Assembly meeting held on 3/3/2015 had reshuffled the Board Committees. The Committees formed were as follows:

(1) Investments Committee

<u>Committee Members</u>	<u>Title</u>
1- Sh. Khalifa B. Jassim B. Moh. Al Thani	Chairman
2- Mr. Adel Ali B. Ali Almaslamani	Member
3- General Dahlan Jama'an Basheer Alhamad	Member
4- Sh. Jabur B. Hamad B. Jassim Al Thani	Member
5- Mr. Hatmi B. Ali Alhatmi	Member
6- Mr. Husam Abdessalam Abu Essa	Member

(2) Real-estate Committee

<u>Committee Members</u>	<u>Title</u>
1- Mr. Adel Ali B. Ali Almaslamani	Chairman

- | | |
|--|--------|
| 2- Sh. Khalifa B. Jassem B. Moh Al Thani | Member |
| 3- Mr. Hatmi B. Ali Alhatmi | Member |

(3) Audit Committee

<u>Committee Members</u>	<u>Title</u>
1- Mr. Victor Nazeem Ridha Agha	Chairman
2- Mr. Husam Abdessalam Abu Essa	Member
3- Sh. Ali B. Ghanim B. Ali Al Thani	Member

(4) Compensation Committee

<u>Committee Members</u>	<u>Title</u>
1- Mr. Adel Ali B. Ali Al Musalamani	Chairman
2- General Dahlan Jama'an Baheer Alhamad	Member
3- Sh. Jabur B. Hamad Bin Jassem Al Thani	Member

(5) Nomination Committee

<u>Committee Members</u>	<u>Title</u>
1- Sh. Khalifa B. Jassem B. Moh. Al Thani	Chairman
2- Sh. Jabur B. Moh. B. Jassem Al Thani	Member
3- Mr. Hassan Jassem Darweesh Fakhro	Member

(6) Risk Management Committee

To fulfill the requirements of the Governance for shareholding companies, the Board of Directors decided in its meeting held on 29/6/2015 (meeting minutes No.(4) for 2015) to set up a risk management committee for the purpose of closely monitoring the risks to which the company may be exposed and the likely effects of such risks on the capital. Most important among such risks are the insurance risks, the investment risks, and the operational and credit risks.

The Risk Management Committee consists of the following members:

<u>Committee Members</u>	<u>Title</u>
1- Mr. Bassam Hussein (CEO)	Chairman
2- Mr. Sanjev Badial	Member
3- Mr. Mahmoud Al Nasser (Technical Manager)	Member
4- Mr. Samer Qawwas (Legal Affairs Manager)	Member
5- Mr. Issam Abdul Hadi (Financial Manager)	Member

The company, assisted by an international consultancy firm, has completed the drafting of the new Risk Management and Strategy Policies which will be submitted to the BOD for consideration and adoption in its first meeting in 2017.

Third: DIC's Governance Charter:

The Company has formulated a Governance Charter containing all the principles, rules, and practicable applications embodied in the Companies' Governance issued by Qatar Financial Authority. This charter is meant to be a guideline and a method of work towards the perfect implementation of the Governance charter and a framework setting the limits and controls for the company's performance towards the realization of its policies and futuristic vision, taking into consideration the adoption of the best international standards in this respect. The Charter provides that all the additions and amendments that may be introduced to the Companies' Governance Framework or those provided for in relevant laws and regulations shall be considered as provisions complementing or amending it as the case may be. This charter had been adopted by the BOD.

Fourth: Compliance

Doha Insurance is committed to the regulations applied by Qatar Stock Exchange and Qatar Financial Authority. Furthermore, the Company currently applies the Governance Framework to a great extent and to the degree allowed by relevant laws and regulations. A Compliance Officer has been appointed and the necessary information about him was provided to Qatar Central Bank. During 2016, violation No. 2/2016 was recorded against our company and referred to the Accountability Committee to investigate the allegation concerning the disclosure of news relating to the sale of a plot of land owned by the company during a session of the stock exchange. Presently, this violation is being followed up.

Last but not least, the company is seeking to apply the highest governance standards to ensure gaining enhanced confidence in its performance and serving the interests of its shareholders.

Fifth: Rating

During 2016, the two international rating agencies A.M. Best and Standard and Poor’s had declared, following their annual review of the our Company’s credit rating, that they reconfirmed it at A- level (excellent) with a stable outlook.

