



Corporate Governance Report

1st January – 31st December, 2014



Mannai Corporation QSC

Corporate Governance Report for the Year 2014

Article No.	Clause No.	Compliance	Non-compliance	N/A	Governance Applications	Justification of Non-compliance
Article 3: Necessity of Compliance of the Company with the Governance Principles	3.1: The Board shall ensure that the companies listed in the main market are compliant with the principles set forth in this regulation.	✓			See Note No. 1 attached	
	3.2: The Board shall review and update the approved governance applications and review them on a regular basis.	✓			See Note No. 1 attached	
	3.3: The Board shall continuously review and develop the rules of professional conduct that reflect the company's values, policies and other internal procedures that the members of the Board and the company's employees and consultants shall comply with (the above-mentioned rules of professional conduct may include, for example but without limitation, the Charter of the Board of Directors, Charters of the Audit Committee, the company's regulations, policies of the related parties' transactions and rules of internal persons). The Board shall review the principles of professional conduct on a periodic basis to ensure that they reflect the best practices and they meet the company's needs.	✓			See Note No. 1 attached	
Article 4: Charter of the Board	The Board shall adopt a charter under the name of Charter of the Board. Such charter shall set out in details the tasks, liabilities and obligations of the Board members who shall be fully compliant with such charter. The latter shall be made according to the provisions of this regulation and to the guidance form enclosed hereto, taking in consideration, upon reviewing the charter, the amendments that may be made by the Authority from one time to another. The Charter of the Board shall be posted on the company's website and made available to the public.	✓			See Note No. 2 attached	
Article 5: Board's Task and Liabilities	5.1: The Board shall manage the company effectively and shall be collectively responsible for overseeing the company's management in an appropriate manner.	✓			See Note No. 3 attached	
	5.2: In addition to the Board's tasks and liabilities set forth in the Charter of the company's Board, the Board shall:	✓			See Note No. 3 attached	

Article 8: Obligations of the Chairman of the Board	8.1: The Chairman of the Board shall be responsible for the proper functioning of the Board of Directors in an appropriate and effective manner, including the members of the Board obtaining full and correct information in a timely manner.	✓			See Note No. 6 attached
	8.2: The Chairman of the Board shall not be member in any committee of the Board set forth in this regulation.	✓			See Note No. 6 attached
	8.3: The duties and liabilities of the Chairman of the Board shall include the following, in addition to those stated in the Charter of the Board, for example and without limitation:	✓			See Note No. 6 attached
	1- Ensure that the Board discussed all essential matters in an efficient and timely manner;	✓			See Note No. 6 attached
	2- Approve the agenda of every meeting of the Board, taking into consideration any issue raised by any member of the Board. The Chairman may delegate such task to any member of the Board but shall remain liable for the acts of the member delegated such task;	✓			See Note No. 6 attached
	3- Encourage all members of the Board to participate collectively and effectively in the conduct of the Board's affairs, to ensure that the Board carries out its liabilities in a way achieving the company's interests;	✓			See Note No. 6 attached
	4- Guarantee the presence of effective communication channels with the shareholders and make their voices heard at the Board of Directors;	✓			See Note No. 6 attached
	5- Allow the non-executive members of the Board, in particular, to participate effectively and encourage constructive relations between the executive and non-executive members of the Board.	✓			See Note No. 6 attached
	6- Ensure an annual assessment to the Board's performance.	✓			See Note No. 6 attached

	<p>performance reports including the annual, semi-annual and quarterly reports;</p> <p>10.1.5: Oversee the development of the procedural rules related to the company's governance to supervise their implementation in a way that is consistent with these rules;</p> <p>10.1.6: Offer their skills, expertise and various specializations and qualifications to the Board of Directors or its different committees by attending regular meetings of the Board, participating actively in general assemblies and understanding the views of shareholders in a balanced and fair manner.</p> <p>10.2: The majority of non-executive members may request the opinion of an independent external consultant at the expense of the company concerning any matter related to the company.</p>	✓			See Note No. 8 attached	
		✓			See Note No. 8 attached	
		✓			See Note No. 8 attached	
Article 11: Board Meetings	<p>11.1: The Board shall hold regular meetings as to ensure the effective performance of the Board's tasks. It shall hold at least six meetings per year and at least one every two months.</p> <p>11.2: The Board shall hold a meeting upon invitation of its Chairman or upon a request submitted by two of its members. The invitation to the Board meeting shall be sent to every member of the Board at least one week before the date of the meeting along with its agenda, noting that every member in the Board shall have the right to add an item to the agenda.</p>	✓			See Note No. 9 attached	
		✓			See Note No. 9 attached	
Article 12: Secretary of the Board	<p>12.1: The Board shall appoint a secretary who shall register the minutes of meetings and the Board decisions in a special record with a serial number and state the members present and any reservations they have. He shall also keep all the Board's minutes of meetings, registers, books and reports submitted from and to the Board. The Secretary of the Board shall, under the supervision of the Chairman, ensure proper delivery and</p>	✓			See Note No. 10 attached	

	<p>Board or any party related to the members of the Board, the issue shall be discussed in the absence of the concerned member so the latter does not have the right to participate in the voting upon the transaction. In any case, the transaction shall be made according to the market prices and on a pure commercial basis and shall not include any conditions that violate the company's benefit.</p> <p>13.3: In all events, these transactions shall be revealed in the company's annual report and shall be indicated specifically in the General Assembly following these commercial transactions.</p> <p>13.4: The trading in the company's shares and other securities by the members of the Board shall be revealed and the company shall adopt clear rules and procedures that govern the trading of the company's shares by the members of the Board and the employees.</p>	✓			See Note No. 11 attached	
		✓			See Note No. 11 attached	
Article 14: Other Tasks and Obligations of the Board	<p>14.1: The company shall provide the Board members with all information, data, documents and records of the company, in a way enabling them to carry out their activities and be familiar with all the aspects related to the company's activities. The company's executive management shall provide the Board and its committees with all required documents and information.</p> <p>14.2: The members of the Board shall ensure the presence of the members of the appointments committees, remuneration committees and audit committees and the representatives of the external auditors in the General Assembly meeting.</p> <p>14.3: The Board shall develop a training program for the Board members who joined recently, in order to ensure that they have, upon their election, an appropriate understanding of the company's work and operations and they are fully aware of their liabilities.</p>	✓			See Note No. 12 attached	
		✓			See Note No. 12 attached	
		✓			See Note No. 12 attached	

