



Corporate  
Governance  
Report  
2019

Committed  
to Build Qatar



QATARI INVESTORS GROUP  
مجموعة المستثمرين القطريين

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

Independent Assurance Report to the Shareholders of Qatari Investors Group Q.P.S.C in connection with compliance to the Qatar Financial Markets Authority's Law and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016 as of 31 December 2019

To the  
Shareholders of Qatari Investors Group Q.P.S.C  
Doha – State of Qatar

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over Board of Directors' assessment of compliance of Qatari Investors Group Q.P.S.C referred as the "Company" with the QFMA's law and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market (the "Code") as of 31 December 2019 as noted in the Board of Director's Corporate Governance Report (Corporate Governance Report), excluding provisions listed under Other information section of this report

**Responsibilities of the directors and those charged with governance**

The Board of Directors of the Company are responsible for preparing the accompanying Corporate Governance Report that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Company's compliance with the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 and preparing the, 'Report on compliance with the QFMA's law and relevant legislations, including the Code', as set out in sections 1 to 11 and 13 of the Corporate Governance Report.

**Responsibilities of the Assurance Practitioner**

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the "Board of Directors' Governance Report on compliance with the QFMA's law and relevant legislations, including the Code" presented in sections 1 to 11 and 13 do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures.

**Reporting on compliance with QFMA's law and relevant legislations, including the Code**

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole, is not prepared in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Accordingly, we do not express a reasonable assurance opinion about whether the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole has been prepared, in all material respects, in accordance with the 's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies of the Company, and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code (the 'Requirements'); the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these Requirements. This included analysing the key processes and controls for reporting compliance with the Requirements;
- considered the disclosures by comparing the contents of the Corporate Governance Report against the requirements of Article 4 of the Code;
- agreed the relevant contents of the Corporate Governance Report to the underlying records maintained by the legal and compliance department of the Company;
- performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the Requirements, and observed evidences gathered by the Company's management and assessed whether violations of the Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

#### **Our independence and quality control**

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Inherent limitations**

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Governance Report and the methods used for determining such information.

#### **Other information**

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the Directors' Report on compliance with QFMA's law and relevant legislations including the Code' presented in Sections 1 to 11 and 13 (the "Directors' Statement") which we obtained prior to the date of this assurance report.

Our conclusion on the Board of Director's Corporate Governance Report on compliance with applicable QFMA laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the applicable sections of the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Corporate Governance report or our knowledge obtained in the engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

#### **Conclusion**

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' report on compliance with QFMA's law and relevant legislations, including the Code, as presented in Board of Director's Corporate Governance Report, do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code as at 31 December 2019.

#### **Emphasis of matter**

We draw attention to the fact that this assurance report relates to parent company Qatari Investors Group Q.P.S.C on stand-alone basis only and not the Group as a whole. Our conclusion is not modified in this respect

#### **Other matters - reporting on compliance with QFMA's law and relevant legislations, including the Code**

a) Article 28 states that the Board members, Senior Executive Management, all Insiders, their spouses and minor children must disclose any trading and transaction they carry out involving the Company's shares and any other securities, and the Board shall adopt clear rules and procedures regulating trading of the Insiders in securities issued by the Company.

During the year, the Company did not maintain comprehensive documents to support the complete disclosure of trading and transactions involving the Company's shares, and any other securities by the Company's Senior Executive Management, insiders and their family (spouses and minor children included).

However, the Company has put in place a monitoring process wherein the list of shareholders and movements are being reviewed monthly. Furthermore, an email is communicated from the Board Secretary to the Senior Executive Management to prompt them to proactively declare whether they own company shares. The text on this email considers the lack of response as a declaration of not owning shares in the company. The aforementioned mentoring mechanisms were coincided with the implementation of an approved Insider Trading policy to affirm compliance with the relevant article of the Code.

It is worth noting that after checking its shareholder listings on a monthly basis throughout 2019, no evidence was found of insider trading by Board members, Senior Executive Management, or other Insiders, their spouses or minor children.

**Rödl & Partner – Qatar Branch**  
Certified Public Accountants

**Magdy Aboelkhier**  
Member of Qatar Association of  
Certified Public Accountant  
License No. 321  
QFMA Auditor License No. 120151

Doha – Qatar  
February 2, 2020

**Independent Assurance Report to the Shareholders of Qatari Investors Group Q.P.S.C on the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of 31 December 2019 in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016**

**To the Shareholders of Qatari Investors Group Q.P.S.C Doha – State of Qatar**

Report on the Directors' assessment of the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of 31 December 2019 of Qatari Investors Group Q.P.S.C hereinafter referred to as the "Company" and its subsidiaries together referred as the "Group" in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016.

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Management's Internal Control Statement on assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (Management Internal Control Statement) as of 31 December 2019, based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission "COSO framework".

**Responsibilities of the directors and those charged with governance**

The Board of Directors are responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate policies, and making accounting estimates and judgements that are reasonable in the circumstances.

The Group's assessment of its internal control system is presented by the Management to the Board of Directors in the form of the Management's Internal Control Statement contained in Section 1 of the Corporate Governance Report, which includes:

- the management's assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- the description of the process and internal controls over financial reporting for the Significant Process of (general IT and application controls, entity level controls, revenues, receivables, inventory management, fixed assets, treasury and cash management, investment management, payroll, financial reporting and periodic closing of the financial records);
- the control objectives; including identifying the risks that threaten the achievement of the control objectives;
- designing and implementing controls to achieve the stated control objectives; and
- identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Group has assessed the design, implementation and operating effectiveness of its internal control system as of December 31, 2019, based on the criteria established in the Internal Control- Integrated Framework 2013 issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO framework"). These responsibilities include the design adequate internal financial controls that would ensure the orderly and efficient conduct of its business, including:

- adherence to the Group's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

**Responsibilities of the Assurance Practitioner**

Express a reasonable assurance opinion on the fairness of the presentation of Management's Internal Control Statement, based on the criteria established in COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's internal controls over financial reporting of "Significant Processes" presented in Section 1 of the Corporate Governance Report to achieve the related control objectives stated in that description based on our assurance procedures.

