



DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CORPORATE GOVERNANCE DISCLOSURE STATEMENT

1 January 2016 to 31 December 2016

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
Article 3 The company should adhere to the principles of governance	3-1 The Board shall ensure the company's complies with QFMA Code	✓			DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C applies the stipulated corporate governance procedures Issued by Qatar Financial Markets Authority (QFMA), those procedures provide assurance for the Board Of Directors of Dlala Holding Co. (BOD) in monitoring the company's practices.	
	3-2 The Board shall review and update the approved governance applications on regular basis	✓			Dlala BOD believes in the continues improving of governance practices to suit the changing needs, furthermore the commitment of reviewing the governance practices on a permanent basis in addition to adding the necessary adjustments from time to time. This report aims to present the company's corporate governance practices.	
	3-3 The Board should set and periodically review professional conduct rules for the Board, staff and advisors. (Professional conduct rules include Board Charter, Audit Committee Charter, Company Regulations, Related Party Transactions, Insider Trading), the board shall also review the professional conduct rules periodically to ensure that such rules are reflecting the best practices and provide the needs of the company	✓			Dlala BOD is continually reviews the Code of Conduct and other internal policies and procedures such as BOD Charter, Related Party Policy, Conflicts of Interest, Security Trading and Disclosure Policy (including insider trading provisions), and works to develop them to meet the company's needs.	
Article 4 Board charter	The board shall approve a charter, the charter should detail the responsibilities and duties of the board members that they should fully adhere to. The charter should be drafted in accordance to the provisions of these regulations and in accordance to the model attached herein, when reviewing the charter, the amendments performed by the Authority from time to time should be considered, the charter should be published by the board on the company's website and make it available to the public.	✓			The Board has approved its own charter identifies the internal regulations of the Board and its responsibilities and obligations, and adhere to, it has been published on the company's website to inform shareholders about it.	

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Article 5 Board mission and responsibilities	5-1 The company shall be managed by an effective board of directors which shall be collectively responsible for the proper management of the company	✓			The BOD has The most extensive powers in managing the company, and those powers are not limited except if stipulated by the law, Articles of Association (AOA) or General Assembly resolutions, and BOD members are directly combined responsible for whereof resolutions issued by the BOD (Article 33 of AOA).	
	5-2 In addition to the board functions and responsibilities mentioned herein, the board shall be responsible for what follows: committees 5-2-1 Approving the company's strategic objectives, appointing directors, nominating their compensations and replacing them, reviewing the performance of the management and ensuring that succession plans are in place authorities mandated by the board to such 5-2-2 Ensuring the company's compliance with the related laws and regulations and the compliance with the company's articles of association, the board shall also be responsible for protecting the company from any illegal, abusive or inappropriate actions	✓			Dlala BOD shall have the following responsibilities: <ul style="list-style-type: none"> - Setting the general policy of the company and its strategy and monitoring the implementation of that strategy. - Discuss and approve the periodic Financial Statements of the company. - Appointment and removal of the Executive Managers, and monitoring the management performance. - Ensure that Dlala Holding complies with related laws and regulations as well as the Articles of Association (AOA) and the Corporate Governance Code. 	
	5-3 The board may delegate some of its functions to the special committees and form such committees to perform certain duties, the committees shall perform its own tasks in accordance to a clear written directions, in all cases, the board shall be responsible for any	✓			The main issues should be discussed in the board meetings, and as per the BOD Charter, a temporary committees has delegated to handle the responsibility of helping carrying out the board's functions and to improve BOD efficiency; these committees hold their meetings when necessary.	
Article 6 Board members'	6-1 The board shall represent all the shareholders and should pay all required care while managing the company and should adhere to the institutional	✓			Dlala Holding Co. is managed by a board of directors composed of 9 members. Three of them are representing the Founders, while the rest of the	

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fiduciary duties	authorities as mentioned in relevant laws and regulations including this code and the board's charter				members are elected every three years as per Article no. 28 of the AOA.	
	6-2 Board members should, all times, act on clear information, in a good faith and with utmost care and responsibility to protect the interests of the company as well as the shareholders	✓			Board Members get all information and documents at any time through the Board Secretary	
	6-3 The board members should act effectively to fulfill their responsibilities towards the company.	✓			<ul style="list-style-type: none"> - Board Members are sticking to their responsibilities toward the Company, in addition to their adherence to all resolutions issued by the Board. - Members discuss the topics on the agenda of each meeting and express their opinions. - Members' fulfill the tasks assigned by the Board within the limits set to them. 	
Article 7 The segregation between the positions of the Chairman and the CEO	7-1 The same person may not hold or exercise the position of the chairman and the position of the CEO or any other executive position in the company.	✓			There is a clear separation of responsibilities between the Board Chairman and CEO, since HE Sheikh Abdul Rahman Bin Hamad Khaled Al Thani had been elected at 19/10/2016 as the Chairman of the Board and shall exercise his powers and functions provided by AOA and the applicable laws, while HE Dr. Abdul Aziz Ali Al Hammadi had been appointed to be the Acting CEO of the Company at 11/02/2016, later he prompted to be the CEO of the Company, handles the daily management of the Company.	
	7-2 In all cases, no one person shall have unfettered powers in the decision making process.	✓			Board Members are participating in the periodic meeting of the Board, they express their opinions and suggestions on setting the general policy of the company and its strategy, all Board resolutions are issued by a majority vote of the attendees, and in case of equivalence, the Chairman side would be prevailed, and the objecting member has the right	