	<p>of the candidates to give a sufficient time to their duties as members of the Board, in addition to their skills, knowledge, experience, professional, technical and academic qualifications and their personality. They may also be based on "The Appropriate Guiding Principles for the Nomination of the Board Members" enclosed to this regulation and that may be prepared by the Authority from time to time.</p> <p>16.4: The Nominations Committee shall, upon its formation, adopt and publish its framework in a way showing its authority and role.</p> <p>16.5: The role of the Nominations Committee shall include an annual self-assessment to the performance of the Board.</p> <p>16.6: The banks and other companies shall take into consideration any conditions or requirements related to the nomination, election or appointment of the Board members issued by Qatar Central Bank or any other authority.</p>	✓			See Note No. 17 attached	
		✓			See Note No. 18.a attached	
				✓	See Note No. 18.b attached	
Article 17: Remuneration of the Board Members – Remuneration Committee	<p>17.1: The Board of Directors shall establish a Remuneration Committee consisting of at least three non-executive members the majority of whom are independent.</p> <p>17.2: The Nominations Committee shall, upon its formation, adopt and publish its framework in a way showing its main role and liabilities.</p> <p>17.3: The main role of the Remuneration Committee shall include the specification of the remuneration policy at the company, including the remuneration obtained by the Chairman, all members of the Board and the senior executive management.</p> <p>17.4: The remuneration policy and principles shall be revealed to the members of the Board in the company's annual report.</p>	✓	✓		See Note No. 20 attached	See Note No. 19 attached
		✓			See Note No. 20 attached	
		✓			See Note No. 21 attached	



	18.6: The Audit Committee shall, upon its formation, adopt and publish its framework in a way stating its main role and liabilities in the form of an Audit Committee Charter. These liabilities include in particular:	✓			See Note No. 28 attached
	a- Approving a policy to conclude contracts with external auditors, submitting to the Board of Directors all the matters requiring certain measures, as per the Committee, and giving recommendations on the measures and steps to be taken;	✓			See Note No. 28 attached
	b- Overseeing and monitoring the independence and objectivity of the external auditors and discussing with them on the nature, effectiveness and scope of the audit according to the international auditing standards and the international financial reporting standards;	✓			See Note No. 28 attached
	c- Overseeing the accuracy and validity of the financial statements, annual, semi-annual and quarterly reports and reviewing these statements and reports and, in this regard, focusing specifically on:	✓			See Note No. 28 attached
	1- Any changes in the policies and applications / practices related to accounting;	✓			See Note No. 28 attached
	2- Aspects subject to estimative provisions through the senior executive management;	✓			See Note No. 28 attached
	3- Substantive changes resulting from the audit;	✓			See Note No. 28 attached
	4- Continuance of the company successfully;	✓			See Note No. 28 attached
	5- Compliance with the accounting standards set by the Authority;	✓			See Note No. 28 attached
	6- Compliance with the rules of listing in the market;	✓			See Note No. 28 attached
	7- Compliance with the rules and other requirements related to the preparation of financial reports;	✓			See Note No. 28 attached
	d- Coordinating with the Board of Directors, the senior executive management and the Chief Financial Officer at the company or the person taking over these tasks, and meeting with external auditors at least once per year;	✓			See Note No. 28 attached

	<p>investigation on these matters while granting confidentiality and protection to the employee from any adverse action or damage, and suggesting these rules to the Board of Directors for approval;</p> <p>n- Monitoring the Company's compliance with the rules of professional conduct;</p> <p>o- Ensuring the proper application of the business rules related to these tasks and powers assigned to it by the Board of Directors;</p> <p>p- Reporting to the Board of Directors concerning the matters contained in this Article;</p> <p>q- Considering any other issues determined by the Board of Directors.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>See Note No. 28 attached</p> <p>See Note No. 28 attached</p> <p>See Note No. 28 attached</p> <p>See Note No. 28 attached</p>	
Article 19: Compliance with the Regulations, Internal Control and the Internal Auditor	<p>19.1: The company shall adopt an internal control system duly approved by the Board for the evaluation of the methods and procedures related to the risk management and application of the governance regulation approved by the company and for compliance with the relevant laws and regulations. The internal control system shall set clear responsibility and accountability standards in all the company's departments.</p> <p>19.2: The internal control operations shall include the establishment of effective and independent units for the risk assessment and management in addition to units for financial auditing and internal operations, in addition to external auditing. The internal control system shall ensure that all the transactions of the related parties are made according to their controls.</p> <p>19.3: The company shall have an internal audit unit having a specified role and tasks and in particular, the internal audit unit shall:</p> <p>1- Scrutinize the internal control system and oversee its application;</p> <p>2- Be managed by an efficient and operationally independent work team who is properly trained;</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>See Note No. 29 attached</p> <p>See Note No. 29 attached</p> <p>See Note No. 29 attached</p> <p>See Note No. 29 attached</p> <p>See Note No. 29 attached</p>	

	<p>as the procedure followed by the company to deal with the failure in applying the internal control (especially the problems revealed in the company's annual reports and financial statements).</p> <ul style="list-style-type: none"> - The company's compliance with the rules and conditions governing the disclosure and listing in the market. - The company's compliance with the internal control systems upon determining and managing the risks. - All relevant information describing the risks management process in the company. <p>19.6: The internal auditing report shall be prepared every three months.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>See Note No. 29 attached</p> <p>See Note No. 29 attached</p> <p>See Note No. 29 attached</p> <p>See Note No. 29 attached</p>	
Article 20: Disclosure	<p>20.1: The independent and qualified external auditor, appointed upon recommendation of the Audit Committee submitted to the Board of Directors and upon the decision of the company's General Assembly, shall conduct an annual independent external auditing and a semi-annual review of the statements. The said auditing shall aim at providing the Board of Directors and the shareholders with an objective confirmation that the financial statements are prepared according to this governance regulation and to the relevant laws and regulations and the international standards governing the preparation of financial information. They represent the company's financial position and performance from all essential aspects.</p> <p>20.2: The external auditors shall adhere to the best professional standards and the company shall not conclude contracts with them to provide any consultancy or services other than the company's financial auditing. The external auditors shall be completely independent from the company and its Board of Directors and shall not have any conflict of interest in their relations with the company.</p> <p>20.3: The company's external auditors shall attend the company's ordinary General</p>	<p>✓</p> <p>✓</p> <p>✓</p>			<p>See Note No. 30 attached</p> <p>See Note No. 30 attached</p> <p>See Note No. 30 attached</p>	