**Reporting on internal controls over financial reporting**

We conducted our engagement in accordance with International Standard on Assurance Engagements

3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Management's Internal Control Statement over 'assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting of significant processes of ( general IT and application controls, entity level controls revenues, receivables, inventory management, fixed assets, treasury and cash management, investment management, payroll, financial reporting and periodic closing of the financial records) in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to impact the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: (general IT and application controls revenues, receivables, inventory management, fixed assets, treasury and cash management, investment management, payroll, financial reporting and periodic closing of the financial records).

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the design, implementation and operating effectiveness of the controls in an organization involves performing procedures to obtain evidence about the suitability of design and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included:

- obtaining an understanding of internal controls over financial reporting for significant processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design, implementation and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operating effectiveness, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Corporate Governance Report. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in Section 1 of the Corporate Governance Report were achieved.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Management's Internal Control Statement over their assessment of the suitability of design and operating effectiveness of the Group's internal controls over financial reporting.

**Our independence and quality control**

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Meaning of internal controls over financial reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the International Financial Reporting Standards, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements

#### Inherent limitations

Because of the inherent limitations of internal financial controls over financial reporting and compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, implemented and operated as of 31 December 2019 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting and compliance with applicable laws and regulations prior to the date those controls were placed in operation.

#### Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report but, does not include Management's Internal Control Statement.

Our conclusion on the Management's Internal Control Statement does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

#### Conclusion

In our opinion the Management's Internal Control Statement, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's Internal Controls over Financial Reporting as at 31 December 2019.

**Rödl & Partner – Qatar Branch**  
Certified Public Accountants

**Magdy Aboelkhier**  
Member of Qatar Association of  
Certified Public Accountant  
License No. 321  
QFMA Auditor License No. 120151

Doha – Qatar  
February 2, 2020

#### 1. MANAGEMENT REPORT ON COMPLIANCE WITH QFMA LAW AND RELEVANT LEGISLATIONS INCLUDING THE CODE.

In accordance with the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) Of 2016, the Board of Directors of Qatari Investors Group Q.P.S.C. has prepared the attached Corporate Governance Report 2019.

This report is the outcome of QIG's continuous commitment towards the implementation of sound governance that embraces best practice guidelines and engrains concrete values into its internal governance policies. Such achievements, we believe, not only fulfil QIG's compliance with the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) Of 2016, but also reflects QIG's responsibilities towards its Shareholders and Stakeholders.

#### Responsibilities of the Board

The Board of Directors is committed to implementing governance principles set out in the Code, which are: justice and equality among Shareholders and Stakeholders without discrimination regardless of their race, gender and religion. Transparent information and required disclosures are provided to QFMA, Shareholders and Stakeholders within the required timeframe and in accordance with the relevant laws and regulations. The principles also include upholding the values of corporate social responsibility and prevailing the public interest of the Company, Shareholders and Stakeholders over any personal interest. The Company is guided by the aforementioned principles, as it endeavors to exercise its duties conscientiously and with integrity. In parallel, the Company also strives to project these values in its dealings with Shareholders, Stakeholders and eventually society.

#### Management's assessment on compliance with QFMA's relevant regulations including the Corporate Governance Code as at December 31, 2019.

In accordance with Article 2 of the Code, we have carried out an assessment on its compliance with QFMA's relevant regulations applicable to the Company including the Code.

#### Conclusion

As a result of the assessment, the management concluded that there is a process in place to ensure the compliance with QFMA's requirements as of December, 2019, with the exception of the following:

- Article 28 states that the Board members, Senior Executive Management, all Insiders, their spouses and minor children must disclose any trading and

transaction they carry out involving the Company's shares and any other securities, and the Board shall adopt clear rules and procedures regulating trading of the Insiders in securities issued by the Company.

During the year, the Company did not maintain comprehensive documents to support the complete disclosure of trading and transactions involving the Company's shares, and any other securities by the Company's Senior Executive Management, Insiders and their family (spouses and minor children included). However, the Company has put in place a monitoring process wherein the list of Shareholders and movements are being reviewed monthly. In addition, Senior Executives are prompted to declare their trading activities in the company's shares. An Insider Trading Policy is also in place and steps are taken to ensure that all those to applies understand its requirements.

It is worth noting that after checking its shareholder listings on a monthly basis throughout 2019, no evidence was found of insider trading by Board members, Senior Executive Management, or other Insiders, their spouses or minor children.

#### External auditors

Rödl and Partner - Qatar Branch, the external audit firm of the Company, has issued a limited assurance report on the management assessment on compliance with the QFMA's relevant regulations including the Code as of December 31, 2019.

#### Management's Report on Internal Control over Financial Reporting

In accordance with the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) Of 2016, the Board of Directors of Qatari Investors Group Q.P.S.C. and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR").

The management of Qatari Investors Group and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR). Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes our disclosure controls and procedures designed to prevent misstatements.

To determine whether a material weakness in internal controls over financial reporting exists as at 31 December 2019, we have conducted an evaluation of the suitability of design, implementation and operating effectiveness of internal controls over financial reporting, based on the framework and the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

We have covered all the material business and operating companies in our assessment of internal control over financial reporting as of December 31, 2019.

#### Risks in Financial Reporting

The main risks in financial reporting are that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud) or the publication of financial statements is not done on a timely basis. These risks may reduce investor confidence or cause reputational damage and may have adverse consequences. A lack of fair presentation arises when one or more amounts in financial statement or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the financial statements.

To confine those risks of financial reporting, the Company has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements and conducted an assessment of the suitability of design of the Company's internal controls over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system. As a result, in establishing ICOFR, the management has adopted the following financial statements objectives:

The COSO Framework includes 17 basic principles, and 5 components:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

Controls covering each of the 17 principles and 5 components have been identified and documented.

As a result, in establishing ICOFR, the management has adopted the following financial statement objectives:

- Existence/Occurrence – assets and liabilities exist and transactions have occurred.
- Completeness – all transactions are recorded; account balances are included in the financial statements.
- Valuation / Measurement – assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
- Rights, Obligations and Ownership – rights and obligations are appropriately recorded as assets and liabilities.
- Presentation and Disclosures – classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well conceived and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

#### Organization of the Internal Control System

##### Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business functions and infrastructure functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

The processes that were determined as significant are: (general IT and application controls revenues, entity level controls, receivables, inventory management, fixed assets, treasury and cash management, investment management, payroll, financial reporting and periodic closing of the financial records).