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					to affirm his objection in the Board minutes of the meeting, and no absolute authority in the decision-making process.	
Article 8 The duties of the chairman	8-1 The chairman shall be responsible for ensuring the proper functioning of the board in an appropriate and effective manner including the board's timely receipt of complete and accurate information.	✓			Chairman of the Board is the head of the company who is representing it against the judicature and third parties, taking into consideration the Chairman's privileges stated by law or AOA.	
	8-2 The chairman may not be a member of any board committees mentioned in this code.	✓			Chairman is not a member of any Board Committees mentioned in this code	
	8-3 The duties and responsibilities of the chairman, along with the duties mentioned in this code, shall include but not limited to the following: 1- Ensure that the board discuss all the main issues in an efficient and timely manner.	✓			According to Article 6 of Board by-law and Article 8 of Corporate Governance Code, the Chairman is distinguished by the following: - Call the Board for the meeting	
	2- Approve the agenda of every board meeting taking in consideration any matter proposed by any other board member, this task may be delegated by the chairman to a board member but the chairman shall remain solely responsible for any actions performed by the board member.	✓			- Approving the draft agenda for each Board meeting. - Preside over meetings of the Board and managing it. - Representing the Board in front of the judicature and other third parties	
	3- Encourage all board members to fully and effectively participate in performing the duties assigned to the board to ensure that the board is functioning to achieve the interests of the company	✓			- Preside over meetings of the ordinary and extraordinary General Assembly: 1. Ensure the proper functioning of the Board also ensures that Members get the full and correct information at the right time and immediately via each member's e-mail address. 2. Ensure effective communication with Shareholders and communication of their opinions to the Board of Directors through the company's website as well as discussing them during the General Assembly.	

	4- Ensure that effective communication channels are in place with the shareholders and that their feedback is received by the board members.	✓			- All decisions and actions of the board for each year shall be discussed and evaluated during its first meeting in the following year.	
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	5- Allow effective participation of the non-executive board members in particular and encourage any constructive relations between executive and non-executive board members.	✓			- Encourage the Board Members to participate effectively in the conduct of the affairs of the Board by assigning certain tasks related to his work and committees.	
	6- Ensure that annual assessment is duly performed to the board's performance.		✓			Evaluation program is being prepared.
Article 9 Board composition	9-1 The board composition shall be determined in the company's articles of association, such composition should include executive and non-executive board members as well as independent board members to ensure that board decisions are not dominated by one individual or by a small group	✓			- According to Article 28 of the company AOA, the Board of Directors is composed of nine members. Three of them are representing the Founders, while the rest of the members are elected every three years as per Article no. 28 of the AOA. - The current Board had been appointed and elected by shareholders' General Assembly which was held on 01 April 2014.	
	9-2 At least one third of the board members shall be independent members while the majority of the members shall be non-executive		✓			The majority of the Board Members are non-executive, the independent members forming less than 1/3 of the Board members; due to the increased number of shares that they own more than the minimum equity guarantee

						membership. (Attachment A).
	9-3 Board members shall have adequate experience and knowledge to effectively perform their functions to achieve the interests of the company, and they should give sufficient time and attention to achieve the company objectives	✓			All board members hold high qualifications in their fields, with considerable experience in the field of board memberships, which entitle them to perform their duties effectively.	
	9-4 The person nominated to be an independent board member shall not be owning more than the required shares to maintain his membership in its board of directors	✓			According to Article 28 of the company AOA, a Board Candidate shall own 50,000 share of the company equity, to ensure the rights of the Company, Shareholders, creditors, and others against the responsibility of the members of the Board of Directors.	
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Article 10 Non-executive board members	10-1 Duties of non-executive board members include but not limited to the following: 10-1-1 Participation in the board meetings and give their independent opinion in relation to strategic issues, policy, performance, accountability, resources, main appointments and operation standards 10-1-2 Ensuring that priority shall be given to the company's and shareholders' interests in case of conflict of interest 10-1-3 Participation in the company's audit committee 10-1-4 Monitoring the company's performance in achieving the objectives agreed upon and reviewing its performance reports including the annual, half year and quarterly reports	✓ ✓ ✓ ✓			- The Board are obliged to attend the periodic meetings without failure except with excuse, and with a written apology, as well as, they attended the General Assembly and Extraordinary General Assembly Meetings. - Board Members are discussing the topics on the agenda of each meeting and express their opinions, and there is no exception in participating in the discussion and the voting. Board Members are committed to apply to the conflicts of interest policies, giving the priority to the company's interests, and no case of conflict of interest had been recorded in 2016. The Audit Committee formed entirely from the DOB Members, and its meetings are held periodically. BOD Members disclose the Company reports and approve them during the Board meetings.	

	<p>10-1-5 Supervising the development of the procedural rules of Corporate Governance and ensure that such rules are implemented in accordance to such rules</p> <p>10-1-6 Availing the board of directors and its different committees their skills, experiences and their diversified specialists through their regular presence in the board meetings and their effective participation in the general assemblies and understanding the shareholders' opinions in a balanced and fair way</p>	✓			<p>Members are committed to supervise and review the new developments in the field of governance and matching it with the BOD Charter related to the governance of the company.</p> <p>board members have considerable experience in the field of Firm's business, and they provide all of their experiences and skills to the Board.</p>	
	<p>10-2 The majority of the non-executive board members may request obtaining the opinion of independent external advisor, on the expense of the company, in relation to any issue relevant to the company</p>	✓			<p>Non-Executive Board Members may request the opinion of an independent consultant, which does not happen during 2016.</p>	
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Article 11 Board meetings	<p>11-1 The board shall hold meetings regularly to ensure that the board is effectively performing its duties. The board should hold at least 6 meetings annually and not less than one meeting every 2 months</p>		✓		<p>According to Article 35 of the company AOA, the Board shall hold a meeting following to an invitation of the Chairman or a written request by of two its members, and the invitation shall be addressed to the members before two weeks from the meeting date, accompanied by the meeting agenda, and a member has the right to propose adding any clause or section to the agenda</p>	<p>The Board has held 5 meetings during 2016.</p>
	<p>11-2 The board shall meet when invited to do so by the chairman or upon a written request presented by 2 board members, the invitation and the agenda shall be sent to the board members prior a week at least from the scheduled meeting, noting that any board member have the right to add any issue to the meeting's agenda</p>	✓				
Article 12 Board secretary	<p>12-1 The board shall appoint a board secretary to perform the following duties: recording the minutes of board meetings and maintain the board decisions in a special record in a serial number, define attending members and their recommendations, maintain the board's minutes of the meetings, the records files and reports</p>	✓			<p>The Marketing and Public Relations Manager had assigned the responsibility of the Board secretary by Board Resolution, to maintain the Board meetings records, documents and reports that raised to/from the Board.</p>	