	to the international standards of auditing (ISA). 21.4: The audited financial reports of the company shall be distributed on all shareholders.	✓			See Note No. 33 attached	
Article 22: Shareholders' Rights and Basic Elements of Ownership	The shareholders shall enjoy all the rights granted to them under the Laws and relevant regulations, including this regulation and the company's Statute. The Board shall guarantee the respect of the shareholders' rights in a way achieving justice and equality.	✓			See Note No. 34 attached	
Article 23: Ownership Records	23.1: The company shall keep correct, accurate and recent records stating the ownership of shares. 23.2: The shareholder shall have the right to peruse the shareholders' record at the company and have access to it for free during the company's official working hours, or as specified in the procedures of obtaining the information set by the company. 23.3: The shareholder shall have the right to obtain a copy of the following documents: Record of the Board members, the company's memorandum of association and articles of association, the documents entailing privileges or rights on the company's assets, contracts of related parties and any other document stipulated by the Authority from time to time against payment of the fee determined by the Authority.	✓ ✓ ✓			See Note No. 35 attached See Note No. 35 attached See Note No. 35 attached	
Article 24: Obtaining Information	24.1: The company shall include in its memorandum of association and articles of association the procedures of obtaining information in a way preserving the right of the shareholders in obtaining the company's documents and information related thereto on time and in a regular manner. The procedures of obtaining information shall be clear and detailed and shall include: 1- The company's information that may be obtained, including the type of information that may be		✓ ✓			See Note No. 36 attached See Note No. 36 attached

Article 28: Shareholders' Rights as per the Distribution of Profits	The Board of Directors shall submit to the General Assembly a clear policy that regulates the distribution of profits. Such submittal shall include an explanation of this policy based on serving the interest of the company and that of the shareholders alike.	✓			See Note No. 42 attached	
Article 29: Capital Structure, Shareholders' Equity and Major Transactions	<p>29.1: The capital structure shall be disclosed and the companies shall determine the type of shareholders' agreements to be disclosed.</p> <p>29.2: The companies shall include in their memoranda of association and / or articles of association, provisions for the protection of minority in case of approval upon major transactions that the minority shareholders had voted against.</p> <p>29.3: The companies shall include in their memoranda of association and / or articles of association a mechanism that ensures sale to the public or ensures the practice of equality rights in the sale of shares in case of change in the company's capital ownership exceeding a specified percentage. It shall take into consideration, upon determining the limit of the shares owned by a third party but under the control of the disclosing shareholder, including the shares related to the agreements of shareholders disclosed as well.</p>		✓ ✓ ✓			<p>See Note No. 43 attached</p> <p>See Note No. 44 attached</p> <p>See Note No. 44 attached</p>
Article 30: Rights of other Stakeholders	<p>30.1: The company shall respect the rights of stakeholders and in the cases where the stakeholders can participate in the governance, they shall be able to obtain reliable and adequate information in a timely manner and on a regular basis.</p> <p>30.2: The Board of Directors shall ensure the treatment of the employees according to the principles of justice and equality, without any discrimination on the basis of race, sex or religion.</p> <p>30.3: The Board shall develop a bonuses policy to grant incentive bonuses to the employees and to the company's management to work together for the</p>	✓ ✓ ✓			<p>See Note No. 45 attached</p> <p>See Note No. 46 attached</p> <p>See Note No. 47 attached</p>	

	method of determining the remuneration of the members of the Board and the senior executive management at the company.					
4-	Disclosure of the internal control procedures including the supervision of the financial affairs, investments and risks management.	✓				See Note No. 53 attached
5-	Disclosure of the procedures followed by the company to identify the significant risks that may be encountered and the methods of their assessment and management, to make a comparative analysis of the risk factors faced by the company and discuss the regulations adopted for the discussion of radical or unforeseen changes in the market.	✓				See Note No. 53 attached
6-	Evaluation of the performance of the Board and the senior management in the application of the internal control system, including the specification of the number of times where the Board is notified of control matters (including risks management) and the method with which the Board handled such matters.	✓				See Note No. 53 attached
7-	Disclosure of the failure in the application of the internal control system, in whole or in part, weaknesses in the application thereof or the emergencies that affected or may affect the company's financial performance, as well as the procedure followed by the company to deal with the failure in applying the internal control (especially the problems revealed in the company's annual reports and financial statements).	✓				See Note No. 53 attached
8-	The company's compliance with the rules and conditions governing the disclosure and listing in the market.	✓				See Note No. 53 attached
9-	The company's compliance with the internal control systems upon determining and managing the risks.	✓				See Note No. 53