Section Two: Extent of Applying Governance Framework

Article No.	Item No.	Compliance	Non-Compliance	N/A	Governance Applications	Justification of non-compliance
Article (3)	3-1: The Board should ensure that the Companies listed on the main market should comply with the main principles provided for in this framework	<input checked="" type="checkbox"/>	<input type="checkbox"/>		The Company’s Governance Charter has been adopted.	
	3-2: The Board should regularly check and update the adopted Governance applications	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	3-3: The Board of Directors should continually check and update the rules of ethical behavior which embody the Company’s values and other internal policies and procedures which the Board members, personnel and	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

	<p>consultants of the company should comply with (the rules of ethical behavior may include for example but not limited to the Board Charter Audit Committee terms of reference, company's regulations, the policy covering transactions with relevant third parties and Outsourcing Policy), and the Board should regularly review rules of ethical behavior to ensure that they reflect the best practices and fulfill the Company's requirements</p>				
Article (4) The Board Charter	<p>The Board should adopt a Charter for itself. The Charter should specify in detail the role and responsibilities of the Board and the duties of its members to which they should fully adhere. The said Charter should be drafted in accordance with the provisions of this Charter and in accordance with the guideline form attached with the framework.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<p>The Management Charter has been adopted by the Board and posted on the Company's website.</p>

	<p>succession planning are in place.</p> <p>5-2-2: To ensure that relevant laws and regulations, the Company's Articles of Association and Memorandum are complied with. It is also responsible for protecting the company from illegal, unfair or inappropriate actions and practices.</p> <p>5-3: The BOD is mandated to delegate some of its authorities to ad hoc committees. Such committees should exercise their work in accordance with written and clear instructions relating to the job in question. However, the Board will remain at all times responsible for all the authorities and powers so delegated and for the work of these Committees.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>succession</p> <p>Delegation is defined through the committees' work mechanisms and their terms of reference or through Board decisions.</p>	
Article (6)	<p>6-1: The BOD represents all the shareholders. It should exercise due care in managing the Company and comply with the</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Board is committed to exercising due care in managing the</p>	

	<p>institutional authorities as defined in the relevant laws and regulations including this system and the Board Charter.</p> <p>6-2: The Board members should always act on the basis of clear information, in good faith, with due care and diligence and in the interest of the Company and all its shareholders.</p> <p>6-3: The Board members should effectively seek to fulfill their responsibilities towards the Company.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		company and to complying with the relevant laws and regulations.	
Article (7) separation of the positions of the Chairman and CEO	<p>7-1: Holding of the positions of Chairman and CEO jointly is not permissible.</p> <p>7-2: In all circumstances no single individual shall have absolute authority to take decisions.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		The Chairman is not the CEO, and has no other executive position in the Company.	
Article (8): The duties of the Chairman	8-1: The Chairman of the BOD is responsible for ensuing efficient and smooth running	<input checked="" type="checkbox"/>	<input type="checkbox"/>		The Chairman of the BOD exercises these duties	

<p>2- To approve the agenda of each of the Board meetings taking into consideration any issue brought to attention by a Board member. The chairman may delegate this duty to a Board member. Nevertheless, the Chairman will remain responsible for the actions of the member to whom the duty has been delegated.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
<p>3- To encourage all Board members to fully and effectively take part in conducting the Board business to ensure that the Board is acting in the interest of the Company.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
<p>4- To ensure that active communication channels with the shareholders do exist and that their views can be communicated to the Board through these channels.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>This will be complied with during 2017.</p>	
<p>5- To allow the non-executive members of the Board in particular to</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>(attendance sheet of the Board meetings is</p>	

	<p>effectively take part in the discussions and to encourage the existence of constructive relationship between executive and non-executive members</p> <p>6- To ensure that an annual assessment of the Board performance is made.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>attached)</p> <p>This will be complied with during 2017.</p>	
Article (9) Composition of the BOD	<p>9-1: The composition of the BOD is defined in the Company's Memorandum wherein it is provided that the Board should be comprised of executive, non-executive, and independent members in order not to allow one person or a group of persons to control the Board Decisions.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>All Board members have a shareholding in the Company's capital exceeding the number of shares required to guarantee their membership in the BOD (50 thousand shares). Accordingly, all members are not independent as per the description contained in this framework, Article (1) - Definitions. They are all non-</p>	

