



**Qatar Industrial Manufacturing Company**

# **QFMA Corporate Governance Report**

31 December 2011



## A. GOVERNANCE FRAMEWORK

### A.1 Members of the Board

Board Member Name	Date of Appointment	Position on the Board	Shares Owned	Competencies, Experience and other Board Seats Held
H.E. Sh. AbdulRahman Bin Mohd. Jabor Al-Thani	1991	Chairman Representative of Private Sector	70,034	<b>Education:</b> B.Sc (Eng.) – Architectural Science <b>Board Seats held:</b> Managing Director – Doha Bank Chairman – Qatar Oman Investment Co. Vice Chairman – TransGulf Oman Board Member – National Holding Chairman – Transind Co. <b>Experience:</b> Director Industrial Technical Development Center
Mr. Nasser Bin Rashid Al-Kaabi	1995	Vice Chairman, Representative of Private Sector	199,694	<b>Education:</b> B. Sc - Economics <b>Board Seats held:</b> Board Member – Qatar Islamic Bank Board Member – Gulf Holding Chairman – Al Sraiya Holding
Sh. Rashid Bin Uwaida Bin Mohd. Bin Thani Al-Thani	2001	Member, Representative of Private Sector	39,600	<b>Previous Experience:</b> Managing Director of Qatar Petroleum
Mr. Ahmed Ali Bukshaisa	2004	Member, Representative of Qatar Government	0	<b>Education:</b> B.A - Bachelor of Business Administration <b>Board Seats held:</b> Board Member – Director of Public Accounts – Min. of Finance & Economy Board Member – Arab Agricultural Investment Authority Board Member – Zaad Holding Board Member – Al Rawabi Emirates
Mr. Abdul Muhsin Bin Yousuff Abdulrahman Al-Mana	2001	Member, Representative of Private Sector	132,660	<b>Education:</b> Bachelor of Business Administration <b>Experience:</b> Businessman
Mr. Khalifa Bin Abdulla Sultan Al-Suwaidi	1998	Member, Representative of Qatar Government	10,843	<b>Education:</b> B.Sc - Chemical Engineering <b>Board Seats held:</b> Board Member – Qatar Petroleum Board Member & GM of Qatar Fertilizer Company Board Member of Qatar Metals Coating Company Board member of Qatar Plastic Products Company Chairman of Gulf Formaldehyde Co.



Mr. Abdullah Mohd. Shamsan Al-Sada	2001	Member, Representative of Private Sector	792,000	<b>Board Seats held:</b> Majlis Shoora Member – State of Qatar General Manager – Bin Shamsan Services General Manager – Bin Shamsan Trading & Contracting Co.
Mr. Saad Mohd. Saad Al-Jubara Al Rumaihi	2001	Member, Representative of Private Sector	39,600	<b>Education:</b> Bachelor of Economics & Social Science from Kuwait University in 1978 <b>Exp. &amp; Board Seats held:</b> General Manager – Qatar Television Chief Editor – Al Raya Newspaper Ambassador – Ministry of Foreign Affairs Head of Follow-up Dept. – Emiri Diwan Head of Media Dept. – Emiri Diwan Secretary to Emir – for Follow-up
Mr. Ali Yousuf Hussain Kamal	2010	Member, Representative of Private Sector	792,000	<b>Education:</b> B.Sc - Finance & Administration, B.Sc - Economics <b>Exp. &amp; Board Seats held:</b> Financial Analyst – Goldman Sachs and Swiss Accreditation Consul for Qatar Embassies in France, Belgium and Switzerland Board Member – Mazaya Real Estate Dev. Co. Board Member – Al Mannai Group
Mr. Abdulla Ali Al-Abdulla	1991	Member, Representative of Private Sector	26,400	<b>Education:</b> Bachelor of Industrial Engineering <b>Exp. &amp; Board Seats held:</b> Board Member - GASAL Co. Chairman – Qatar Plastic Products Co. Board Member – Transgulf Oman Board Member – Qatar Clay Bricks Co. <b>Prev. Experience:</b> Asst. General Secretary – Gulf Organization for Industrial Consulting General Manager – Qatar Industrial Manufacturing Company

- Any member of the Board of Director's does not hold more than 10% of shares of the company whether it be directly or indirectly.

- During the financial year ended on 31 December 2011, the Board has performed its tasks and dispensed business decisions within its authorities as provided in the Board's Terms of Reference and these include:

- ↪ Strategic leadership of the company
- ↪ Monitor the activities of executive management
- ↪ Carry out duties relating to the general assembly
- ↪ Review the company's financial statements
- ↪ Develop corporate governance structure in accordance with best practices.