NOTES ON THE CORPORATE GOVERNANCE REPORT

Ref. No	Note																																								
Note 1	The Board of Directors has formed a Corporate Governance Committee, with Mr. Keith Higley as Chairman and Mr. Said Abu Odeh as Member, which reviews the Corporate Governance system of the company from time to time, advises the Board of any developments in this regard, and submits necessary recommendations to the Board. The Committee has briefed the Board during its meeting held on 15.10.2014 on the Corporate Governance Code for Shareholding Companies Listed in the Main Market issued by Qatar Financial Markets Authority Board Resolution No (4) of 2014. The Committee also consults legal advisors of the company from time to time regarding provisions of the Code. The Board has a Charter and Terms of Reference for its various committees and the company has Employees Manual which contains all principles of professional conducts.																																								
Note 2	The Board has adopted a Board Charter which outlines in detail tasks, responsibilities and duties of the directors. The Charter was published on the website of the company. The Charter is also regularly distributed to shareholders in every General Assembly meeting.																																								
Note 3	<p>The Board of Directors is comprised of the following Directors:</p> <table><tr><th>S#</th><th>Name</th><th>Entity Represented</th><th>Title</th></tr><tr><td>1</td><td>HE Sheik Hamad Bin Abdulla Bin Khalifa Al Thani</td><td>QIPCO</td><td>Chairman</td></tr><tr><td>2</td><td>HE Sheik Suhaim Bin Abdulla Bin Khalifa Al Thani</td><td>QIPCO</td><td>Vice Chairman</td></tr><tr><td>3</td><td>Mr Mohammed Ali Al Kubaisi</td><td>Specialized Projects</td><td>Director</td></tr><tr><td>4</td><td>Mr Ali Yousuf Kamal</td><td>Al Sakhama</td><td>Director</td></tr><tr><td>5</td><td>Mr Rashid Fahad Al Noaimi</td><td>Qatar Foundation</td><td>Director</td></tr><tr><td>6</td><td>Mr Khalid Ahmed Mannai</td><td></td><td>Director</td></tr><tr><td>7</td><td>Mr Keith John Higley</td><td>QIPCO</td><td>Director</td></tr><tr><td>8</td><td>Mr Said Adnan Abu Odeh</td><td>Qatar Intl. Real Estate Investmnt. Co.</td><td>Director</td></tr><tr><td>9</td><td>Mr Alekh Singh Grewal</td><td>QIPCO</td><td>Group CEO & Director</td></tr></table> <p>The Directors are qualified in various specializations. It efficiently shoulders its responsibilities and follows up the laws and regulations passed from time to time by the official regulatory and supervisory authorities to ensure company's compliance with such laws and regulations. The Board has formed various committees such as the Executive Committee, Corporate Governance Committee, Remunerations Committee, Nominations Committee, and Audit Committee. The Board monitors the works of such Committees and receives reports from them from time to time. The Board sets out company policy and strategies and appoints Senior Executive Management.</p>	S#	Name	Entity Represented	Title	1	HE Sheik Hamad Bin Abdulla Bin Khalifa Al Thani	QIPCO	Chairman	2	HE Sheik Suhaim Bin Abdulla Bin Khalifa Al Thani	QIPCO	Vice Chairman	3	Mr Mohammed Ali Al Kubaisi	Specialized Projects	Director	4	Mr Ali Yousuf Kamal	Al Sakhama	Director	5	Mr Rashid Fahad Al Noaimi	Qatar Foundation	Director	6	Mr Khalid Ahmed Mannai		Director	7	Mr Keith John Higley	QIPCO	Director	8	Mr Said Adnan Abu Odeh	Qatar Intl. Real Estate Investmnt. Co.	Director	9	Mr Alekh Singh Grewal	QIPCO	Group CEO & Director
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Note 4	<p>In compliance with the provisions of Article 6(1) of the Code, each Board Member owes the Company the fiduciary duties of care, loyalty and compliance with the laws and regulations. The Board of Directors constantly invite, in accordance with provisions of Article 36 of the Company's Articles of Association, some of the Company's senior executive managers, employees or other experts to attend the Board meetings in order to provide some information or explanations to enable the Board of Directors to act effectively to fulfill their responsibilities towards the Company on the basis of clear and sufficient information, in good faith, with due diligence and care, and in the best interests of the Company and all shareholders.</p> <p>The Charter also provided for the Board of Directors' Fiduciary Duties.</p>																																								
Note 5	<p>In compliance with the provisions of Article 7(1) of the Code, the positions of the Chairman of the Board and Group Chief Executive Officer are not held by the same person, and there is distinction between both positions, as HE Sheikh Hamad Bin Abdullah Bin Khalifa Al Thani holds the post of Chairman of the Board of Directors, and Mr. Alekh Singh Grewal holds the post of Group Chief Executive Officer. This complete distinction between the two posts clearly divides the responsibilities</p>																																								

	<p>between the posts, as the Chairman of the Board of Directors manages the Board, and the Group Chief Executive Officer manages the business of the company as he shoulders the responsibility of executive leadership and daily management of the Company, and he is assisted by the Management Team in-charge of application of the strategies of the Board of Directors and controlling the daily operations of the company. It is planned to propose for approval to the shareholders in the coming General Assembly meeting scheduled for March, 2015, amendments of the company's Articles of Association to be in compliance with the Corporate Governance Code for Joint Stock Companies Listed in the Main Market of Qatar Financial Markets Authority.</p>
Note 6	<p>The Chairman of the Board of Directors is the head of the company and shall represent it before third parties, and his signature shall be held as signature of the Board of Directors in the Company's relations with third parties, and he shall execute resolutions of the Board as provided for in Article 28 of the Company's Articles of Association. The Chairman is responsible for ensuring the proper functioning of the Board, and has the right to call for Board meetings in accordance with provisions of Article 32 of the Company's Articles of Association ensuring the discussion of all important points, approving the agenda of every meeting of the Board of Directors, promoting constructive relations between all the Board members, encouraging Board members to effectively participate in dealing with the affairs of the Board of Directors, and facilitating timely receipt of complete and accurate information by Board members. In compliance with the provisions of Article 8(2) of the Code, the Chairman is not a member in any of the committees of the Board of Directors. Duties of the Chairman also include ensuring an annual self-assessment of the performance of the Board as provided for in the Board Charter. It is planned to propose for approval to the shareholders in the coming General Assembly meeting scheduled for March, 2015, amendments of the company's Articles of Association to be in compliance with the Corporate Governance Code for Joint Stock Companies Listed in the Main Market of Qatar Financial Markets Authority.</p>
Note7	<p>The formation of the Board is mentioned in the Company's Articles :</p> <p>There are presently 9 members of the Mannai Corporation Board.</p> <p>The Governance Code requires at least one-third of the Board should be independent, which in Mannai's case would mean at least 3 Independent Directors.</p> <p>At present, Mannai has a majority of Non-Executive Directors, but only one fully independent Director.</p> <p>The Chairman considers that the Board has a good balance of skills and experience in its Executive and Non-Executive Directors but with reference to the Governance Code has requested the Board to consider how it might work towards creating a further independent member. It is planned to propose for approval to the shareholders in the coming General Assembly meeting scheduled for March, 2015, amendments of the company's Articles of Association to be in compliance with the Corporate Governance Code for Joint Stock Companies Listed in the Main Market of Qatar Financial Markets Authority.</p>
Note8	<p>Non-executive Directors fully shoulder their duties and responsibilities. They are members in the Audit Committee of the company and also review annual, half annual and quarterly financials.</p> <p>They are also members in the Corporate Governance Committee and supervise implementation of proper Governance practices. They regularly attend general assembly meetings of the company.</p>