	raised to him by or to the board, the board secretary shall, under the chairman’s supervision, maintain and distribute the working papers of the meetings and the documents and the information and the agenda and shall coordinate with the board members and other stakeholders including the shareholders and the management and the employee					
	12-2 The board secretary shall ensure that board members are having full and timely access to the minutes of board meetings, information, documents and records pertaining to the board of directors	✓			The Board secretary ensures providing information, documents, records, and the minutes of meetings to the Board Members.	
	12-3 Board members shall have access to the services and advises of the board secretary	✓			The Board secretary is in constant contact with the members to satisfy any inquiries, and noticing them with the developments.	
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	12-4 the board shall have the sole right to appoint or remove the board’s secretary	✓			Only the Board has the right to appoint or dismiss the Board Secretary, according to the Board Charter, the Board has appointed him by Board Resolution dated 9 August 2010.	
	12-5 It’s preferable that the board secretary to be a member of a professional and accredited accountants body or a member of a recognized or chartered body of corporate secretaries or a lawyer or a graduate from a recognized university or equivalent. The secretary should have at least 3 years of experience in handling the affairs of a public listed company	✓			Dlala Board secretary has a B.Sc. in Mass Communication and more than 11-year experience as a board secretary in Qatar.	

Article 13 Conflict of interest and insider trading	13-1 The company shall adopt and make public general rules and procedures that is governing the company's transactions with related parties (which is known as the general policy of the company in relation to related parties). In all cases, the company is not permitted to enter any transaction with related parties unless if the company is in compliance with the aforementioned policy, such policy include the principles of transparency, fairness and disclosure in addition to obtaining the approval of the company's general assembly before any transaction with related parties	✓			A Related Party policy to govern commercial transactions with related parties, potential conflicts of interest, related practices and disclosures, has been approved by the Board of Directors, to ensure the compliance of the Company and its Employees with the rules and standards and professional controls to enhance the integrity of the company and its employees at all levels.	
	13-2 If the company's board is discussing any issue relevant to the conflict of interests is raised or any commercial transaction between the company and any of its board members or any related party who is in relation to any of the board members, then such discussion should take place in the absence of the concerned board member	✓			According to Dlala BOD Charter, it's forbidden for the Chairman or the Members to have a direct or indirect benefit in the agreements or transactions made by the company or for its benefit.	
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	13-3 In all cases, such transactions shall be disclosed in the company's annual report and shall be informed to the general assembly following such transaction	✓			According to Dlala BOD Charter, a disclosure shall be made for any conflict of interest between the company and any one of the Board Member or any related party, and the Board make it done by placing at the disposal of the Shareholder a detailed disclosure includes all amounts or benefits or bonuses obtained by the Chairman or a Board Member, as well as the transactions in which a Board Member has an interest.	
	13-4 Any trading transactions by board members in the company's shares and securities should be disclosed and the company shall adopt clear rules and	✓			During the year 2016 no direct or indirect contract or agreements were made between the Chairman or a Board Member and the Company, and the Board Member have been notified to suspend any	

	procedures to control such transactions performed by the board members or any of its employees				securities trades before the Board meeting that would discuss the periodic financial statements and before the General Assembly meeting by fifteen days, and notification is sent to Qatar Exchange at the same time.	
Article 14 Board's other duties and tasks	14-1 Board members shall have full and immediate access to information, documents and records pertaining to the company in order to perform their duties and have a full knowledge about all the aspects relevant to the business, the executive management shall provide the boards and its committees with all requested documents and information	✓			All Board Members get all information, documents, and records by the board secretary at any time.	
	14-2 The board members shall ensure the attendance of, the nomination, remuneration and audit committee board members and the external auditor representatives, the meetings of the general assembly	✓			An Invitation has been sent to both Internal and External Auditors and Members of the various committees to attend the AGM held at 15/03/2016 and EGMs, which held at 15/03/2016 and 22/03/2016 because of the lack of legal quorum in the first meeting.	
	14-3 The board shall develop an induction program for the newly appointed board members in order to ensure that they are fully aware of the company's businesses and operations as well as their duties and responsibilities	✓			The responsibility of the new Board Member shall be explained and listed, and training programs are existed for the Board Members.	
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	14-4 The board members are responsible for having an appropriate understanding of their role and duties and for educating themselves in financial, business and industry practices as well as the company's operations and businesses. For this purpose, the board shall adopt an appropriate formal training to enhance the skills and knowledge of its members	✓			The members of the Board of Directors have adequate experience to manage of the company's business, in which they are all qualified parties of their institutions and renowned for their experience needed to run the big companies business as members of its Board of Directors.	
	14-5 The board of directors shall, in all times, aware and updated of the latest developments and the best practices in relation to the Governance, the board may delegate the audit committee or the Governance committee or any other body as appropriate to perform the same	✓			The governance code and its changes or modifications are presented by the Board Secretary on the Board meeting Agenda.	