	<p>9-2: A third of the Board members should be independent members and the majority of the members should be non-executive.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/></p>	<p>executive.</p> <p>All Board members have a shareholding in the Company's capital exceeding the number of shares required to guarantee their membership in the BOD (50 thousand shares). Accordingly, all members are not independent as per the description contained in this framework, Article (1) - Definitions.</p>	
	<p>9-3: The Board member should have adequate qualifications and knowledge and experience in the administrative affairs to be able to discharge his duties in an effective manner in the interest of the</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p>The majority of existing Board members are long-standing members, they are qualified</p>	

	<p>Company. He should also allocate enough time to carry out his work with at most integrity and transparency for the purpose of serving the Company's interests and achieving its objectives and goals</p> <p>9-4: The percentage of the shareholding of a candidate to the position of an independent Board member should not exceed the number of shares required for guaranteeing a Board membership for him.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/></p>		<p>and enjoy wide experience.</p> <p>All Board members who were elected for the term (2015-2017) have shareholdings the percentage which exceeds the number of shares required for guaranteeing their memberships</p>	
<p>Article (10): Non-executive Board members</p>	<p>The duties of the non-executive members include but are not limited to:</p> <p>10-1-1: Attendance of the Board meetings and expressing an independent view as to administrative, strategic policy, performance</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>			

accountability, resources, important appointments, and work standards.

10-1-2:
Protecting and giving priority to the interests of the Company and shareholders in the case a conflict of interest occurs.

10-1-3:
Participation in the Audit committee of the Company

10-1-4:
Monitoring the Company's performance in the area of achieving its agreed objectives and goals. And reviewing the Company's reports relevant to its performance including annual, half-yearly, and quarterly reports.

10-1-5:
Supervising the development of the procedural rules pertaining to the Company's governance policy and serving the application thereof in a manner consonant with these rules.

	<p>10-1-6: Putting their expertise, experience, various specialties, and qualifications at the disposal of the Board and its various committees through their regular attendance of the Board meetings, their effective contributions in the General Assembly meetings, and their balanced and fair appreciations of shareholders' point of view.</p> <p>10-2: The majority of non-executive Board members are entitled to seek an opinion of an external independent consultant at the expense of the Company, in respect of any issue relevant to the Company.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Article (11) Board Meetings	<p>11-1: The Board should hold regular meetings to ensure that its duties are carried out effectively. The Board should hold at least one meeting every two months.</p> <p>11-2:</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		The Board held (6) meetings during 2015	
		<input checked="" type="checkbox"/>	<input type="checkbox"/>		Board	

	<p>The Board meets at the invitation of its Chairman or at the request of two Board members. Invitations for the Board meeting should be sent one week at least before the date of the meeting, along with the agenda for the meeting, noting that any Board member is entitled to add any item to the agenda</p>			<p>meetings should be held according to the Commercial Companies' Law, the Company's Memorandum and Governance framework are taken into consideration in this respect.</p>	
<p>Article (12) The Board Secretary</p>	<p>12-1: The BOD appoints a Board Secretary to record the minutes and decisions of the Board and record them in a special register carrying serial numbers. He should also state the names of the members attending the meeting and any reservation they may express. The secretary also keeps all the minutes of the Board meetings, its records, books, and the reports submitted to or from the Board. The Secretary should, under the supervision of the Chairman, ensure the proper delivery and distribution of the Board meetings,</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Board secretary takes care of writing down the minutes in a special register, and proper delivery and distribution of the meetings work papers and agenda.</p>	

	<p>work papers, documents, information, and the agenda. He should also coordinate among the Board members and between the Board and other stakeholders in the Company including shareholders, management, and employees.</p> <p>12-2: The Board Secretary should ensure that Board members have full and quick access to all the Board meetings' agendas and to the information, documents, and records pertaining to the Company.</p> <p>12-3: All Board members should be able to benefit from the services of the Board Secretary and his advice.</p> <p>12-4: The Board Secretary may not be appointed or dismissed without a Board decision.</p> <p>12-5: It is preferable that the Board Secretary</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>		<p>The minutes of the Board meetings are properly kept in a special register which could be easily accessed by Board members.</p> <p>Board Secretary is also the</p>	
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	<p>be a member in a recognized or chartered accounting firm, a lawyer, or holding a university degree from an accredited university or an equivalent institution. He should have three-year experience in dealing with the affairs of a public company listed in the stock exchange.</p>				<p>manager of Company's legal affairs.</p>
<p>Article (13) Conflict of interest and outsourcing</p>	<p>13-1: The Company should adopt and announce its rules and procedures with respect to any commercial deal entered into by the Company with a related third party or third parties. (This is known as the Company's policy in respect of related third parties.) In all circumstances, the Company may not enter into a commercial deal with a related third party unless the Company's policy in respect of related parties is fully complied with. Such policy should contain the principles of transparency, fairness, disclosure, and should require</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