The Board is satisfied that it has discharged its obligations and fulfilled its mandate as set out in its Terms of Reference.

**QIMC to provide a discussion on the key activities / responsibilities of the Board during the financial year (QFMA Code, Article 30 – point 3).**



## A.2. Board Committees

Board Committees are established to assist the Board of Directors in performing its duties. Currently, the Company has the following Committees:

1. Internal Auditing Committee: responsible with matters relating to the Company's internal audit;
2. Consulting Committee: provides the Board with consultative support and is delegated certain duties such as review / approval of Company investments.

### Internal Audit Committee

Board Member Name	Position on the Board Committee
Mr. Nasser Bin Rashid Al-Kaabi	Chairman
Mr. Ahmed Bukshaisa	Member
Mr. Ali Yousuf Hussain Kamal	Member

**QIMC to provide a discussion on the key activities / responsibilities of the Committee during the financial year (QFMA Code, Article 30 - point 3).**

### Consultative Committee

Board Member Name	Position on the Board Committee
H.E. Sh. AbdulRahman Bin Mohd. Jabor Al-Thani	Chairman
Mr. Nasser Bin Rashid Al-Kaabi	Member
Sh. Rashid Bin Uwaida Bin Mohd. Bin Thani Al-Thani	Member
Mr. Abdul Muhsin Bin Yousuff Abdulrahman Al-Mana	Member
Mr. Abdulla Ali Al-Abdulla	Member
Mr. Ali Yousuf Hussain Kamal	Member

**QIMC to provide a discussion on the key activities / responsibilities of the Committee during the financial year (QFMA Code, Article 30 - point 3).**

However, in line with the Company's goal to strengthen and improve its governance structure, the Company is currently in the process of establishing the following committees:

1. Audit Committee: responsible for reviewing financial statements, work of external and internal audit, internal control environment, compliance with regulations and risk management aspects of the Company.



2. Board Executive Committee: acts as a consultative body to the Board, deliberates on matters in detail which are not discussed at length at the Board meetings.
3. Nomination and Governance Committee: reviewing nominations to the Board and monitoring QIMC's corporate governance structure.
4. Remuneration Committee: reviewing and approving company policies, strategies and reviewing the remuneration framework for executive management and the Board.

### **A. 3 Remuneration Policies**

#### **A. 3.1 Board Remuneration**

**QIMC to provide a discussion on the remuneration policy and procedure for the Board (QFMA Code, Article 30 - point 3).**

#### **A. 3.2 Senior Management Remuneration**

**QIMC to provide a discussion on the remuneration policy and procedure for the Executive Management (QFMA Code, Article 30 - point 3).**

### **A. 4. Internal Control Framework**

QIMC places great importance on maintaining a sound control environment. Accordingly, the Board ensures that adequate review is performed on all controls, including financial, operational, compliance and risk management.

The Board is ultimately responsible for the establishment, maintenance and review of the Company's internal control framework in order to obtain reasonable assurance that the Company's operations are operating effectively and efficiently, that there are adequate controls over financial reporting and that compliance with relevant laws and regulations are being observed.

**QIMC to expound on its internal control procedures, particularly QIMC's oversight of financial affairs, investments and risk management (QFMA Code, Article 30 - point 4).**

**QIMC to expound on its assessment of the Board and Senior Management's performance in implementing the internal control framework, including number of times control failures reported to the Board and how it was handled (QFMA Code, Article 30 - point 6).**

**QIMC to mention instances of internal control failures that have resulted or may affect the financial performance, and the implementation plan to address such issues (QFMA Code, Article 30 - point 7).**

**QIMC to discuss compliance with internal control systems in determining and managing risks, the commitment of QIMC with the internal and external audit system. (QFMA Code, Article 30 - point 9).**



## **A.5. Risk Management Systems**

The principal objective of the Company's risk management governance structure is to manage business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Accordingly, QIMC has consistently and continually monitored risks and processes across the organization to identify, assess, measure, manage and report on opportunities and threats that could impact the achievement of the Company's objectives.

The Board is principally responsible for establishing risk tolerance, establishing and approving related risk strategies and policies, and for the oversight over risk and compliance management framework of the Company.

**QIMC to further expound on procedures employed by the Company in managing / analyzing significant business risks and systems in place to confront drastic unexpected market changes (QFMA Code, Article 30 - point 5). In case of absence of such procedures, mention procedures that will be followed in the future in this regard.**

**QIMC to summarize the risk management systems implemented and the risks faced by the Company (QFMA Code, Article 30 - point 10).**

### **Compliance**

The company has complied with applicable rules and the applicable market listing and disclosure requirements and no penalties or structures were imposed on the Company during the last financial year.