In determining the above processes, the management exercised professional judgement and considered the amount of balances and transactions, that if materially misstated would influence economic decisions that users make on the basis of the financial statements.

#### Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties,
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process,
- are preventative or detective in nature,
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include entity level controls and IT general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item,
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application-enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

#### Measuring Design and Operating Effectiveness of Internal Control

The Group has undertaken a formal evaluation of the adequacy of the design of the system of ICOFR. This evaluation incorporates an assessment of the design of the control environment as well as individual controls, which make up the system of ICOFR taking into account:

- The risk of misstatement of the financial statement line items, considering such factors as materiality and the susceptibility of the particular financial statement item to misstatement.
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the design of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence either may bring additional control issues to the attention of management or may corroborate findings.

#### Conclusion

Management is of the opinion that as a result of the Design, Implementation and Operating Effectiveness testing performed and the remedial actions taken by management, that there are no Significant Deficiencies in ICOFR, that could have resulted in material weaknesses in ICOFR and that ICOFR is appropriately designed, implemented and operating effectively as of December 31, 2019.

#### External Auditors

Rodl & Partner – Qatar branch external auditors of the Group, as issued a reasonable assurance report on the management's assessment of suitability of design of internal controls over financial reporting as of 31 December 2019 in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB').

**Raja Assili**  
Chief Executive Officer

**Hany Moqbel**  
Legal Counsel

**Alex Aclimandos**  
Chief Financial Officer

## 2. VALUES AND CORPORATE GOVERNANCE PHILOSOPHY

QIG's Corporate Governance Report forms the basis for a transparent business model with clear segregation of roles, responsibilities and accountabilities between shareholders, the Board of Directors, Executive Management and the Organization.

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

QIG Corporate Governance covers all the topics, which are necessary to ensure that the divisions of roles between the Board and the Company's administration are regulated in a way that strengthens confidence among shareholders, employees, capital markets and any other related parties to achieve control and compliance, safeguarding shareholders' rights and sustainable value creation over time.

During the year, QIG strengthened its Corporate Governance framework in compliance with the requirements of governance rules set by QFMA through:

1. Updating and development of governance policies and procedures guides.
2. Assessment and strengthening of the Board's committees.
3. Implementation of best practices (such as establishing the Corporate Governance Committee)

## 3. THE BOARD OF DIRECTORS

### 3.1 Role and Responsibilities of the Board

The primary role of the Board of Directors is to provide leadership to the Company, within a framework of prudent and effective controls, enabling risks to be assessed and managed. This role is guided by the Articles of Association of the Company and its relevant by-laws, the Commercial Companies Law No. (11) For 2015 and QFMA Corporate Governance Code for Companies in particular articles (8) and (9).

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

- Approving the Company's strategic plan and its main objectives;
  - setting the Company's comprehensive strategy, key business plans and risk management policy;
  - determining the Company's most appropriate capital structure, its strategies and financial objectives and approving its annual budgets;
  - supervising the Company's main capital expenses, acquisition and assets disposal;
  - setting the Company performance objectives and monitoring their implementation;

- reviewing and approving the Company's organizational structures on periodic basis;
- approving the procedure manuals needed to implement the Company strategy and objectives;
- approving the Company's annual training plan programs;
- setting the Company's rules and procedures related to internal controls which include as follows:
  - developing a policy to regulate conflicts of interest and remedy any possible cases of conflict by the Board Members, the Executive Management, Stakeholders and Shareholders;
  - developing a full disclosure system in order to achieve transparency and to prevent conflict of interest and using Insider Information;
  - overseeing the Company's financial and accounting integrity;
  - monitoring the implementation of the Company's control systems related to risk management;
  - annual review of the Company's internal control system effectiveness;
- drafting the Company Governance Code which sets the general governance principles followed by the Company;
- setting forth specific and explicit standards and procedures related to the Board membership;
- developing a Stakeholders policy;
- setting policies and procedures to ensure the Company's compliance with the laws and regulations and especially the required disclosure to the Shareholders and Stakeholders;
- inviting all Shareholders to attend the general assembly meeting;
- approving the nominations or appointment of the Executive Management;
- adopting a succession planning policy concerning Executive Management;
- setting a remuneration policy that defines the basis and methodology for granting remuneration to the Board Members, the Executive Management and the Company's Employees;
- developing a Related Parties policy and presenting it to the general assembly in order to obtain the Shareholders' approval; and,
- setting criteria and standards in order to evaluate the Board Members and Executive Management performance;

For more information, please refer to the QIG's Board Charter, published on the Company's website.

### 3.2 Board Members Composition

Based on the Company's Board Charter and in compliance with the Company's Articles of Association (along with the QFMA's Corporate Governance Code, the majority of the Board Members shall be Non-Executive), at least one third among all Board Members shall be independent.

The Board members are appointed for a renewable term of three years.

The table below shows the current composition of the QIG Board of Directors as of 31 December 2019:

Director Name	Position	% of Direct Ownership	Date of Election/ Appointment	% of Indirect Ownership	Re-presenting	Member Classification	Board Term	Board Expiry Term	Other Board Memberships Held in Listed Companies
H.E. Mr. Abdulla Nasser Al Misnad	Chairman	0.08%	7/11/2016	37.55%	-	Executive	3 years	*February 2020	- Vodafone - Al Khaliji Bank
H.E. Sheikh Hamad Bin Faisal Al Thani	Vice-Chairman	0%	7/11/2016	0.70%	Qatari Trading Agencies Company	Independent	3 years	*February 2020	- Al Khaliji Bank - Vodafone - Qatar Insurance Company
Dr. Yarob Rayyan	Member	0%	7/11/2016	0%	N/A	Independent	3 years	*February 2020	None
Dr. Fadi Makki	Member	0%	7/11/2016	0%	N/A	Independent	3 years	*February 2020	None
Mr. Omar Al Hassan	Representative of the Company's employees	0%	N/A	0%	N/A	Executive	To continue the term of the previous member		None