	<p>that any deal with a related party should be approved by the General Assembly.</p> <p>13-2: In case any issue relating to conflict of interests or any commercial deal between the Company and any Board member or any party related to the Board members are discussed at the Board level, such discussions should take place in the absence of the concerned member who is absolutely not entitled to vote on the deal. At any rate, the deal should be concluded in accordance with the market prices and on a pure commercial basis and should not contain any conditions contrary to the interest of the Company.</p> <p>13-3: In all circumstances such transactions should be disclosed in the Company's Annual Report. They should be specifically referred to in the General Assembly meeting which follows the</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>				
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	<p>date of concluding these commercial deals.</p> <p>13-4: Trading by Board members in the Company's shares and other financial securities should be disclosed and the other company should adopt clear rules and procedures regulating the trading by Board members and employees in the stocks of the Company.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<p>The company currently observes the instructions of Qatar Stock Exchange and Qatar Financial Markets Authority, Rules, and regulations regarding trading in the Company's stock by Board members and employees will be adopted later.</p>	
<p>Article (14) The Board tasks and other duties</p>	<p>14-1: The Company should make available to the Board all the information, statements, and records of the Company to enable them to perform their work and to be acquainted with all the aspects of the Company's business. The executive</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

	<p>management should provide the Board and its committees with all the required documents and information.</p> <p>14-2: The Board members should ensure that members of Appointments Committee, Compensation Committee, Audit Committee, and representatives of the external auditors attend the General Assembly Meeting.</p> <p>14-3: The Board should prepare a training program for the newly elected Board members to ensure that such elected members will achieve proper comprehension of the flow of work at the Company, of its transactions and also fully understand their responsibilities.</p> <p>14-4: The Board members should be well aware of their role and duties and should educate themselves in financial, commercial, and industrial matter as</p>	<p><input checked="" type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>		<p>All Board members and auditors attend the General Assembly meetings.</p> <p>This will be taken care of in the future.</p> <p>Presently, the Board does adopt training programs or courses for the Board members.</p>	
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	<p>well as in the activities and business of the Company. To this end, the Board should adopt convenient and formal training courses designed to enhance the skills and knowledge of the Board members.</p>				
	<p>14-5: The Board should keep his members invariably informed of the available course on Governance and the best practices in this respect. The Board may delegate this to the Audit Committee or any other entity.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
	<p>14-6: The Company's Memorandum should contain clear procedures for dismissing Board members in case their repeated absence from Board meetings.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Article 29 of the amended Memorandum stipulates that a member should be regarded to have resigned if he didn't attend three consecutive meetings or four meetings without an acceptable excuse.</p>	

Article (15) Board Committees	The Board of directors shall assess the benefits of setting up special committees reporting to it, to supervise the performance of the important functions. The Board should take into consideration the committees mentioned in this framework when it deliberates over the committees to be chosen.	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Article (16) Appointment of Board members- Nomination Committee	<p>16-1: Nomination and appointment of Board members should be made in accordance with formal, strict, and transparent procedures.</p> <p>16-2: The Board should set up a Nomination Committee to be Chaired by an independent member and composed of independent members, to propose the nominees to be appointed as Board member and their re-nominated as candidates to be elected by the General Assembly (to remove ambiguity,</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<p>Members of Nomination committee during a Board's meeting that was held in 24/12/2014.</p> <p>All Board members are considered non-independent for holding more than fifty thousand shares, which is the number shares needed to ensure Board's membership</p>	

nomination by the committee does not mean depriving any shareholder from his right to nominate himself or another candidate for election).

16-3:
The process of nominating candidates should take into consideration, inter alia, the ability of candidates to allocate sufficient time for performing their duties as Board members as well as their skill, knowledge, professional technical and academic qualifications and their personalities. This process may be based on the attached proper guideline for nominating candidates for the Board membership which the authority may change from time to time.