## **A.6 Preparing Corporate Governance Report:**

The Company's Finance and Administration Department is responsible on coordinating with the Board and Senior Management in obtaining and collating the required information necessary in the preparation of the Corporate Governance Report. The report is then submitted for the review of the CEO. The report will then be presented to the Board of Directors for final approval. Only after the Board approval of the report will it be submitted to QFMA.

QIMC is currently in the process of establishing a "Governance Compliance" function which will handle the Corporate Governance Report preparation in the future.

## B. QFMA Compliance

S. No.	Bullet No.	Article 1 – Definitions	Yes	No	N/A	What has been applied?	Any non-compliance
1	NA	Definitions covered in Article 1 are adopted.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	QIMC has adopted these definitions	No

S. No.	Bullet No.	Article 2 – Comply or Clarify	Yes	No	N/A	What has been applied?	Any non-compliance
1	NA	Governance Report is prepared which defines the Company's compliance with QFMA standards and provides explanations for items not complied with and the reasons and rationale for non compliance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This report is prepared to comply with this requirement.	No

S. No.	Bullet No.	Article 3 – Governance Obligation on Company	Yes	No	N/A	What has been applied?	Any non-compliance
1	3.1	Board will ensure the company complies with QFMA Code. (Compliance Reports)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This QFMA Compliance report has been approved by the Board prior to issuance.	No
	3.2	The Board should set, and periodically review professional conduct rules for the Board, staff and advisors. (Professional conduct rules include Board Charter, Audit Committee Charter, Company Regulations, Related Party Transactions, and Insider Trading ... etc.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	QIMC has developed Board and Board Level Committees' Terms of reference and a Corporate Governance Policies Manual to address this requirement.	No

S. No.	Bullet No.	Article 4 – Board Charter	Yes	No	N/A	What has been applied?	Any non-compliance
1	NA	Board will adopt a Board Charter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A Board Terms of Reference has been prepared which is in the process of approval by the Board.	No

S. No.	Bullet No.	Article 4 – Board Charter	Yes	No	N/A	What has been applied?	Any non-compliance
2	NA	The Board Charter shall be published and made available to the public.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Boards Terms of Reference has been developed and is in process of approval. Upon approval it will be published on the Company's website.	No
3	NA	The Board Charter shall include provisions included in Annex 2 of the Code.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	QIMC has adopted a comprehensive Board Terms of Reference which includes details above the requirements stipulated in Annex 2 of the QFMA Code as part of the Professional Conduct requirements of Board Members.	No

S. No.	Bullet No.	Article 5 – Board Mission and Responsibilities	Yes	No	N/A	What has been applied?	Any non-compliance
1	5.2.1	Board approves strategic objectives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	QIMC's Board Charter/ Terms of Reference states the following "Provide the strategic direction to QIMC by approving the Company's vision and mission periodically, and at least every three year of as and when deemed necessary approve and lead the development of the strategic plan and business objectives."	No



S. No.	Bullet No.	Article 5 – Board Mission and Responsibilities	Yes	No	N/A	What has been applied?	Any non-compliance
						The Board currently is highly involved in setting the strategic direction of QIMC.	
2	5.2.1	Board appoints and replaces management and sets their compensation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	As per the Board Charter, the Board is responsible for “Appointing the CEO and the Executive Management cadre.”  Currently QIMC’s Board reviews the appointment of the CEO and other top executives.	No
3	5.2.1	Board reviews management’s performance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Board reviews the performance of the Management based on the adopted comprehensive Board Charter.	No
4	5.2.1	Board ensures management succession planning is in place.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The corporate Governance Policies Manual includes a policy on succession planning.  Furthermore, HR Department manages the succession planning process.	No
5	5.2.2	Board reviews compliance to rules and regulations including articles of association.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Board’s Job Description includes the duty to “ensure QIMC’s compliance with its AoA and applicable	No



S. No.	Bullet No.	Article 5 – Board Mission and Responsibilities	Yes	No	N/A	What has been applied?	Any non-compliance
						international and local laws and regulations, including QFMA regulations."	
6	5.3	Delegations to special committees are done through clear written instructions. (Board remains responsible)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Corporate Governance Policies Manual provides that "the Board, in conducting its activities, will delegate some of its authority to Board Committees." Such committees shall have their own formal terms of reference documenting the roles and responsibilities and delegated authority. Separate Terms of References are developed for each Board Committee.	No

S. No.	Bullet No.	Article 6 – Board Members Fiduciary Responsibilities	Yes	No	N/A	What has been applied?	Any non-compliance
1	NA	Board Members comply with the QFMA Code and Board Charter. Members should act with diligence, care and loyalty (ensure covered in Charter or BOD Code of Ethics).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	QIMC's Board Charter covers the areas of accountability, transparency, fairness, sustainability and confidentiality. These areas cover the required items mentioned. Furthermore all members of the Board are required to attest to the Code of Ethics upon joining and on	No



S. No.	Bullet No.	Article 6 – Board Members Fiduciary Responsibilities	Yes	No	N/A	What has been applied?	Any non-compliance
						an annual basis.	