Note 9	<p>According to the provisions of Article 32(1) of the Company's Articles of Association, the number of Board meetings shall not be less than six meetings in a fiscal year in compliance with the provisions of Article 11(1) of the Code. The Board of Directors held six meetings during 2014.</p> <p>In accordance with the provisions of Article 32 of the Company's Articles of Association, the Board shall meet upon an invitation of its Chairman or at least two Board Members in compliance with provisions of Article 11(2) of the Code. The invitation for the Board meeting and agenda are regularly communicated to each Board Member at least a week ahead of the meeting, noting that any Board Member may add any item to the agenda.</p>
Note 10	<p>In compliance with the provisions of Article 12 of the Code and according to the provisions of Article 32(5) of Company's Articles of Association, a Secretary meeting all mandatory regulatory requirements for the position has been appointed for the Board of Directors, whose functions include recording and safekeeping the minutes of all the Board meetings, and ensuring that the Board members have access to all the meeting minutes, information, documents and records of the company.</p>
Note 11	<ol style="list-style-type: none"> a. The Company has adopted and announced the rules relating to the Company's entering into any commercial transaction with a related party, to ensure that all transactions that involve potential related parties or conflicts of interest are determined on a fair, reasonable and consistent basis. According to the provisions of Article 35(5) of the Company's Articles of Association, the Board of Directors shall put at the disposal of shareholders, before holding the General Assembly, the operations in which the Chairman or a Board member or a manager may have interests in conflict with Company interests. b. The company has adopted and announced the rules relating to transactions of insiders and to prevent leak of any internal information which were not published to all shareholders, and these rules cover Board of Directors, Senior Executive Management, managers and all employees of the company, and the families of those persons. <p>A summary of the related party transactions and insider trading policies have been published on the Company's website.</p>
Note 12	<p>In compliance with provisions of Article (14) of the Code, we would like to point out to the following:</p> <ol style="list-style-type: none"> a. Directors have absolute access to all necessary information and documents relating to the company, and the Board Secretary, in accordance with provisions of Article 12/2 of the Code, always ensures that the Directors have access to such information and documents. b. Members of the various committees, the Internal Auditor, and External Auditor always attend General Assembly meetings and the External Auditor signs the assembly minutes in accordance with provisions of Article (134) of the Commercial Companies Law of 2002. c. In accordance with provisions of Article 14(4) of the Code, the Board of Directors from time to time provides training courses for Directors even outside the State of Qatar in order to enhance their skills and professional knowledge. The Company not only provides such courses to Directors, but also to members of the Senior Executive Management team. d. In accordance with provisions of Article 14(5) of the Code, the Corporate Governance Committee at all times keeps Directors updated about the latest developments in the area of Corporate Governance. The Terms of Reference of the Corporate Governance Committee, which has been approved by the Board of Directors, provides "Accordingly, the Board has decided to establish a Corporate Governance Committee comprised of two Board Members to keep the Board updated in its Corporate Governance responsibilities and best practice". <p>In accordance with provisions of Article 14 (6) of the Code, Article (33) of the Articles of Association of the Company contains rules governing Directors' unauthorized absence from Board meetings. This Article provides that in case of failure of a member to attend 3 consecutive or 5 non-consecutive</p>

	meetings of the Board without justification acceptable to the Board, such member shall be considered to have resigned.
Note 13	In compliance with the provisions of Article 15 of the Code, the provisions of Articles 26, 30 and 31 of the Company's Articles of Association provide that the Board of Directors is assigned with the responsibility of managing and supervising the company. It has the broadest scope of authorities for the same and shall be entitled to assume all activities required for such management in accordance with the law, the Company's Articles of Association, and resolutions of the General Assembly, in addition to appointing the senior executive management. Moreover, the Board of Directors may sometimes delegate some of its functions to undertake specific operations and constitute special committees, and in this event, the Board remains liable for the functions it has delegated.
Note 14	Nominations and appointments of Board Members are made in the Ordinary General Assembly of shareholders according to formal, rigorous and transparent procedures in the presence of representatives of Ministry of Economy and Commerce in accordance with the provisions of Article 50 of the Company's Articles of Association. The current Board of Directors constitutes of nine members, elected by the Company's shareholders in the General Assembly on January 23, 2013, for a period of three years till January 22, 2016 in accordance with the laws and provisions of the Company's Articles of Association. It was taken into consideration that the Board Members have adequate expertise and knowledge to effectively perform their functions in the Company and give sufficient time and attention to their roles in accordance with the provisions of Article 9(3) of the Code. It is planned to propose for approval to the shareholders in the coming General Assembly meeting scheduled for March, 2015, amendments of the company's Articles of Association to be in compliance with the Corporate Governance Code for Joint Stock Companies Listed in the Main Market of Qatar Financial Markets Authority.
Note 15	<p>In accordance with the provisions of Article 16(2) of the Code, the Nomination Committee was formed and consists of the following Board members:</p> <ol style="list-style-type: none"> 1. HE Sheikh Suhaim Bin Abdullah Bin Khalifa Al Thani, Chairman 2. Mr. Mohammed Ali Mohammed Khamees Al Kubaisi, Member 3. Mr. Ali Yousuf Kamal, Member <p>Although members of the Committee are non-independent, they are non-executive, and their respective shareholdings in the share capital of the company do not exceed the number required to ensure membership in the Board. The Chairman considers these members provide the best balance of experience required for the role.</p>
Note 16	The committee also sets principles for selection and nominations to the Board of Directors in compliance with the provisions of Article 16(3) of the Code. It is planned to propose for approval to the shareholders in the coming General Assembly meeting scheduled for March, 2015, amendments of the company's Articles of Association to be in compliance with the Corporate Governance Code for Joint Stock Companies Listed in the Main Market of Qatar Financial Markets Authority.
Note 17	The Board of Directors adopted and published the Terms of Reference of the Nomination Committee in accordance with the provisions of Article 16(4) of the Code. The main role of the Nomination Committee is to ensure that nominations and appointments of Board Members shall be made according to formal, rigorous and transparent procedures in accordance with the provisions of Article 16(1) of the Code
Note 18.a	Terms of Reference of the Nomination Committee provide that tasks of the Nomination committee include conducting annual self-assessment of the performance of the Board. It is planned to propose for approval to the shareholders in the coming General Assembly meeting scheduled for March, 2015,