16-4:
The Nomination Committee shall, upon its formation, adopt and publicize the framework of its work in a manner



	<p>that outlines its authority and role.</p> <p>16-5: The role of the Nomination Committee should include carrying out an annual self-assessment of the performance of the Board.</p> <p>16-6: The banks and other companies should take cognizance of any conditions or requirements relating to nomination, election, or appointment of Board members issued by QCB or any other authority.</p>	<p><input type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input checked="" type="checkbox"/></p> <p><input type="checkbox"/></p>		<p>This will be carried out in 2017.</p>	
<p>Article (17) BOD- compensation committee</p>	<p>17-1: The BOD should set up a compensation committee consisting of at least three non-executive Board members and the majority of whom should be independent members</p> <p>17-2: Upon its formation, the compensation committee should adopt and announce the framework of its function in a manner that outlines its role and basic</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input checked="" type="checkbox"/></p> <p><input type="checkbox"/></p>		<p>-The Board has set up a compensation committee -There are no independent members in the Board.</p> <p>The framework has been adopted and announced. Furthermore the agreement of the</p>	

	<p>responsibilities.</p> <p>17-3: The basic role of the compensation committee should include defining the compensation policy of the Company including the remunerations of the Chairman, all the Board members, and the senior executive administration of the Company.</p> <p>17-4: The policy and principles relating to the Board members' compensation should be disclosed in the annual report of the Company.</p> <p>17-5: The compensation committee should take into consideration the responsibilities and the range of duties of the Board member and the senior management as well as the performance of the Company. The</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>General Assembly on the compensation committee was obtained on 13/3/2013.</p> <p>The compensation policy of the Company has already been approved by the General Assembly.</p>	
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	<p>compensation may contain a fixed portion and a portion tied to performance. It is noteworthy that the portion tied to performance should be based on long-term performance of the company.</p>				
<p>Article (18) Audit-Committee</p>	<p>18-1: The BOD should set up an audit committee consisting of three members at least. The majority of members should be independent. The committee should contain one member, at least, who possesses financial experience in the auditing domain. Should the Board independent members be insufficient for the setting-up of the audit-committee, the company may appoint members in the committee from the non-independent members, provided the Chairman of committee shall be an independent Board member.</p> <p>18-2: In all circumstance, a person who is currently working or previously worked for external auditors</p>	<p><input type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input checked="" type="checkbox"/></p> <p><input type="checkbox"/></p>		<p>An audit-committee has been set-up, but all its members are non-independent .</p>

	<p>of the Company during the last two years, may not be a member of the audit committee</p>					
	<p>18-3: The audit committee may consult, on the Company expense, any expert or independent consultant.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>			
	<p>18-4: The audit committee should meet when necessary and regularly once every three months. The committee should put on record the minutes of its meetings.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>		<p>The Committee holds at least four meetings per year.</p>	
	<p>18-5: In case a contradiction arises between recommendations and the Audit Committee and the Board decisions including the rejection by the Board to follow the recommendations of the committee in respect of the appointment of the external auditor, then the Board should include in its Governance report a statement clearly detailing these recommendations</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>		<p>The Company is committed to abide by its AOA and the Commercial Companies' Law with regard to the Audit Committee work mechanism.</p>	

and the reason or reasons behind the Board's rejection to follow them.

18-6:
The Audit Committee must upon its formation, adopt and publicize its work framework in a manner that clearly defines its role and basic responsibilities. This should take the form of a charter for the Audit Committee. These responsibilities should specifically include:

A- Adoption of a policy for contraction with the external auditors with referring to the BOD all matters that require, in the committee's opinion, taking certain measures along with its recommendations as to the actions and measures to be taken.

B- Supervising the maintenance of external auditors' independence and objectivity and discussing with them the nature of audit, its effectiveness, and range in accordance

This is being observed.

This is being observed.

	<p>with the International Standards for Preparing Financial Reports.</p> <p>C- Supervising the accuracy and validity of the financial statements and annual, half-yearly, and quarterly reports and reviewing these statements and reports focusing especially in this regard on the following:</p> <p>1- Any change in the policies and applications/ practices relating to accounting.</p> <p>2- The aspects subject to discretionary judgments by the senior executive management.</p> <p>3- Main amendments following the audit.</p> <p>4- The survival of the Company and continuity of its successful activities.</p> <p>5- Adherence to accounting standards as set by the authority</p> <p>6- Adherence to the</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>Annually observed with auditor and quarterly observed with CFO.</p> <p>This is being observed.</p> <p>This is being observed.</p> <p>Supervision on internal audit function will be activated in the future.</p> <p>Supervision</p>
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	<p>rules of listing in the Stock market</p>			<p>on the internal audit function will be activated in the future. Supervision on the internal audit function will be activated in the future. This is being observed.</p>	
	<p>7- Adherence to the rules of disclosure and other requirements concerning the preparation of financial reports</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>		
	<p>D- Co-ordination with the BOD, senior executive management, and the CFO or the person who takes over his responsibilities, and meeting with external auditors at least once every year.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>		
	<p>E- Studying of any important and extraordinary issues contained or will be contained in the financial reports and accounts, and to consider in depth any issues raised by the Financial Manager of The Company or the person in charge of his duties on an acting basis, or the Compliance Officer of the Company or external auditors</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p>This is being observed.</p>	