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

### Other Board Memberships Held in Listed Companies

Director Name	Company	Date of Election/ Appointment	Position	Member Classification	Number of Shares Held Directly or Indirectly	Party Represented
H.E. Mr. Abdulla Nasser Al Misnad	Vodafone	25 July 2016	Chairman	Non-Executive, Independent	None	All Shareholders
	Al Khaliji Bank	Joined the Board since 2007 and re-elected on 27 February 2018	Vice-Chairman	Non-Executive, Non-Independent	1,056,400	Own Companies or Family Members
H.E. Sheikh Hamad Bin Faisal Al Thani	Al Khaliji Bank	Joined the Board since 2009 and re-appointed on 27 February 2018	Chairman and Managing Director	Executive	3,108,800	Own Companies or Family Members
	Vodafone	29 March 2018	Member	Non-Executive	None	Vodafone/ Qatar Foundation
	Qatar Insurance Company	Elected on 19 February 2017	Member	Non-Independent, Non-Executive	21,445,370	In his personal capacity
Dr. Yarob Rayyan	None	N/A	N/A	N/A	None	N/A
Dr. Fadi Makki	None	N/A	N/A	N/A	None	N/A
Mr. Omar Al Hassan	None	None	None	None	None	None

### 3.3 Meetings of the Board of Directors

In accordance with Article 14 of the QFMA Corporate Governance Code, the Company holds the required number of meetings.

The Board meetings are structured in a way that allows open discussions and facilitates the participation of all members.

All decisions are taken by the votes of the majority of attendees and their representatives.

Any member who is unable to attend a particular meeting will be provided with the same information as those present at the meeting in order to facilitate informed decision making process. The Board Members may vote by proxy.

Board Meeting No.	Date of Meeting	Attendees	Absentee(s)	Voting by Proxy	Date of Sending the Agenda
79	30/01/2019	5	None	None	01/06/2019
80	03/03/2019	5	None	None	25/02/2019
81	23/04/2019	5	None	None	26/03/2019
82	22/07/2019	4	None	None	25/06/2019
83	27/10/2019	5	None	None	22/09/2019
84	23/12/2019	5	None	None	08/12/2019

### 3.4 Remuneration of the Board

The remuneration allocated to the Board Members does not exceed five percent (5%) of the Company's net profit, in accordance with Article 46 of the Company's Articles of Association, Article 119 of the Companies Law and Article 18 of the QFMA Corporate Governance Code.

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

QIG has established a Remuneration Policy, which states the procedure and criteria set to determine the Board Members' remuneration.

### 3.5 Board Qualification

Based on the Company's Board Charter and in compliance with the applicable QFMA's Governance Code, the Board is composed of qualified experts, with a track-record of achievement in one or more of the Company's business activities. Board members bring a blend of experience from their careers and education in a variety of sectors locally and internationally.

### 3.6 Chairman of the Board

H.E. Abdulla Nasser Al Misnad represents the Company as the Chairman of QIG.

The Chairman leads the Board and drives its contribution. The Chairman represents the Company and is primarily responsible for ensuring the proper management of the Company in an efficient and productive manner in the interest of the Company, partners, Shareholders and Stakeholders.

The Chairman seeks to build an effective Board and ensures that at all times it includes appropriate skills, experience and diversity. The Chairman's responsibilities are but not limited to:

- Encouraging all Board Members to participate and engage in Board affairs while ensuring that the Board is working in the best interests of the Company.
- Making available for Board Members relevant data, information, documents and records of the Company, and of the Board and its committees.
- Creating effective communication channels with Shareholders and making their opinions heard to the Board.
- Allowing effective participation of the Non-Executive Board Members in particular and promoting constructive relations between Executive and Non- Executive Board Members.
- Ensuring that there is an appropriate delegation of authority to the Executive Management.
- Keeping the Board Members regularly informed about the implementation of the provisions of this Code, or alternatively, The Chairman may empower the Audit Committee or other committees to do so.
- Approving applicable statements, data or information prepared by the Board or the Executive Management prior to disclosure.

An official spokesperson shall be appointed by the Board in accordance with article 12(8) of QFMA Corporate Governance Code.

### 3.7 Secretary of the Board

The Company's Board Secretary plays an important role in supporting the effectiveness of the Board and facilitating communication and coordination with its committees.

The Board Secretary assists the Board of Directors in fulfilling their obligations and responsibilities.

The Board Secretary also facilitates the communication between the Board Members and the Executive Management.

Mr. Hany Moqbel is the Secretary of the Board, a position he has held since June 2016. He is also the Legal Counsel of the Company.

As required by QFMA Corporate Governance Code, the Board Secretary keeps a record of Directors' declarations of positions held to ensure that being Board members does not contravene rules on prohibited or combined positions. He also keeps records of the Board Members written annual non-conflict of interest declaration.

A Board Secretary Terms of Reference has been established to comply with the QFMA Corporate Governance Code and other regulatory requirements.

### 3.8 Prohibition of Combining Positions

The Company ensures that the Chairman and the rest of the Board Members are in compliance with article 7 of the QFMA Corporate Governance Code and its exceptions.

The Company also ensures compliance with the requirements related to the prohibition of combining the Chairman's position with any other executive positions in the Company. Moreover, QIG's Chairman is not a member of any Board committees as required by the QFMA Corporate Governance Code.

As stated in the Board Secretary section, the Chairman and the Board Members, on an annual basis, provide an acknowledgment form confirming the non-combination of prohibited positions.

### 3.9 Board Committees

To increase the effectiveness of the Board's control over the Company's various activities and the risks to which it is exposed in an independent and professional manner, the Board has established committees, which have delegated specific responsibilities and authorities to act on its behalf. In line with its commitment to sound Corporate Governance principles, the committees instituted by the Board meet the minimum requirements set by applicable corporate governance regulations.

The Board has formed two Committees:

1. Audit Committee
2. Remuneration and Nomination Committee

Each Committee has detailed and specific roles, duties and authorities as determined by the Board and specified in each Committee's Terms of Reference which are duly approved by the Board. The Board Committees' Terms of Reference have been developed taking into consideration regulatory requirements including Article 18 of Governance Code. In compliance with Article 19 of QFMA Governance Code, it is neither permitted to chair more than one Board Committee or combine the chairs of both the Audit Committee and the Nomination and Remuneration Committee.