	amendments of the company's Articles of Association to be in compliance with the Corporate Governance Code for Joint Stock Companies Listed in the Main Market of Qatar Financial Markets Authority.
Note 18.b	Company is required to abide by all laws and regulations as provided for in the Articles of Association of the company.
Note 19	<p>In accordance with the provisions of Article 17(1) of the Code, the Remuneration Committee was formed and consists of the following Board members:</p> <ol style="list-style-type: none"> 1. HE Sheikh Suhaim Bin Abdullah Bin Khalifa Al Thani, Chairman 2. Mr. Mohammed Ali Mohammed Khamees Al Kubaisi, Member 3. Mr. Keith Higley, Member <p>Although members of the Committee are non-independent, they are non-executive, and their respective shareholdings in the share capital of the company do not exceed the number required to ensure membership in the Board. The Chairman considers these members provide the best balance of experience required for the role.</p>
Note 20	The Board of Directors adopted and published the Terms of Reference of the Remuneration Committee which clarified its role and basic responsibilities in accordance with the provisions of the Code. This committee shall oversee the Remuneration principles and policies of the Company, including remuneration of the Board of Directors and Senior Executive Management, and keep the Board advised accordingly.
Note 21	The remuneration policies and principles have been communicated at each Annual General Assembly since February 17, 2010, and they were approved and published in the Company's Annual Report, and announced on the Company's website according to the provisions of Article 17(4) of the Code.
Note 22	Terms of Reference of the Remuneration Committee provided for the provisions provided for in Article 17/5 of the Code, in addition to the fact that no member can decide his own remuneration.
Note 23	<p>Since the number of independent directors is insufficient to form the Audit Committee, majority members of the Committee are non-independent.</p> <p>In accordance with the provisions of Article 18(1) of the Code, the Audit Committee was formed and consists of the following Board members:</p> <ol style="list-style-type: none"> 1. HE Sheikh Suhaim Bin Abdullah Bin Khalifa Al Thani, Chairman 2. Mr. Mohammed Ali Mohammed Khamees Al Kubaisi, Member 3. Mr. Ali Yousuf Kamal, Member 4. Mr. Alekh Grewal, Member <p>Although members of the Committee are non-independent, the majority are non-executive, and their respective shareholdings in the share capital of the company do not exceed the number required to ensure membership in the Board. The Chairman considers these members provide the best balance of experience required for the role.</p>
Note 24	The Audit committee does not include any person who is or has been employed by the company's external auditors as per the provisions of Article 18(2) of the Code.
Note 25	The Committee has administratively and financially highly experienced members and its terms of reference permit it to consult at the expense of the company.
Note 26	The Committee meets at least every three months and keeps minutes of its meetings. The Audit Committee held six meetings during 2014 on the following dates: 27th February, 2014, 23rd April, 2014, 2nd June, 2014, 8th August, 2014, 15th October, 2014, and 25th November, 2014.
Note 27	No conflict has ever occurred between Audit Committee recommendations and Board resolutions.

Note 28	<p>The Board of Directors adopted and published the Terms of Reference of the Audit Committee in accordance with the provisions of Article 18(6) of the Code. The Terms of Reference of the Committee explain its main roles and basic responsibilities in its Audit Committee Charter. It is noteworthy that the Terms of Reference of the Committee include all the provisions of aforementioned Article 18(6) of the Code. All of this was disclosed in the Annual Report of the Company and published on the company's website.</p>
Note 29	<p>The Board of Directors is responsible for the company's internal control, the overall aim of which is to safeguard the company's assets and thereby its shareholders' investment. Board of Directors and its Audit Committee oversee the actions of management and monitor the effectiveness of the internal control systems that have been put in place. In this regard, and in accordance with the provisions of Article 31 of the Code, we can mention the following:</p> <ol style="list-style-type: none"> (1) The Company's compliance with all the provisions of the Code, relevant laws and regulations, and the Company's Articles of Association, as Article 31 of the Company's Articles of Association provides that the Board of Directors' authority to manage the company is not restricted except by provisions of the law or the Company's Articles of Association or resolutions of the General Assembly. (2) The Executive Committee regularly reviews and updates the professional conduct rules setting forth the Company's corporate values and other internal policies and procedures that should be complied in accordance with the provisions of Article 3(2) of the Code. These rules include Employee Manual, Audit Committee Charter, Company Regulations, Related Party Transactions Policy, Insider Trading Policy, and other circulars issued by the Senior Executive Management from time to time. (3) The Company adopted internal control systems to assess the methods and processes relating to risk management. The Company's framework for internal control is made up of five components: control environment, risk assessment, control activities, information and communication, and monitoring. (4) The company integrates the principles of problem identification and continuous improvement into its business operation process and makes continuous efforts to train employees who will put these principles into practice. (5) The Internal Control systems are set under clear lines of responsibility, accountability, and audit throughout the company's departments and divisions. (6) The Board of Directors continuously evaluates the information provided by the Executive Management and the Audit Committee. The Audit Committee's task of monitoring the efficiency of internal control systems by the management team is of particular interest to the Board. This work includes checking that steps are taken with respect to any problems detected and suggestions made by auditors to rectify them. (7) Internal control has been developed under following policies: <ol style="list-style-type: none"> a) Systems to ensure that the Management executes their responsibilities in compliance with relevant laws and regulations and the Company's Articles of Association; b) Rules and systems related to the management of risk of loss; c) Systems to ensure that employees conduct business in compliance with relevant laws and regulations (including Corporate Governance Code) and articles of association; d) Systems to ensure appropriateness of business operations; e) Systems to ensure that all transactions that involve potential related parties or conflicts of interest are determined on a fair, reasonable and consistent basis. The Company has established a number of control processes relating to conflict of interest between the Company and related parties. (8) The Senior Executive Management continuously evaluates the adequacy of its systems, processes and controls to ensure that the deviations and risk is minimized. (9) Internal auditor submits to the Audit Committee a quarterly internal audit report which includes a review and assessment of the internal control systems of the company.