	<p>F- Reviewing of financial control, internal and risk management systems</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>This is being observed.</p>	
	<p>G- Discussion of internal control system with the management and ensuring that the latter is fulfilling its duties with regard to developing an effective internal control system.</p> <p>H- Considering the results of material investigations in internal control issues which are assigned to the Committee by the BOD, or which the committee takes initiative to carry out with the agreement of the BOD.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>This is being observed</p>	
	<p>I- Ensure that co-ordination between internal and external auditors is existing and that adequate necessary resources are available, besides certifying the effectiveness of the internal control function and supervising it.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>This is being observed</p>	
	<p>J- Review of financial and accounting policies and procedures of</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

the Company.

K- Review of the letter of appointment of the external auditor, his work plan and any important enquires addressed by him to the senior management of the Company regarding accounting records and financial accounts or internal audit systems, as well as the replies of executive management to such enquires.

K- Ensure quick replies for the BOD to the enquiries and issues contained in the letters or the reports of the external auditors.

L- Establish a whistle-blowing regulation whereby employees of the Company can communicate in secrecy their doubts concerning any matters in the financial or the Internal Audit reports or any other issues leading to suspicion. And to ensure that appropriate arrangements which allow the conducting



	<p>of an independent and fair investigation of such issues are in place. The person involved in triggering the investigation should be granted secrecy and protection from any negative reaction or harm. Such rules should be suggested and referred to the BOD for adoption.</p> <p>M- Supervision over compliance by the Company to the code of ethical behavior.</p> <p>N- Ensure that the rules of practice relating to these duties and terms of reference, as delegated by the BOD, are applied in an appropriate manner.</p> <p>O- Submit a report on issues provided for in this Article to the BOD.</p> <p>P- Study any other matter prescribed by the BOD.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Article (19) Compliance with systems,	19-1: The Company should adopt an internal audit system to be duly approved	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Partially available as it is being completed.	

<p>Internal controls and Internal Audit</p>	<p>by the Board, to assess the methods and procedures of risk management, the application of the governance framework adopted by the Company and compliance with the relevant laws and regulations. The Internal audit system should establish clear standards for responsibility and accountability in all the sections of the Company.</p> <p>19-2: The Internal Audit function should contain the establishment of effective and independent risk management units in addition to internal financial and operational audit units and the external audit. Internal audit system should ensure that all transactions of related third parties are effected in accordance with the restrictions relevant to them.</p> <p>19-3: The Company should have an internal audit unit with a clearly</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>		<p>A risk management committee was set up in the current year 2015.</p> <p>An internal auditor has been appointed.</p>	
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	<p>defined role and duties.</p> <p>19-4: The internal Audit Unit should comprise of at least one internal auditor to be appointed by the BOD. The internal auditor should be responsible before the Board.</p> <p>19-5: The internal auditor should prepare an internal audit report to be escalated to the Audit Committee and the BOD. This report should contain a review and an assessment to the internal control system in the Company. The scope of the report should be defined by agreement (in accordance with the recommendation of Audit Committee) between the BOD and the Internal Auditor.</p> <p>19-6: The Internal Audit report should be prepared every three months.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				<p>This will be implemented in the first coming Board meeting.</p>
Article (20): External	<p>20-1: An independent and qualified financial</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				

Auditor	<p>controller (external auditor) should be appointed in accordance with the recommendation of the Audit Committee made to the BOD, and the Decision of the General Assembly of the Company, shall carry out an independent external annual audit and half-yearly review of the financial statements. The objective of such audit is to provide the BOD and shareholders with an objective confirmation that the financial statements are prepared in accordance with this governance framework, the relevant laws and regulations and the international standards which govern the preparation of financial statements and that the statements accurately represent all material aspects the financial position of the Company.</p> <p>20-2: The external auditors should comply with the best</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
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professional standards. The Company may not contract with them for consultation or any or other services other than the financial audit for the Company. The external auditors should be completely independent from the Company and its BOD and they should have no conflict of interest in their relations with the Company.