### 3.10 Audit Committee

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

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

- Setting the procedures for assessing and selecting the External Auditors and ensuring their independence while performing their duties;
- Overseeing the Company's internal controls, monitoring the External Auditors' functions, coordinating with the External Auditors, and ensuring their compliance in implementing the international standards;
- Overseeing and reviewing the accuracy and validity of financial statements and the yearly and quarterly reports;
- Considering, reviewing and following up with the External Auditors' reports and notes on the Company's financial statements;
- Reviewing the financial, internal control and risk management systems;
- Developing and regularly reviewing the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company;
- Implementing the assignments of the Board regarding the Company's internal controls;
- Coordinating discussions between the External Auditor and the Executive Management regarding risk audits; especially the appropriateness of accounting policies and estimates, and submitting them to the Board for inclusion in the annual report; and
- Coordinating the functions of the Board of Directors, the Executive Management and the Internal Control of the Company.

During the year, QIG's Audit Committee convened a total of six (6) meetings. QIG's Audit Committee has adopted a formal charter which is published and available on QIG's website: <http://www.qatariinvestors.com/English/media-center/reports/>

The Audit Committee is composed of the following members:

Name	Position	Board Member Type
H.E. Sheikh Hamad Bin Faisal Al Thani	Member of the BOD & Chairman of the Board Audit Committee	Independent
Dr. Yarob Rayyan	Member of the BoD & Member of the Board Audit Committee	Independent
Dr. Fadi Makki	Member of the BoD & Member of the Board Audit Committee	Independent

The Audit Committee meetings and its members' attendance are presented below:

Audit Meeting No.	Date of the Meeting	No. of the Attendees	No. of Absentees	Vote by Proxy
21/2019	29/01/2019	3	0	-
22/2019	17/04/2019	2	1	-
23/2019	21/07/2019	3	0	-
24/2019	23/10/2019	3	0	-
25/2019	11/12/2019	3	0	-
26/2019	25/12/2019	3	0	-

### 3.11 Nomination and Remuneration Committee

Pursuant to Article 19 of the QFMA Corporate Governance Code, the Nomination Committee and the Remuneration Committee have been combined into one single committee. The responsibilities of the Nomination and Remuneration Committee ("NRC") include, but are not limited to:

- Assisting the Board in the preparation of a remuneration policy which identifies and sets the remuneration framework as well as the incentives of the Chairman of the Board, the Board Members, the Executive Management and the employees.
- Ensuring that the remuneration allocated to the Board Members does not exceed five percent (5%) of the Company's net profit, in accordance with Article 46 of the Company's articles of association, Article 119 of the Companies Law and Article 18 of the QFMA Corporate Governance Code.
- Taking responsibility for:
  - assisting the Board in the preparation and amendment (when required) of the nomination policy.
  - receiving candidacy requests for the Board membership and identifying and nominating the candidates to fill Board vacancies. This will be submitted for approval to the general assembly.

- ensuring that the nomination criteria includes the skills, availability, experience as well as technical and academic qualifications and personality profile as required by QFMA;
- Nomination of Executive Management.

- Developing a succession planning policy and making recommendations to the Board regarding plans for the succession of directors and Executive Management, taking into consideration the Company's challenges and opportunities, and the skills and expertise that will be needed. This policy shall be reviewed on a regular basis.
- Evaluating the performance evaluation of the Board and its committees and subsequently reporting to the Board.

In fulfilment of its responsibilities, the NRC convened twice during 2019 fiscal year. During the first meeting, held in February 2019, the committee approved the proposal for award of 2018 bonuses, and requested that the Executive Management to initiate a review of all applicable internal policies to ensure compliance. The NRC's second meeting took place in December 2019 whereby, the committee conducted an extensive review of all relevant policies, and took the collective decision to endorse them, and refer them for Board of Directors approval. Furthermore, during the latter meeting, the NRC also finalized its annual report and performance review and referred the same to the Board of Directors.

The NRC is composed of the following members for the year ended 31 December 2019:

Name	Position	Board Member Type
Dr. Yarob Rayyan	Member of the BOD & Chairman of the NRC	Independent
Dr. Fadi Makki	Member of the BOD & NRC member	Independent
Mr. Omar Saeed Saleh Al Hassan	Member of the BOD & NRC member	Representative of the Company's Employees
Mr. Akram Elamin	Chief Administration Officer & NRC member	None

## 4. EXECUTIVE MANAGEMENT

### 4.1 Chief Executive Officer

The Chairman and the CEO are separate persons. The roles of the Chairman of the Board and the CEO are deliberately kept distinct through a clear division of responsibilities to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The CEO is responsible for making strategic proposals to the Board and implementing the Company's strategies and policies as well as the Board's decisions. He assumes the executive responsibility for the day-to-day management of the Company, with the support of the Executive Management. This position is held by Mr. Raja Victor Assili.

### 4.2 Profile of the Key Executive Management Members

The key personnel of QIG's Executive Management are:

#### Chief Business Development Officer (CBDO):

The CBDO is responsible for seeking business development opportunities internally and externally. He also oversees their implementation and monitors their effectiveness to generate long-term shareholder value through the realization of sustainable growth and profitability for QIG business ventures. This position is held by Mr. Samir Hamaidi.

**Chief Financial Officer (CFO):** The CFO defines and directs the financial strategy, policy and reporting frameworks for QIG. He also oversees financial accounting and costing functions with the aim of shareholder value and optimal utilization of financial resources. In addition, the CFO, ensures the business is commercially secure/compliant and support the achievement of the Company's overall strategic objectives. The position of CFO is held by Mr. Alex Aclimandos.

**Legal Counsel:** The Legal Counsel is responsible for mitigating and eliminating legal risks. He also resolves related problems and disputes, and provides ongoing legal assistance to department heads and the business, while adhering to applicable laws, regulations and internal policies. Mr. Hany Moqbel holds that position.