	<p>In respect of the current period, the Board considered the internal control systems effective and adequate. No significant areas of concern which might affect shareholders were identified. There have been no significant internal control failures affecting the financial performance of the company.</p> <p>The company monitors and manages the risk relating to operations through risk reports devised by the management. Same is discussed in the monthly business review meetings chaired by the Group CEO and Director.</p> <p>The financial risk management aspects are disclosed in the annual audited report of the company.</p> <p>(10) The general risk policy and the basic principles underpinning it are implemented by means of a comprehensive risk control and management system based upon a proper definition and allocation of functions and responsibilities at the operating level and upon supporting procedures, methodologies and tools, suitable for the various stages and activities within the system. The risk factors to which the Company is subject are set forth generally below:</p> <ul style="list-style-type: none"> a) Corporate governance risks: regarding verification that compliance with the good corporate governance rules established by the Company through its monitoring of the Corporate Governance Process is crucial to adequately safeguarding the interests of the Company and those of all its shareholders. b) Market risks: exposure of the Group's results of operations to fluctuations in prices and market variable prices of financial assets, among others. c) Credit risks: possibility that a counter party fails to perform its contractual obligations, thus causing an economic or financial loss to the Group. d) Business risks: uncertainty as to the behavior of key variables inherent in the business. e) Regulatory risks: resulting from regulatory changes made by the various regulators. f) Operational risks: direct or indirect financial losses caused by inadequate internal processes, technological failures, human error, or as a consequence of external events. g) Reputational risks: potential negative impact on the Company's value resulting from business performance not living up to the expectations created among various stakeholders. <p>(11) In compliance with Article 19.3.3 of the Code, the Internal Auditor periodically submits a report to the Audit Committee, which includes a review and assessment of the internal control system of the Company. The Report covers all what is provided for in the Article 19(5) of the Code. It is noteworthy that the Internal Auditor has access to all documents to review all aspects and activities of internal control, and to carry out comprehensive audits of practices, procedures and internal controls of all business and support units and subsidiaries on regular basis.</p> <p>(12) The Audit Committee and the Senior Executive Committee study all important and extraordinary items contained in the reports prepared by the internal and external auditors by taking appropriate decisions and to conduct continuous assessment of the information submitted by the Audit Committee or the External Auditor, so that the internal control systems are implemented effectively and correctly.</p>
Note 30	<p>The External Auditor is appointed by the General Assembly upon recommendation of the Board of Directors. During the General Assembly meeting held in March, 2014, the shareholders appointed M/s. Deloitte & Touche as the external auditor for the financial year of 2014. M/s. Deloitte & Touche are qualified and independent of the Company and the Board of Directors.</p> <p>The External Auditor also carries out independent annual audit and semi-annual review aimed at ensuring that the financial statements are prepared in accordance with the international standards. All the financial reports are published in Arabic and English newspapers. The shareholders and public may also log on the Company's website for the financial results and other related information. The External Auditor attends the Company's annual ordinary General Assembly and answers any queries raised by the shareholders.</p>
Note 31	<p>Transparency and Disclosure are fundamental values in Corporate Governance, and they are two sides to a coin: if one is not available, the other becomes absent, as they are considered powerful tools in</p>

	<p>having effect on the behavior of the company, and to protect the shareholders and investors and support them in evaluating the competence of the management, and taking appropriate decisions that are based on sufficient information regarding evaluation of the company.</p> <p>Based on the provisions of Articles 21 and 31(8) of the Code, the Company has complied with all the disclosure requirements mentioned in these articles. The Company's website contains all the important and basic information of the company, including but not limited to the financial reports, the various Committees formed by the Board of Directors and their Terms of References, and the résumés of each member of the Board of Directors according to provisions of the Article 5(3) of this Code.</p> <p>The company carries out timely and accurate disclosure of the financial statements and other important information.</p>
Note 32	<p>The Company provides all the necessary information to the External auditors so as to enable them to prepare the Company's financial reports in accordance and compliance with the IFRS and IAS standards and requirements. It is clearly stated in the external auditor's report that the Company conforms to IFRS and that the audit has been conducted in accordance with IAS.</p>
Note 33	<p>The Company audited financial reports are published in newspapers, announced on the website, and copies are distributed to shareholders in the General Assembly.</p>
Note 34	<p>The Board of Directors and the Senior Executive Management recognize their responsibilities to represent the interest of all shareholders.</p> <p>The Company's Articles of Association includes provisions that ensure non-discrimination between shareholders. For instance, Article 18 of it states that "Each share shall entitle its holder to a portion equal to that of others without any discrimination...", Article 16 states that "Any shareholder can own any number of shares in the Company provided that the number of shareholders shall not be less than the minimum provided for in the Commercial Companies Law ...," Article 40 states that "Each shareholder shall be entitled to a number of votes equal to the number of his shares..."</p> <p>According to the provisions of the Code and the Company's Articles of Association, the shareholders have:</p> <ol style="list-style-type: none"> 1. The right to attend the General Assembly Meetings 2. Vote personally or by proxy in the General Assembly Meetings 3. Looking into and approval of the Board of Directors' proposals for distribution of dividends. (The Company's Dividend Policy has been presented at each Annual General Assembly meeting since February, 2010). 4. Invitation to General Assembly meeting and the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers thereupon. 5. Elect members of the Board of Directors. The Board members were unanimously elected in 2013
Note 35	<p>As the company is listed on the Qatar Exchange, the records containing details of shareholders are kept by the Qatar Exchange according to the provisions of Articles 159 and 160 of the Commercial Companies Law of 2002. Qatar Exchange, according to its internal regulations, deals with the shareholders. The Company requests Qatar Exchange from time to time to provide records showing ownership of shares according to procedures set by Qatar Exchange. Each shareholder has the right to obtain the Memorandum of Association and Articles of Association of the company, and other documents stipulated by the Authority whenever required.</p>
Note 36	<p>Article (35) of the Articles of Association of the company provides that the Board of Directors shall annually provide necessary information and data to the shareholders before holding the general assembly meeting. The Board informs the shareholders of such right in the invitation addressed to the shareholders to attend the general assembly meeting. The company's Memorandum and Articles Association do not include detailed and clear procedures for obtaining certain types of information. The company endeavors to be transparent in the information it provides on its website and its Annual</p>