20-3:
The external auditors should attend the Company's ordinary General Assembly meeting where they submit their annual report and answer queries.

20-4:
The external auditors shall be responsible before the shareholders. They owe the Company the duty of taking the required due professional care in their audit and they should report to the Authority and any other regulatory authorities in the

	<p>event the BOD fails to take action concerning suspicious matters referred to in the auditors' report</p> <p>20-5: All companies listed in stock Exchange should change their external auditors at least once every 5 years.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>An external auditor "Ernst and Yong" has been appointed. They are independent and attend the GA meeting. The external auditor is changed every (5) years.</p>	
<p>Article (21) Disclosure</p>	<p>21-1: The Company should comply with all disclosure requirements including submission of financial reports and disclosure about the number of shares held by the Board members, executive officials, and major shareholders or the controlling shareholders. The Company should also disclose information concerning its BOD members including the curriculum vitae of each member</p>			<p>This is being complied with regularly.</p>	

showing his level of education, profession, and memberships in other boards (if any). Also the names of members of the various committees and their composition should be disclosed in accordance with Article (5/3).

1- Sh. Nawwaf Nasser B. Khalid Al Thani Chairman of the BOD:

-Hold a degree in Business Administration from the U.K.

-Former member in the Board of UAE's Arabtec.

-A well-known businessman and owner of a number of companies and commercial agencies.

-Chairman of the BOD of Nasser B. Ali and Sons Holding Company.

-A member of the BOD of Al Salam International Co.

2- Sh. Khalifa B. Jassim B. Mohamad Al Thani Deputy Chairman

-Owner and shareholder in

	<p>Arabic Company for Engineering Structures. -Chairman of the Chamber of Commerce and Industry in the state of Qatar.</p> <p>3- Mr. Adel Ali B. Ali Almaslamani managing Director -A well-known businessman and a Partner in Ali B. Ali & Sons Co. _Member of the BOD of Qatar Shipping Co., Haloul for Maritime Services and Qatar Electricity and Water Co.</p> <p>4- General Dahlan Jama'an Basheer Alhamad Member of the BOD 1- Chairman of Military Sports Union. 2- Member of the International Federation for Track Sports.</p> <p>5- Sh. Jabour B. Hamad B. Jassim al Thani Member of the BOD - A businessman and owner of several companies involved in different sectors</p>					
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in the Qatari Economy.

**6- Sh. Ali B. Ghanim B. Al Thani
Member of the BOD**

- Chairman of the BOD Ali B. Ghanim Al Thani Group.
- Vice Chairman of Ghanim Holding Co.
- Member of the BOD of Qatar Islamic Bank and Salam International.
- Vice Chairman of Gulf Investment Group and former Member of the BOD of United for Development.
- Holds M.A degree in Business Administration from Cambridge University.

**7- Mr. Nazeem Ridha Agha
Member of the BOD**

- A well-known businessman, owner of Alssad Travel Co. and Alssad Exchange Co. and Partner in other companies.
- Member of the BOD of Qatar Ahli Bank.
- Chairman of Le Segal Hotel' BOD.

8- Mr. Husam Abdul salam Abu Essa Member of the BOD.

- A well-known businessman.
- Vice Chairman of Al Salam Int'l Co.
- Member of the Consultant council of the Faculty of Administration and Economics at Qatar University.

9- Mr. Saud Omar Hamad AL Manie Member of the BOD

- A well-known Businessman and represents international companies in Qatar
- Owner and Partner in Al Manie Group

10- Mr. Hatmi B. Ali Alhatmi Member of the BOD

- A well-known businessman. Partner in and Shareholder of Hatmi B. Ali Alhatmi Co.
- Former Chairman of Barwa Real Estate Co.

11- Mr. Hassan Jassim Darweesh Fakhro Member of the

	Standards or not, and whether the audit has been carried out in accordance International Standards of Auditing. 21-4: Audit Financial Statements of the Company should be distributed to all the shareholders.	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Article (22) Shareholders' General rights	The shareholders enjoy all the rights given to them under relevant laws and regulations including this framework and the Company's Memorandum. The BOD should ensure that all the rights of shareholders are respected so that justice and equality are realized.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		The Memorandum ensures the protection of shareholders and their rights.	
Article (23) Shareholders Registers	23-1: The Company should keep correct, accurate, and up to date registers showing the structure of shareholding.	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	23-2: A shareholder has the right to see the shareholders' register and to have access to it free of charge during the official work hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