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

**Chief Audit Executive (CAE):** The Company's Chief Audit Executive is responsible for assisting the Board and/or its Audit Committee discharge its corporate governance responsibilities by integrating audit services to provide them with assurance as to the adequacy and effectiveness of the system of internal control and risk management and governance process throughout the company. In this regard, the chief audit executive will inform them as to the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The CAE establishes a risk based audit plans to carry out the responsibilities of the internal audit activity. The work includes directing a comprehensive audit program that provides assurance and consulting services designed to add value and improve the organization's risk management, control, and governance processes. Mr. Mohammad Al Matari holds this position.

**The Executive Committee:** An executive committee, composed of the above individuals, meets generally on a weekly basis to address impending matters, take preemptive actions, monitor financial performance, and assess progress on key projects. The Executive Committee is chaired by the CEO

**Senior Executive Management's Remuneration:** The total remuneration for the Senior Executive Management during 2019 was QAR 4,759,374/-.

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

## 5. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

### 5.1 Internal Control System

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

To design an effective and efficient system of internal control, the QIG Board adopted the COSO's Internal Control Framework. The adopted COSO framework has been integrated with the IIA's recommended Three Lines of Defense model to assign the responsibility for the duties outlined in the framework. Using the three Lines of Defense model, the duties and responsibilities related to risk and control is assigned to the following three groups in QIG:

#### i. 1st Line of Defense – Operational Management:

QIG's operational management is assigned with the primary ownership of risks and the methods used to manage those risks.

#### ii. 2nd Line of Defense – Internal monitoring and oversight function(s):

The internal monitoring and oversight function(s) at QIG include, but are not limited to, the Executive Committee, Corporate Governance Committee, Supply Chain Committee, Strategic and Investment Committee, independent functional heads, etc. The risk management at QIG is per department, wherein the various internal monitoring and oversight functions ensure that controls and risk management processes are operating as intended.

#### iii. 3rd Line of Defense – Internal Audit:

Internal audit provides independent assurance about the effectiveness of risk management and control to the Board and Executive Management.

### 5.2 Risk Management

Risk management is central to the strategic management of QIG. It provides a systematic process for identifying risks attaching to new and current business activities. QIG has adopted COSO ERM Integrated Framework to meet the Company's objectives with regards to Risk Management. In line with COSO ERM Framework, a risk management policy was developed and approved by the QIG Board.

Each risk owner maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage

or mitigate those risks. Risk owners review and update the risk registers regularly. The risk register is annually reviewed by the Audit Committee and the Board. The Executive Management and Internal Audit Department also review the approach of identifying and assessing risks and internal controls in the risk register.

At QIG, the risk management follows a bottom-up approach, i.e. every manager/risk owner are responsible for identifying, compiling, reporting and communicating risks on their respective function(s), which are consolidated, assessed and remedied at the group level. Risk management is everyone's responsibility, from the Board and CEO to the individual employees within each department/division. Every risk owner in QIG identifies, analyzes, evaluates, accepts, measures and controls all financial and non-financial risks that may have a negative impact on the performance and reputation of the Company. The risk management function in QIG also ensures that the risk policies, procedures and methodologies are consistently applied to address the various risks in particular investment risks, market risks, credit risks and liquidity risks.

Furthermore, the Board of Directors/Committee and Executive Management team are involved in the establishment of various risk process and provide the periodic oversight and guidance for the risk management function. The risk management processes are subject to additional scrutiny by internal Audit Department with periodic reporting to the Board.

### 5.3 Internal Audit

The Internal audit function is an integral part of the control environment of QIG. It derives its delegated authority and mandates from its charter that is approved by the Board Audit Committee. It reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

QIG's Internal Audit Department is an independent department that provides objective assurance and consulting activities designed to add value and improve the company's operations. It helps the company accomplish its objectives by bringing a risk based systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. In this regard, the Audit Department conducts regular assessments and provides objective and independent assurance and consulting services.

During the year 2018, QIG internal audit department received the highest rating of "Generally Conforms" in the external quality assessment of internal audit department by PWC.

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

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

### 5.4 External Audit

In accordance with Companies Law and QFMA regulations, the General Assembly of QIG appoints an external auditor upon the recommendation of the Audit Committee to the Board. Based on the Board of Directors' recommendations, Rodl & Partners were appointed as the External Auditor during QIG's Extra Ordinary and Ordinary Annual General Assembly Meeting held on 20 February 2019.

The External Auditor is appointed on a rolling one-year basis, renewable for a similar period up to a maximum of five consecutive years.

The external auditor appointed shall be registered on QFMA's list of External Auditor and must comply with the highest professional standards. The External Auditor shall be completely independent from the Company and its Board members and shall not have any conflicts of interest in his/her relation to the Company.

The external auditor shall submit to the General Assembly the external audit report.

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

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

## 6. CONFLICTS OF INTEREST

The Company is fully committed to conducting business with fairness and integrity in order to ensure that the interests of its Shareholders and Stakeholders are served and protected in a sound manner. QIG recognizes the importance of maintaining high levels of confidence amongst all its Shareholders. The Company exercises best efforts to run its business with respect, integrity and accountability.

QIG monitors potential conflicts of interest at transactional and corporate levels. The Company also promotes awareness amongst its employees and Stakeholders to avoid conflicts of interest situations arising in the first place. This effort is transversal across departments and the Company's subsidiaries. Procedures are in place to deal with conflicts of interests in a fair and transparent manner.

The Company abides by the rules established by QFMA by the Laws and Regulations that govern the Company's business, regarding situations that could result in a conflict of interest. The Company operates a Conflict of Interest policy which is reviewed as necessary to address potential gaps.

## 7. PROTECTION OF SHAREHOLDERS

The Fair and equal treatment of Shareholders is one of the key principles of effective corporate governance. The Company treats this as an overarching priority and endeavors to deal with its Shareholders with a high level of integrity, transparency and equality.

One of the Company's primary objectives is to increase Shareholders' value through prudent and sustainable strategies. The Company understands that sound corporate governance adds value across its activities and relationships with Stakeholders. Maintaining the confidence and of Shareholders and investors is a cornerstone in all our activities.

Board Members and the Executive Management consider in their collective responsibility to apply sound governance principals in general as well as adherence to the principle of equal and equitable treatment of Shareholders.

The Protection of Shareholders policy has been established in compliance with the QFMA Corporate Governance Code, the Company's Articles of Association and the related laws and regulations. It is QIG aspiration to go beyond the standards set by regulations.