	14-6 The company's articles of association shall include clear procedures for removing board members in the event of not attending the board meetings	✓			AOA of the Company includes the procedures of dismissal of the Chairman and the Members of the Board in the case of absence; According to the provisions of Article 37 of the AOA, if a Board Member is frequently absence for three consecutive Board meetings in a row or for five meetings without an acceptable excuse by the Board, then the Board shall consider the Member as resigned, and according to the provision of Article 36, the General Assembly may dismiss the Board Chairman or a Board Member as per a suggestion issued by the Board of Directors with an absolute majority, or at a signed request by shareholders who hold not less than one quarter of the subscribed capital, and no such case has been presented during 2016.	
Article 15 Board committees	The board shall evaluate the advantages of the establishment of board special committees to supervise the progress and performance of key functions, on deciding the committees that should be established, the board shall put in consideration the previous issues	✓			All important matters are discussed in the Board, and in accordance with the BOD Charter, temporary committees have been delegated to handle the responsibility of helping carrying out the board's functions and to improve BOD efficiency; these committees hold their meetings when necessary.	
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Article 16 The appointment of board members – nomination committee	16-1 Nominations and appointments of board members shall be made according to formal, rigorous and transparent procedures	✓			In addition to the provided in the AOA's Articles regarding the Board Member nomination provisions, the Board shall accurately review the nominee list and a notification shall be sent to the companies' Department accompanied with a copy of the Nomination Forms, nominee details, date of nomination, and the category that the nominee represent, moreover the nominee list shall be sent to QE & QFMA at the same time. All those procedure had been made before holding the General Assembly on 01.04.2014 and the voting has been made to elect the current board.	

	16-2 The board shall form a nomination committee chaired by an independent board member and shall comprise of independent board members who will in return suggest the appointment and re-nomination of board members by the general assembly (to avoid any doubt, nomination by the committee does not deprive any shareholder from his rights to nominate or to be nominated)	✓			The Nominations Committee is comprises of Three non-executive Board Members to nominate candidates to be appointed and re nominate them for the election.	Members are not independent
	16-3 Nominations shall take into consideration, among other things, the candidates' ability to perform their duties as board members in addition to their skills, knowledge and experience as well as their professional, technical and academic qualifications and personality, and should be based on "fit and proper" guidelines for nominating board members annexed to this code that may be amended by the authority	✓			The Nominations Committee takes into consideration the guiding principles accompanied with the Corporate Governance Code issued by QFMA.	
	16-4 The nomination committee, when formed, shall approve and deploy its duties and roles in a way that elaborate its authorities and role	✓			The Committee had been formed by the Board decision approving its terms of reference according to Article no 16 of the Corporate Governance Code.	
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	16-5 The nomination committee's role shall include the annual assessment of the board's performance	✓			The forming decision specify performing annual appraisal for the Board Member performance within its duties.	
	16-6 Banks and other companies shall comply with any conditions or requirements in relation to the nomination, election or appointment of board members that may be issued by QCB or any other authority			✓	DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C is not governance by QCB and complies with any conditions or requirements in relation to the nomination, election or appointment of board members issued by Ministry of Economy and Commerce and QFMA.	
Article 17 Remunerations of the board	17-1 The board shall establish a remuneration committee that comprise of 3 non-executive members at least provided that the majority are independent members		✓		The Nominations Committee is comprises of Three non-executive Board Members.	Members are not independent

members – remuneration committee	17-2 The remuneration committee, when formed, shall deploy and act in accordance to its roles, duties and main responsibilities	✓			The Committee had been formed by the Board decision approving its terms of reference according to Article no 17 of the Corporate Governance Code.	
	17-3 The remuneration’s committee key role shall include defining the company’s remuneration policy including the remuneration of the chairman and board members as well as the senior executive management	✓			Chairman and Board Members’ remuneration are determined for services they do by the General Assembly not more than 10% of the net profit in accordance with Article 42 of AOA, taking into consideration the overall performance of the company, depending on the annual results of the company.	
	17-4 The remunerations of the board members policy shall be disclosed in the company’s annual report		✓			The remunerations policy is being prepared.
	17-5 The remuneration committee shall take the responsibilities and duties of the board members and the senior executive management members and the performance of the company in consideration. Such remunerations shall include a fixed and performance-related remunerations, noting that performance related components should be based on the company’s long-term performance	✓			Chairman and Board Members’ remuneration are determined for services they do by the General Assembly not more than 5% of the net profit in accordance with the Companies Law no. 11 for the year 2015, taking into consideration the overall performance of the company, depending on the annual results of the company.	
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Article 18 Audit committee	18-1 The board of directors shall establish audit committee that shall comprise of 3 members at least the majority from independent members, the audit committee should include one member at least who has financial and audit experience.	✓			An Audit Committee (financial) had been formed from three non-executive Board Members, , the Committee shall request whoever experts to assist in its work.	
	18-2 In all cases, any person who is or has been employed by the company’s external auditors within the last 2 years may not be eligible to be member of the audit committee	✓			Audit Committee does not contain in its formation any per anyone son who is working or was working for external auditors of the company.	

	18-3 The audit committee may consult, at the company's expense, any independent expert or consultant	✓			The Committee may appoint independent expert to study a specific issue, express their opinions regarding it and advice about it, if required.	
	18-4 The audit committee shall meet when required but at least once every 3 months and should prepare the minutes of such meetings	✓			The committee hold its meeting every 3 months, and raise its report to the Chairman as per what stated in the forming decision.	
	18-5 In the event of any disagreement between the audit committee recommendations and the board's decision, including when the board refuses to follow the committee's recommendations in relation to the external auditor, then the board shall prepare the governance report including a statement to detail such recommendations and the reasons behind the board's decision not to follow the committee's recommendations	✓			No conflict has been raised between the Committee and the Board during the financial year 2016.	
	18-6 The audit committee, when established, shall approve and deploy its business and key roles and responsibilities to the public in the form of a charter, the responsibilities shall include the following in particular: a. Adopt a policy for appointing the external auditors and to report to the board any matters that, in the committee's opinion,	✓			The Committee had been formed by the Board decision at 2010 approving its terms of reference, according to Article no 18 of the Corporate Governance Code. The responsibilities of the Committee include review the Financial and Internal Control and risk management systems and the company's commitment to the Code of Conduct	
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	requires taking an action and to provide recommendations on the necessary procedures or required action				and to conduct the necessary investigations, if any.	
	b. To oversee and follow up the independence and objectivity of the external auditor, and the nature, the scope and efficiency of the audit in accordance to audit international standards and the international financial reporting standards	✓			The Audit Committee Manual had been approved by the Board this manual includes all responsibilities and tasks of the Committee Members specially supervising External Auditors and maintain their independency.	