	Report.
Note 37	In accordance with the provisions of Article 24(2) of the Code, the Company has a website, www.mannai.com that includes all general information about the Company.
Note 38	Article (45) of the Articles of Association of the company provides for shareholders' right to apply to the Board of Directors to hold an extraordinary general assembly meeting. If the Board fails to serve the invitation within the prescribed period, shareholders may apply to the Ministry of Business to serve the invitation at the cost of the company. Article (47) of the Articles of Association of the company also provides for shareholders' right to request addition of any specific matter in the agenda.
Note 39	Article (40) of the Articles of Association of the company provides that every shareholder shall, upon voting, have a number of votes equivalent to his shares. The same Article also provides that every shareholder shall have the right to attend the General Assembly of shareholders in person or by proxy.
Note 40	Although the Memorandum and Articles of Association of the company do not contain such provisions, practically, the Board announces opening Board nominations in (local) newspapers. If any shareholder requires any information about the nominees for directorship, the Secretariat of the Board will provide such information to the shareholders. Our Form to be completed to nominate a director includes a section to detail an applicant's professional and technical skills, experience, and other qualifications as required in the Code. It is planned to propose for approval to the shareholders in the coming General Assembly meeting scheduled for March, 2015, amendments of the company's Articles of Association to be in compliance with the Corporate Governance Code for Joint Stock Companies Listed in the Main Market of Qatar Financial Markets Authority.
Note 41	The election of the Board members has been uncontested so far, due to the absence of applications from other nominees. Therefore, voting of the nominees for directorship has not involved cumulative voting. The Board is satisfied that shareholder decisions depend ultimately on a majority vote, which is in accordance with Article 128 of the Commercial Companies Law No. 5 of 2002. The currently applied "one-vote-per-share" voting system, without any exceptions among shareholders, irrespective of the number of shares they own, is also in line with QFMA Code.
Note 42	In accordance with the provisions of Article 28 of the Code, the General Assembly of shareholders on February 17, 2010, and upon recommendation of the Board of Directors, approved the dividend policy including background and rationale of such policy in terms of the best interest of the Company and the shareholders simultaneously, which was reiterated at the Ordinary General Assembly on February 23, 2011. The dividend policy has been communicated at each Annual General Assembly since February 17, 2010. As per extract from the current dividend policy: "The Company believes that the payment of dividends is an important element in creating shareholder value for its investors and subject to the above, it is the policy of the company at this time, which may be subject to changes in the future, to propose to the shareholders cash dividends generally in line with the market."
Note 43	The capital structure is disclosed. The only shareholder agreements disclosed are those tabled at the General Assembly. Shareholder agreement levels are not included in the company's Memorandum and Articles of Association.
Note 44	Minority Shareholders' Rights and Tag along Rights: The Board recognizes their responsibility to consider the interests of all shareholders; however shareholder decisions ultimately depend on a majority vote in accordance with Article (128) of the Commercial Companies Law No (5) of 2002). The Memorandum and Articles of Association do not include a mechanism for public offering but the issue of shares or a rights issue has always been subject to shareholder agreement.

Note 45	The Board respects the rights of stakeholders and their access to information they are entitled to receive.
Note 46	The Company's Management follows a principle of fairness and equality among the employees and workers, and there is no discrimination based on race, gender or religion. It is mentioned in the Employee Manual that "The Company policy is not to discriminate in its activities or with respect to employment terms and conditions on the basis of age, gender, race, colour, national origin or religion. Such a policy ensures that only relevant factors are considered, and that equitable and consistent standards of conduct and performance are applied."
Note 47	The Management also provides incentives and remuneration according to specific policies and principles. On February 17, 2010, the shareholders, upon recommendation of the Board of Directors, approved the Remuneration policy which has been communicated at each Annual General Assembly ever since. It aims at remunerating fairly and responsibly in light of performance related components and scope of the functions at all levels, and to link rewards to corporate and individual performance and shareholders' interests.
Note 48	In compliance with the provisions of Article 30(4) of the Code, the Board of Directors has adopted a whistle blowing policy providing employees with protection and confidentiality when they report to the Management any suspicious behavior, where such behavior is unethical, illegal, or detrimental to the Company's and shareholders' interests, and ensure their protection from any harm or negative reaction by others. The whistle blowing policy is summarized on the Company's website.
Note 49	As evident from Notes 45 through 49, the company is in full compliance with provisions of this Article.
Note 50	The Board prepares an Annual Report signed by the Chairman. The latest prepared was for year 2014.
Note 51	Company annually submitted Corporate Governance Report to Qatar Financial Markets Authority together with the Annual Report. Both documents have been regularly communicated to the shareholders at each Annual General Assembly since February, 2010
Note 52	Company includes an item on Corporate Governance Report in the agenda of the annual general assembly and copies of the Report are also distributed to the shareholders during the meeting.
Note 53	<p>The company includes all the requirements provided for in this Article in the annual Corporate Governance Report as explained in the above Notes. No violations have been reported this year. As regards the method of determining the remuneration of the Board, the method is that the Board recommends the proposed remuneration to be approved by the shareholders at the general assembly meeting.</p> <p>Senior executives' remuneration is reviewed by the Remuneration Committee taking into consideration the market conditions to ensure competitive remuneration in line with the market.</p>
Note 54	As evident from Notes 51 through 54, the company is in full compliance with provisions of this Article.

For/Mannai Corporation QSC



Hamad Bin Abdulla Bin Khalifa Al Thani
Chairman