### 7.1 Shareholders' Rights in Assembly Meetings

Shareholders are invited and encouraged to attend the company's Annual General Meeting (AGM). The AGM provides a forum in which Shareholders have an opportunity to listen to and engage with the Board on matters included in the agenda.

In accordance with Article 138 of the Companies Law, Article 32 of the QFMA Corporate Governance Code and Article 57 of the Company's Articles of Associations, Shareholders representing at least 25% of the Company's capital are entitled to call for an extraordinary general assembly meeting. Pursuant to the procedures prescribed by the Law and Article 32 of the QFMA Corporate Governance Code, Shareholders who own at least 10% of the Company's capital are entitled to request to convene a general assembly meeting provided if the matters raised justify convening such a meeting.

The Company ensures that Shareholders' rights with regard to the assembly meetings and procedures are observed. These include but are not limited to:

- being notified of the date and location of the assembly meetings and receiving the meeting agenda at least 15 days prior to the general assembly meeting date. In addition, the Company's financial and Board reports shall be published in two local daily newspapers (one of which shall be in Arabic);
- attending meetings of the general assembly and participating in its deliberations;
- discussing matters listed in the agenda;
- requesting, when allowed by law, to include in the general assembly's meeting agenda certain matters to be discussed during the assembly meeting.
- asking questions to Board Members and receiving answers.
- Shareholders are entitled to appeal to the General Assembly if the answers are considered insufficient;
- voting on general resolutions, receiving information about the rules and procedures governing the voting process;
- being entitled to object to any decision considered serving the interests of or harming a certain group of Shareholders; or bringing a special benefit to Board Members and/or Company Members against the Company's interests; and,
- having access to the general assembly minutes of meetings in a timely manner.

Additionally, as set forth under Article 32 of the QFMA Corporate Governance Code, Shareholders are entitled to appoint (in writing and with a power of attorney) another Shareholder who is not a Board Member to attend the general assembly on his/her behalf; provided that this Shareholder by way of proxy shall not cast a vote for more than (5%) of the Company's capital shares. The proxy Shareholder has the right to participate in voting in accordance with the relevant laws and regulations and the instructions given by the absent Shareholder.

Shareholders who are minors are not permitted to attend the general assembly meetings and shall be represented by their legal guardians and/or duly appointed representatives.

### 7.2 Shareholders' Rights concerning Dividends Distribution

The distribution of dividends is one of the options available to the Company for returning value to its Shareholders. During the general assembly meeting, the Board presents its recommendation regarding the dividend distribution to the Company's Shareholders. Such distribution shall be based on multiple criteria such as the Company's overall performance during the year, financial results, future cash and liquidity requirements as well as general market conditions and other factors deemed relevant by the Board. In accordance with the Company's Dividend Policy, The dividends approved by the general assembly for distribution, whether they be in cash or bonus shares are given, as of right, to Shareholders who are listed in the register kept at the Qatar Central Securities Depository.

### 7.3 Protection of Minority Shareholders

The Company ensures that all Shareholders, including the Minority, are treated equally without any discrimination. All Shareholders receive the same information regardless of the number of shares they are in possession of.

The Company ensures that the Minority Shareholders are given their due rights to access information and voice their opinions.

Pursuant to the procedure prescribed in Article 32 of the QFMA Corporate Governance Code, the Minority Shareholders shall be entitled to exercise their full rights in respect of their participation and voting in the general assembly meetings. The Company adopts the cumulative voting method in Board Members elections (for more information, refer to Section 3.5 of the Protection of Shareholders policy), which allows opportunities for a fair representation of the Minority Shareholders in the Board. Furthermore, the Company has implemented a mechanism to submit complaints and notify any violations or risks that might threaten the Company.

### 8. STAKEHOLDERS RIGHTS

The Company works tirelessly to be recognized as a trustworthy business partner acting in line with its core values and in compliance with the relevant laws and regulations.

The Company is committed to conducting business in a responsible and transparent manner, protecting the rights of all Stakeholders, creating value and sustainability through sound practices.

The Company protects Stakeholders' rights by ensuring that:

- All Stakeholders are treated fairly without any discrimination;
- Stakeholders are granted access to information and data related to their activities on a timely and regular basis;
- Stakeholders are protected in accordance with all relevant laws and regulations;
- Stakeholders' concerns are addressed in a timely manner.

QIG has established a Whistle-blowing Policy to design and create an awareness of any incidents that need to be conveyed anonymously to the Executive Management. The Policy aims to protect the Company, its Shareholders and Stakeholders.

The aforementioned protection includes but is not limited to the right of any employee to disclose any malpractice within the Company such as misuse or inappropriate use of QIG's funds, resources and/or any criminal offenses without fear of retribution.

### 9. INVESTOR RELATIONS

QIG values its Shareholders and recognizes the importance of meaningful and timely information disclosure.

The Company's Investor Relations Officer is responsible for maintaining investor confidence in the company through clear and consistent communications between management, shareholders and the investment community. The Investor Relations Officer coordinates shareholder meetings and the release of information, and manages communications in the event of a crisis. The Board of Directors has mandated a best practices approach at all times.

### 12. SHAREHOLDERS RECORDS

In accordance with article 25 of the QFMA Corporate Governance Code, the Company discloses the list of its current major Shareholders.

Shareholder	No. of Shares	Percentage
Al Misnad LLC	Approx. 590,000,000	Approx. 47.45%
Ezdan Holding Group through its subsidiaries and related parties	Approx. 311,040,890	Approx. 25.02%

\*\*In accordance with the Shareholders List received from QCSD as of 28 November 2019

The company recognizes that its Shareholder base is diverse and therefore expectations may vary. Quantitative and qualitative information is released throughout the calendar year, in compliance with regulations, and beyond. Quarterly earnings call with the company's Executive Management are scheduled to provide updates about the group's performance and address questions. The Annual General Meeting is also a valuable opportunity for Stakeholders to meet the Board of Directors and Executive Management, listen to the Board of Directors' review of the group's activities, learn about development plans, and put forward questions.

Current and historical information, including but not limited to news releases, financial results and investor presentations are available on the company's website [www.qatariinvestors.com](http://www.qatariinvestors.com) / Investor Relations.