	<p>c. Oversee the accuracy and validity of the financial statements and the yearly, mid-year and quarterly reports and review such statements and reports. In this regard, the committee shall particularly focus on the following:</p> <p>1- Any changes to the accounting policies and practices</p> <p>2- Matters subject to the discretion judgment of the senior executive management</p> <p>3- Major amendments resulting from the audit</p> <p>4- The continuation of the company as a viable going concern</p> <p>5- Compliance with the accounting standards designated by the authority</p> <p>6- Compliance with disclosure rules and any other requirements in relation to the preparation of financial reports</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>The Audit Committee Manual includes reviewing the accuracy of the Annual, Bi-Annual and Quarterly Financial Statements, during its quarterly meetings.</p> <p>Accounting policies and applications, and are being reviewed and violations shall presented to the Audit Committee in its quarterly meetings.</p> <p>A discussion of all discretionary provisions of the executive management, if any, with the Chief Executive Officer is being made on a quarterly basis and to ensure the objectivity of these estimates.</p> <p>Been discussed with the Internal Auditor during the quarterly meeting.</p> <p>Been discussed with External and Internal Auditor during the quarterly meeting.</p> <p>Been discussed with External and Internal Auditor during the quarterly meeting, and the External Auditor Report states that the company the Company conforms to IFRS/IAS</p> <p>Been discussed with the Compliance Officer during the representation of the Compliance Annual Report.</p>	
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	7- Compliance with applicable listing rules	✓			Been discussed with External and Internal Auditor during the quarterly meeting.	
	d. To coordinate with the board of directors, senior executive management and the company's CFO or the person undertaking his tasks and meeting with the external auditors once annually at least	✓			Audit Committee hold meeting with External and Internal Auditors quarterly to discuss the periodic statements.	

	e. To consider any significant and unusual matters contained or to be contained in the financial reports and accounts, and to give due consideration to any issues raised by the company's CFO or the person undertaking his tasks or the company's compliance officer or external auditors	✓			Been discussed with External and Internal Auditor during the quarterly meeting to discuss the periodic statements.	
	f. To review the financial and internal controls or risk management systems	✓			Internal Auditor raise a full report regarding all internal audit financial and internal observations quarterly.	
	g. To discuss the internal controls with the management and ensure that management's performance achieves the goals required for the development of the internal controls	✓			Internal Auditor raise a full report regarding all internal audit financial and internal observations quarterly.	
	h. To consider the findings of principal investigations in relation to internal controls mandated to the committee by the board of directors or carried out by the committee after being duly approved by the board of directors	✓			Audit Committee hold meeting with the Internal Auditor to consider the results of the main investigation regarding the internal auditing issues. (If any).	
	i. Ensure the coordination between internal and external auditors, ensure the availability of necessary resources and the effectiveness of internal controls	✓			The Audit Committee Charter contain articles to ensure coordination between the internal auditors and external auditors and provide the necessary resources and verify the effectiveness of internal control and supervision body, discussions about the application of this coordination are made during the quarterly meeting with the Internal Auditor.	
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	j. Review the company's financial and accounting policies and procedures	✓			The Internal Auditor review those policies and procedures and report the observations and discuss the recommendation during the quarterly meeting.	
	k. To review the appointments of external auditors, the business plan of the external auditor and any significant clarifications requested from the senior management and their reply in relation to accounting records, the financial accounts or controls	✓			The audit plan is being discussed at the beginning of the year.	

	l. Ensure providing the board of directors quick answers to any queries raised by the board in relation to the letters and reports submitted by the external auditors	✓			The Audit Committee shall ensure the quick reply to the queries and important matters during periodic meetings.	
	m. The development of rules where the employees can report any concerns in relation to the financial reports or internal controls or any other suspicious matters, and to ensure the availability of proper arrangements to all independent and fair investigation of such matters while ensure that the aforementioned employees are afforded confidentiality and protected from any reprisals, such rules should be raised to the board for approval				At the end of 2014, the company had formed a committee under the name of Discipline and follow-up Committee, headed by the Board Secretary, based on a Board decision, in which it investigating complaints and violations of the company's employees, and reporting its recommendation to the Board of Directors.	
	n. Oversee the company's adherence with the rules of professional conduct	✓			Discipline Committee raises reports to the Board include miss conducting of professional conduct rules.	
	o. Ensure that the rules of business relevant to such duties and authorizes as being mandated by the board of directors are applied properly	✓			It shall be done during the Board of Directors evaluation of the Internal Audit Committee.	
	p. Submit a report to the board of directors on the matters included in this article	✓			The Audit Committee shall raise a letter accompanied with internal audit observations to the Chairman and all Members quarterly.	
	q. Consider any issues as determined by the board of directors	✓			It shall be done during the Board meeting.	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
Article 19 Compliance with internal controls and the internal auditor	19-1 The company shall adopt internal controls, after being approved by the board of directors, to be used in the assessment of the methods and procedures of the risk management and for the implementation of the company's corporate governance approved by the company and the compliance with relevant laws and regulations. The internal controls should include clear standards for the accountability and responsibility of the company's departments	✓			The Board of Directors is entirely responsible for the company's internal control system, as policies, guidelines and controls of the limits of responsibility and performance has been developed, to monitor the performance mechanisms in place. The general management of the company is considered the responsible for the oversight of these controls, specifically Department Managers and Heads, and	