	<p>in accordance with the procedures of obtaining information set by the Company.</p> <p>23-3: A shareholder has the right to obtain a copy of the following documents: Register of members of the BOD, the Memorandum of the Company and its Articles of Association, documents attaching concessions or rights on the assets of the Company, contracts with related third parties, and any other documents provided for by the Authority, against the fee prescribed by the Authority.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
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Article (25)	The Articles of Association and Memorandum of the Company should contain provisions genuinely ensuring the right of shareholder to call for a general assembly to be held at a convenient time, to add items to the agenda and to ask questions and receive replies to them as well as the right to be fully informed about the issues being discussed and decided upon.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		The Memorandum includes the right of shareholders to call for a General Assembly meeting in accordance with the Commercial Companies' Law.	
Article (26) Fair treatment of shareholders and exercising the right to vote	26-1: Each share of the same category shall have the same rights belonging thereto. 26-2: Voting by proxy is permissible in accordance with relevant laws and regulations	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>		There is only one category of shares. Proxy voting is allowed and shareholders are informed about this right.	
Article (27) Rights of shareholders regarding election of members of the B	27-1: The Articles of Association and Memorandum of the Company should contain provisions ensuring that the shareholders are provided with	<input type="checkbox"/>	<input checked="" type="checkbox"/>		There are no provisions in the Memorandum in this respect.	

OD	<p>information about the candidates to the membership of the BOD, before the election, including description of the professional and technical skills of the candidates, their experience and other qualifications.</p> <p>27-2: The shareholders should have the right to elect members of the BOD by cumulative voting.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<p>Cumulative voting will be complied with effective 2016</p>	
Article (28): Shareholders rights as to distribution of profits	<p>The BOD should furnish the General Assembly with a clear policy governing profits distribution, and the report should explain this policy in the interest of Company and the shareholders alike.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Article (29): Capital and Shareholders' Equity Structure and Large deals	<p>29-1: The structure of capital should be disclosed and the companies should define the type of agreements among shareholders that should be disclosed.</p> <p>29-2: Companies should include in their Articles of Association and/or Memorandum</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<p>Provisions for protecting the minority shareholders are not</p>	

provisions meant to protect the minority shareholders in the event of agreement on major deals against which the minority shareholder have voted.

29-3:

Companies should include in their Memorandums and/or Articles of Associations a mechanism which ensures initiating a public offering or exercising equal rights when selling shares in the event a change in the shareholding exceeding a fixed percentage (the ceiling). When deciding the ceilings, the companies should take into consideration the shares held by a third party but being under the control of the disclosing shareholder including shares involved in agreements between shareholders which should also be disclosed.

included in the Company's Memorandum.

Provisions for warning/reporting, as well as rights are not specified in the Memorandum and will be adhered to in the future if binding laws are introduced, and the Company's Memorandum will be ammended accordingly.

1- The Company's capital structure of issued and fully paid capital in addition to reserves and profits carried forward.

2- Capital

	<u>Authorized Capital</u>	Issued and Fully Paid	
		2016	2015
Capital consisting of shares	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Valued at 10 Q Riyals Per share	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>

Article (30): Other stakeholders' rights	30-1: The Company should respect the rights of stakeholders. In cases where such stakeholders are party to the Governance, it should be made possible for them to obtain sufficient, credible and relevant information at a convenient time and regularly.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Company is complying with the provisions of Article (30) para (4). Rules of Ethical conduct in the Company stipulate that any violation, breach or any illegal actions harmful to the interest of the Company should be
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	<p>30-2: The BOD should ensure that employees are treated in accordance with the</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<p>reported, and the Audit Committee should be advised if such a violation has something to do with accounts or audit matters. Other breaches are reported to the direct manager or the CEO of the Company. The Company provides the required protection to the employee from any negative reactions in case he reports any breach.</p>	
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	<p>principles of justice and equality, without discrimination on the basis of ethnicity, gender or religion.</p> <p>30-3: The BOD should set a compensation policy to give incentives to the employees and management, so that they always work in the interest of the Company in the long term.</p> <p>30-4: The BOD should adopt a mechanism which allows employees to advise the Board of any suspicious actions in the Company when such actions are incorrect or illegal or harmful to the Company. The Board should ensure to the employee who approaches it in this concern secrecy and protection from harm or negative reaction from other employees or from his superiors.</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>			
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Nawwaf Nasser B. Khaled Al Thani
Chairman of the BOD
Officer

Bassam Hussein
Chief Executive