QIG's Investor Relations Office invites and welcomes feedback from Shareholders and the investment community. For any queries, please send an email to [d.saliba@qatariinvestors.com](mailto:d.saliba@qatariinvestors.com)

### 10. GENERAL ASSEMBLY MEETINGS

QIG's Shareholders gathered at an extraordinary and ordinary general assembly meeting held on Wednesday, 20 February 2019. This meeting was held under the supervision of the Ministry of Economy and Industry's representatives and in the presence of QIG's External Auditors, Deloitte. This meeting was held in accordance with the requirements of the QFMA Corporate Governance Code and the Companies Law. During the meeting, the Board of Directors presented to the Shareholders the 2018 Annual Report, which contained the Company's 2018 performance as well as the business strategy for the upcoming year.

### 11. EXTRAORDINARY GENERAL ASSEMBLY MEETING

QIG's Shareholders gathered at an extraordinary general assembly meeting on Wednesday, 30 June 2019. This meeting was held in accordance with the requirements of the QFMA Corporate Governance Code and the Companies Law.

### 13. DISCLOSURE REQUIREMENTS

In line with Article 4 of the QFMA Corporate Governance Code and in order to uphold high standards of disclosure, QIG follows the following procedure:

- The Company ensures that any disclosed information is consistently accurate, clear and reliable.
- In this context, the Company has established a Corporate Governance Committee (CGC), which is mandated to ensure the Company's compliance with corporate governance rules.
- The Legal Department and the CGC assist the Board, the Executive Management and the relevant Company's departments to understand their respective roles and responsibilities relating to disclosure requirements.

QIG is committed to disclosing (when applicable) any violation which has occurred during the financial year in accordance with the applicable governance rules and regulations while also implementing remedial measures to avoid the reoccurrence of similar events.

With reference to Article 52 of the QFMA Offering & Listing of Securities Rulebook related to the Company's lawsuits disclosure, please refer to the financial statement as of 31 December 2019

### 14. CORPORATE SOCIAL RESPONSIBILITY

In line with our vision "to effectively demonstrate our commitment to the community and to the nation", QIG considers that corporate social responsibility (CSR) is a crucial pillar of the business environment. Both corporate governance and CSR activities within QIG focus on adopting ethical practices in its business and demonstrating commitment towards its Stakeholders.

During 2019, some of the initiatives undertaken by the Group to demonstrate a strong commitment towards CSR include:

#### A. Participation in Social Activities

##### International Men's Day

QIG supported International Men's Day by participating, through one of its subsidiaries, the Europcar Franchise in Qatar, in an event involving the growing of moustaches during the month of November to raise awareness of men's health issues, such as prostate cancer, testicular cancer and suicide.

##### World Environment Day

QIG acknowledges climate change and the importance of reducing carbon footprint and eliminating effluent water. Therefore, QIG demonstrated its commitment towards World Environment Day through an internal CSR activity with a "Going Green" slogan, which was initiated by one of its subsidiaries Al Khalij Cement Company (AKCC), and took place at its Um Bab plant where managers and employees gathered to plant trees around the factory to reduce carbon footprint and effluent water.

#### October Breast Cancer Awareness Month

QIG supported the October Breast Cancer Awareness Month, an annual campaign to increase the disease awareness and to raise funds for research into its cause, prevention, diagnosis, treatment and cure. By wearing and sharing the Marhaba pink stickers, Europcar's employees, participated in the advocacy and helped spread awareness.

#### B. Cultural and Educational Events

##### Stars of Science

QIG contributed to the premier innovation TV show in the Arab world, Stars of Science, through one of its renowned companies Al Khalij Cement. The edutainment TV show was launched by Qatar Foundation in order to empower Arab innovators to develop technological solutions for their communities, benefitting people's health and lifestyles and helping to preserve the environment. AKCC provided its technical support to Hossam Abou Ghali, one of the innovators, who reached the finals in season 11 of the show.

Hossam's solution is an innovative building material, which helps reduce cooling energy consumption and improve cooled air distribution efficiency.

##### Cricket Tournament

QIG was the premium sponsor of the shipping agency fraternity cricket tournament in Qatar, through one of its subsidiaries, QIG Marine Services. The tournament took place at MIC Sports Complex Cricket ground in Mesaieed. Twelve (12) teams participated in the event and there was a total of twenty-six (26) matches.

##### Musical Extravaganza "Manjanipponilavu"

QIG participated as a silver sponsor in the grand musical extravaganza - "Manjanipponilavu" - a musical voyage at Qatar Volley Ball Association Indoor Hall. Europcar, a subsidiary of Qatari Investors Group, provided the transportation services for the program Artists to and from the Airport, Program Venue and Hotel.

In line with the Qatar National Vision 2030 objectives, QIG reaffirms its commitment towards the community by continuing its corporate social responsibility activities for 2020.

### 15. SUSTAINABILITY

QIG believes that it has a responsibility to generate profits for purpose.

Through our services, we seek to enable economic and social inclusion across our group, by helping customers achieve their aspirations, which helps us raise living standards and help communities more broadly - one of our aims as a Group.

With more than twenty (20) different nationalities working together in Qatar, QIG is proud of and deeply respects its diversity. We work in an atmosphere of mutual respect and support and share the same values that define our group and our approach to business.

We are committed to the protection of the environment, health and well-being, to the mitigation of climate change and the conservation of nature. Our objective is to ensure the continued improvement of our environmental performance, with the aim to use energy and natural resources more efficiently, minimize the production of waste and air emissions, reducing also the water discharges while seeking ways to preserve heritage, landscape and biological diversity

Apart from complying with local law, we are also conducting our businesses following sustainable development principles. At the same time, we take into account the views and opinions of our local and global Stakeholders.

QIG has continued achieving its goals with regard to its social responsibility towards the local community for this year through the support of many initiatives that are intended to contribute to support the development within the country.

Moreover, the events we participated in reflect our orientation and highlight our activities in the various areas that underpin the Group's corporate social responsibility.

The Group also considers spreading its social responsibility policy as a priority, as the culture of promoting social awareness among individual's fosters interconnection between all and reflects the Group's commitment to the local community in which it operates.