					the business evaluation shall be done by the Internal Auditor and external auditor.	
	19-2 Internal controls shall include effective and independent risk assessment and management functions as well as financial and operational internal audit functions in addition to the external audit, the internal controls shall ensure that all related parties transactions are handled in accordance to the requirements related thereto	✓			The Company has an in-house Risk Committee defines and assess operational risks in cooperation with the relevant Department Managers, in addition to assessing the financial risk in coordination with the financial management, the risk assessment shall be reported within the annual report submitted to the Board of Directors.	
	19-3 The company shall have an internal audit function with clearly defined functions and roles. In particular, the internal audit function shall be assigned the following: 1. To audit the internal controls and oversee their implementation 2. Should be managed by a qualified and independent and well-trained teamwork	✓ ✓			The Company has an in-house Internal Audit Department, headed by an independent qualified professional and experienced Internal Auditor, who raise his reports to the Audit Committee every three months, including any issues or irregularities, if any, with the proposed corrective action to be taken.	
	3. The internal audit function shall submit its reports to the board of directors directly or indirectly through the board's audit committee and shall be accountable by the board 4. The internal audit shall have access to the company's activities	✓ ✓			A continues coordination between Internal Audit Department and The Audit Committee is being made by holding a periodic meeting every 3 months. The Internal Auditor has the authority to audit all the company's activates as per the internal audit policies and procedures.	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	5. The internal audit function shall be independent where shall not be assigned to perform day to day business, the function shall be fully independent for example the remunerations of its members shall be defined by the board directly	✓			Audit Committee is the only body responsible for supervising of the company's Internal Auditor work, as per the policies and procedures of the internal audit and organizational structure of the department.	
	19-4 The internal audit function shall include at least one internal auditor to be appointed by the board of	✓			The Company has an in-house Internal Audit Department, headed by an independent qualified	

	directors, such internal auditor shall be accountable by the board itself				professional and experienced Internal Auditor, reporting directly to the Board Audit Committee.	
	<p>19-5 The internal auditor shall prepare and submit the internal audit report to the audit committee and the board including a review and assessment for the internal controls applicable by the company. The scope of the report shall be defined by the board (in accordance to the recommendations of the audit committee) and the internal auditor, the report shall include the following in particular:</p> <ul style="list-style-type: none"> - Applicable procedures used in controlling and supervising the financial affairs, investments and risk management 	✓			The Internal Audit raise his reports to the Board every three months, including any issues or irregularities, if any, with the proposed corrective action to be taken, in addition to the procedures mentioned in Article no 19-5 of the Corporate Governance Code.	
	<ul style="list-style-type: none"> - Comparative evaluation for the development of risk factors and systems in place to respond to drastic or unexpected changes in the market - The assessment of the board's and senior management's performance in implementing the internal controls including how many times the board was notified of control issues (including risk management issues) and the how such matters were handled by the board - Failure in applying internal controls or the weaknesses or contingencies that have affected or may affect the company's financial performance and the procedures 	✓			<p>Internal Audit Reports classify the observations according to its risk degree – it shall be reported and approve the needed recommendation to the Audit Committee.</p> <p>The Audit Committee shall raise a letter accompanied with internal audit Report which contain the main pending observations which did not fulfilled by top management.</p> <p>The quarter internal audit reports contain such cases.</p>	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<p>followed by the company in addressing the internal control failures (especially the issues disclosed in the annual reports and the financial statements of the company)</p> <ul style="list-style-type: none"> - The company's compliance with internal controls when defining and managing risks 	✓			The Annual Compliance Report contain a report of the company status and its compliance to the rules and conditions that have been set.	

	– All relevant information that describe the company's operations of risk management	✓			The Risk Committee establish a risk register and it shall be discussed with all of the Company's department and sections.	
	19-6 The internal audit report shall be prepared every 3 months	✓			The Internal Auditor is preparing his report every 3 months (03-31 / 06-30 / 09-30 / 12-31).	
Article 20 External auditor	20-1 The external auditor shall be independent and qualified, shall be appointed as per the recommendation of the audit committee raised to the board and shall be appointed by the decision of the general assembly, the external auditor shall perform annual and semiannual independent external audit to the financial information, the audit's objectives is to provide the board and the shareholders objective assurance that the financial statements are prepared in accordance to this code, relevant laws and regulations and international financial reporting standards and accurately represent the financial position and performance of the company in all material respects	✓			The shareholders through the AGM are appointing the company's External Auditor, Rödl & Partner has been assigned as an External Auditor during the AGM, moreover, a new External Auditor shall be selected during the next year 2017.	
	20-2 The external auditors shall comply with the highest professional standards and the company shall not assign them to provide any advice or services other than the financial audit of the company, the external auditors should be fully independent from the company and its board members and shall not have any conflict of interest with the company	✓			External auditor adhere to international professional standards, as it appears in its financial report for 2016, and he is completely independent of the Board of Directors and there is no conflict of interest in his relation to the company.	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	20-3 The company's external auditor shall attend the company's annual meeting of the general assembly to present their annual report and answer any queries	✓			The external auditor shall be invited to attend the Assembly at the same time as the call to the Shareholder sent by law; the External Auditor has attended the General Assembly meeting held on 04.07.2015 and has attended by Extraordinary Assembly which was held on 04.13.2015.	Commented [AK1]: Reviewing the comment again
	20-4	✓			External Auditor is responsible to the Shareholders and they report to the General Assembly for	Commented [AK2]:

	The external auditors shall be accountable before the shareholders and the company in exercising the due professional care while performing their audit. The external auditors shall be responsible for notifying the authority or any other regulatory authority should the board fail to take proper action versus any suspicious matters raised by the auditors				approval, and they present their report for 2014 during the AGM that held on 07.04.2015 and the Shareholders approved it.	
	20-5 All listed companies shall change their external auditors every no more than 5 years	✓			The AOA statute that the company shall change the External Auditor every five years, the Company complies with that Article.	
Article 21 Disclosure	21-1 The company shall comply with disclosure requirements including the submission of financial reports and the disclosure of the number of shares owned by the board members and the key executives of the company and the major shareholders or the controlling shareholders, the company also shall disclose all the information relevant to the board members including their CVs describing his/her respective education, profession, the memberships in other boards, if any, as well as the disclosure of the names of different committee members formed by the board in accordance to article 5-3 along with the composition of such committees	✓			The information relevant to the board members is published in the company's website, and the company discloses its quarterly, bi-annually financial reports of 2016 including all information and published it through QE website, daily newspapers and the company's website, in addition to, all the annual reports of the year 2016 had been done.	
	21-2 The board shall ensure that all disclosures made by the company provide accurate and true information and is not miss-leading	✓			The External Auditor report states clearly whether they obtained all information needed, and whether the Company conforms to IFRS/IAS.	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	21-3 The company's financial reports shall comply with the requirements of IFRS/IAS and ISA standards, the reports of the external auditors shall include a statement whether the external auditor obtained the required information and whether the company is in compliance with the IFRS/IAS standards and whether the audit was performed in accordance to IAS standards	✓			The Company presents financial reports that comply with IFRS/IAS and ISA standards and requirements. The External Auditor report states whether they obtained all information needed, and whether the Company conforms to IFRS/IAS and that the audit has been conducted in accordance with IAS.	

Commented [AK3]:

	21-4 The audited financial reports of the company shall be circulated to all shareholders	✓			The Company audited financial reports are presented to the Shareholders during General Assembly and in Newspapers before the General Assembly date by 15 days.	
Article 22 The rights of shareholders and key ownership elements	Shareholders shall have the right conferred to them by relevant laws and regulations including the rights mentioned in this code and the company's articles of association, the board shall ensure that the rights of the shareholders are duly protected in a fair and equitable manner	✓			<ul style="list-style-type: none"> - According to Article no 11 of the AOA, Shareholders are not obliged except for the value of each share and it's forbidden to increase their obligations. - Article no 45 of the AOA stats that each Shareholder ay attend the General Assembly by himself originality or behalf of someone else, a power of attorney for attending the General Assembly may be made. The Board of Directors shall prepare the agenda and the company's balance sheet, and earnings and losses statement certified by the External Auditor and a report of the company's activities, it shall be announced to the Shareholders before the Assembly by fifteen days and should be discussed with them during the General Assembly. - During the voting process each shareholder has a number of votes equals to the number of his shares, and the company shall consider that no one has number of votes more that 25% of the votes represented during the Assembly. - The Board of Directors shall maintain and ensure respecting all Shareholders' rights, and there is no observations during the year 2016 for this regard. 	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications

Article 23 Ownership records	23-1 The company shall keep valid and updated ownership records	✓			The Company rely on the registration system of Qatar Central Securities Depository (QCSD) to obtain valid up-to-date record of shareholdings according to QFMA instructions.	
	23-2 Shareholders shall have the right to review and access the shareholders record for free during the company's working hours or as determined in the access to information procedures set out by the company	✓			According to Article no 11 of the AOA, a Shareholder has the right to obtain the company's shareholdings reregister at any time for free.	
	23-3 The shareholder shall have the right to receive a copy from the following documents: board members record, the company's articles of association and by-laws, the documents that create a charge or right from the company's assets, related party transactions and any other documents as determined by the authority upon the payment of the prescribed fee	✓			For the time being, there is no any fees requesting he company for a document by a Shareholder.	
Article 24 Access to information	24-1 The company shall include in its articles of association and by-laws a procedure for the access to information to ensure that shareholders' rights of accessing company documents and information in a timely manner and on regular basis is protected. The access to information procedure should be clear and detailed and shall determine the following: 1- The accessible Information including the types of information made accessible to the shareholders or to the shareholders representing the minimum percentage of shares 2- A clear and express procedure for accessing information	✓ ✓			Article no 11 of the AOA ensures the right of the Shareholder to obtain the company's records and requesting information. Articles no 38 & 48 of the AOA enforce the BOD to set a list of the financial information under the use of the Shareholder before the General Assembly. Article no 48 of the AOA gives the shareholders the right to get a meeting agenda, full audited financial statements and both External Audit and Board Reports before the General Assembly. All this Information are available for the use of the Shareholders at any time on the Company's website	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications

	24-2 The company shall have a website where all relevant and public information shall be posted, this include all information required to be made public by this code or any other relevant laws and regulations	✓			The Company has its own website in which all disclosures and information that should be disclose as per laws and regulation of QFMA shall be uploaded on. The last update of the company's Article of Association, Corporate Governance Charter and Periodical Financial Statements are published.	
Article 25 Shareholder s' rights in relation to shareholders ' meetings	The company's articles of association and the by-laws shall include provisions ensuring that the shareholders' rights in calling for the general assembly in a reasonable time is protected as well as their right to include any issues to the agenda to be discussed during the meeting and to raise any questions and receive answers and their right in making informed decisions while being fully aware of the issues under discussion	✓			Articles no 50 & 57 of the AOA ensure that the Shareholders have the right to call for a General Assembly, and the right to propose agenda items on the agenda, and the right of the discussion and asking questions and receiving answers from the Board, s stated in the second chapter of the Corporate Governance Charter.	
Article 26 The fair and equitable treatment of shareholders and the exercise of voting rights	26-1 All shares of the same class shall have the same rights	✓			According to Article no 21 of the AOA, each share allows his owner an equal share without any privilege in the ownership of the company's assets and earnings.	
	26-2 Proxy voting is permitted in accordance to the relevant laws and regulations	✓			The Company allows the exercise of proxy vote according to Article no 45 of the AOA, and proof the proxy attendance in the minutes of the General Assembly.	
Article 27 Shareholder s' rights in relation to the election of board members	27-1 The company's articles of association and the by-laws shall include provisions ensure that the shareholders receive information about the candidates for the membership of the board and their professional and technical skills, their experiences and other qualifications		✓			
	27-2 Shareholders shall have the right to vote in the election of the board members by way of cumulative voting	✓			Shareholders are electing board members in accordance with the Companies Law no. 11 for the year 2015	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications

						be subsequently amended in accordance with the instructions of the Qatar Financial Markets Authority.
Article 28 Shareholders rights in relation to dividend	The board of directors shall provide the general assembly a clear dividend policy. The policy shall include a detailed description on how the company's and shareholders' interests shall be protected	✓			Articles no 42, 67 & 68 of the AOA identify clearly the dividend policy of the company, and the company comply to that policy when distributing dividends annually and it shall be included in the annual financial report of the company provided to shareholders in the General Assembly.	
Article 29 Capital structure, shareholders' rights and major transactions	29-1 The capital structure shall be disclosed and the companies shall have to define the type of shareholders agreements that should be disclosed	✓			Capital structure is included in the annual audited financial statements and published in newspaper, QE and the company's website.	
	29-2 Companies shall include in their articles of association and/or by-laws certain provisions for the protection of minority shareholders in case of approving any major transactions where the minority shareholders have voted against them	✓			Articles no 49, 57 & 58 of the AOA, stated that each Shareholder has the right discuss with the Board or the External Auditor regarding all data and transactions included in the reports that being discussed in the General Assembly, and receive answers, and seek a decision from the General Assembly in case of Lack of conviction, also, has the right to prove his objection regarding any matter in the minutes of the Assembly.	

	29-3 The companies shall include in their articles of association and/or by-laws certain mechanism ensuring the trigger of a public offer or the exercise of Tag Along Rights in case of any change in the ownership that exceeds a specific percentage (threshold). The threshold should take in consideration the shares held by third parties but under the control of the disclosing shareholder, including the shares covered by the shareholders' agreements which should be disclosed.	✓			Articles no 14, 15, 16 & 17 of the AOA ensure that each Shareholder has the right to dispose of his shares at any time by sale or pledge or donation in accordance with specific rules.	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
Article 30 Rights of other stakeholders	30-1 The company shall respect the rights of the other stakeholders. Where the stakeholders participate in the corporate governance arrangements, they shall have access to relevant, sufficient and reliable information on timely and regular manner	✓			The company is keen to respect the rights of stakeholders by providing all the necessary documented information for all of its transactions, even by publishing or through direct contact	
	30-2 The board of directors shall ensure that the company's employees are treated in accordance to fair and equity principles with no discrimination based on the race, gender or religion	✓			A unified HR Manual is being applied to all the company's Employees of all nationalities, ensures fairness for all, and includes compensation and incentives and other advantages.	
	30-3 The board shall develop a remuneration policy and packages that provide incentives for the company's employees and management in order to perform their duties to achieve the best interests of the company. This policy shall take in consideration the long-term performance of the company	✓			The company adopted a regulation of special bonuses based on the overall performance assessment as a basis, in addition to the special rewards in exchange for efforts that contribute developing Company's business or lead the company to gain or to avoid a big loss.	
	30-4 The board shall adopt a mechanism that allows the employees of the company from reporting any suspicious behavior to the board if such behavior is unethical, illegal or detrimental to the company. The board shall ensure that the employees reporting such issues are given the proper confidentiality and duly protected from any negative reaction by other employees or by their superiors	✓			At the end of 2014, the company had formed a committee under the name of Discipline and follow-up Committee, headed by the Board Secretary, based on a Board decision, in which it investigating complaints and violations of the company's employees, and reporting its recommendation to the Board of Directors.	

	30-5 The companies shall adhere fully to the provisions of this article, where this article is excluded from the principle of compliance and reasons of non-compliance	✓				
Article 31 Governance report	31-1 The board shall prepare annual corporate governance report signed by the chairman	✓			The Board prepare the Corporate Governance Report annually, signed by the Chairman, 2014's report was the last report and this one.	
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	31-2 The governance report shall be submitted annually to the authority and whenever requested by the authority, the report shall be attached to the annual report prepared by the company in compliance with the regular disclosure principle	✓			The Company provide the Board Report and the Financial Report and the Corporate Governance Report to QFMA before 15 days of the General Assembly, 2014's report was the last report and this one.	
	31-3 The governance report shall be included in the general assembly's meeting's agenda and a copy from the report shall be circulated on all shareholders during the meeting	✓			The Corporate Governance Report is included on the General Assembly agenda and it shall be discussed and approved by the General Assembly. And the last one was 2015 which included in 2016 General Assembly agenda.	
	31-4 The governance report shall include all the information relevant to the implementation of the provisions of this code including but not limited to the following: 1. The procedures followed by the company in this respect 2. The disclosure of any violations committed during the fiscal year, their reasons and the remedial measures taken to avoid the repetition of the same violations in future 3. The disclosure of the board members and its committees and their responsibilities and activities during the year in accordance to their categories and authorities and the methods used to determine the	✓ ✓ ✓			Corporate Governance Report is prepared in accordance with the detailed model stated in the Corporate Governance Code of listed companies issued by QFMA.	

	<p>remunerations of the board members and the senior executive management</p> <p>4. The disclosure of the internal controls including supervising the financial affairs, investments and risk management</p> <p>5. The disclosure of procedures followed by the company in defining, assessment and managing significant risks, and the disclosure of the comparative analysis of the risk factors</p> <p>Corporate Governance Report is prepared in accordance with the detailed model stated in</p>	✓				
Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<p>6. The disclosure of the assessments performed for the board's and the senior management's performance in implementing the internal controls including the identification of the number of times when the board was notified of control issues, including risk management, and the ways of handling such issues by the board</p> <p>7. The disclosure of the failures in internal controls or weaknesses or contingencies that have affected or may affect the company's financial performance and the procedures followed by the company in addressing internal control failures, in particular the problems disclosed in the company's annual reports and financial statements</p> <p>8. The disclosure of the company's compliance with applicable listing and the disclosure of the rules and requirements of listing</p> <p>9. The disclosure of the company's compliance with the internal controls for determining and managing risks</p> <p>10. All relevant information describing the processes of the company's risk management and the internal controls applicable by the company</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>Corporate Governance Report is prepared in accordance with the detailed model stated in the Corporate Governance Code of listed companies issued by QFMA.</p>	