S. No.	Bullet No.	Article 7 – Separation of Chairman and CEO	Yes	No	N/A	What has been applied?	Any non-compliance
1	NA	Same person may not act as Chairman and CEO.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	QIMC's Chairman is H.E. Sh. AbdulRahman Bin Mohd. Bin Jabor Al-Thani and the CEO is Mr. AbdulRahman Al-Ansari.	No.

S. No.	Bullet No.	Article 8 – Duties of the Chairman	Yes	No	N/A	What has been applied?	Any non-compliance
1	8.1	Chairman ensures members receive timely information to perform their duties.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The duty is incorporated in the Chairman's Job Description.	No
2	8.2	Chairman is not a member of Board Committees (Audit Committee, Nominations and Governance Committee, and Remuneration Committee).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The developed Corporate Governance structure for QIMC provides that the Board Chairman cannot be a member of any of the mentioned committees.	No
3	8.3	Chairman Job Description includes points mentioned in section 8.3.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A detailed job description has been developed for each member of the Board including the Chairman. Points mentioned in 8.3 of QFMA are included in the Chairman's job description.	No

S. No.	Bullet No.	Article 9 – Board Composition	Yes	No	N/A	What has been applied?	Any non-compliance
1	9.1	Board shall include executives, non-executives and independent.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	One of the Board Members are independent 6 non-Executives 1 Executive 2 Representatives of Govt.	No
2	9.2	At least one third are independent.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As per QFMA regulations, one of the Board Members from 8 are independent as they have served in the Board over a long period of time (more than nine years)	No
3.	9.3	Members provide sufficient time	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All members provide sufficient time to perform their required duties. Currently time commitments are not contractually set but are understood by all directors. Furthermore, each director's job description specifies the requirement to provide sufficient time.	No

S. No.	Bullet No.	Article 10 – Non-Executive Board Members	Yes	No	N/A	What has been applied?	Any non-compliance
1	10.1	Non-Executive Director's job descriptions include the points documented in 10.1.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Each non-executive Board member has a Job Description developed which includes points mentioned in 10.1	No
2	10.2	Independent consultancy can be requested by a majority approval of Non-Executive Members.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The BOD may consult at the Company's expense any independent expert or consultant.	No

S. No.	Bullet No.	Article 11 – Board Meetings	Yes	No	N/A	What has been applied?	Any non-compliance
1	11.1	Board meets at least 6 times per year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Board met a total of 6 times in 2011. As per the Board AoA, the Board meets a minimum of 4 times.	Yes. The AoA minimum BOD meeting requirement is not consistent with the QFMA requirement.
2.	11.2	Board is called by Chairman or two members. Invitation and Board Agenda is submitted at least one week before the meeting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	As per the Board Charter / Terms of Reference and the AoA, the Board meets based on the invitation of Chairman or two members. Agenda is also submitted one week before the meeting as provided in the Board Charter / Terms of Reference.	No.

S. No.	Bullet No.	Article 12 – Board Secretary	Yes	No	N/A	What has been applied?	Any non-compliance
1	12.1 and 4	The Board has appointed (a secretary through resolution) for Board administrative matters, timely access of information and coordination of Board members and coordination with stakeholders and the Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Board Charter Terms of Reference includes the Board Secretary qualifications which are in line with the QFMA requirement.	No
2	12.2	Board members have access to Board Meeting Documentation through secretary.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	As per the Board Charter the Secretary maintains Board Documentation and distributes the same to Board Members.	No
3	12.3	Board Secretary provides services to all Board Members	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	While the Board Secretary reports directly to the Chairman, all members have access to the secretary's services.	No
4	12.5	Board Secretary is a professional accountant / member of a chartered body of corporate secretaries / a lawyer / graduate from a recognized university. Board Secretary has at least 3 years experience of handling affairs for a listed company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The CEO is the Secretary of Board of Directors and has been working for a long time since he was the Director Administration & Finance.	No

S. No.	Bullet No.	Article 13 – Conflict of Interest and Insider Trading	Yes	No	N/A	What has been applied?	Any non-compliance
1	13.1	The Company has Related Party Policy which is made public.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Company has adopted a related party policy in its Corporate Governance Policies Manual.	No



S. No.	Bullet No.	Article 13 – Conflict of Interest and Insider Trading	Yes	No	N/A	What has been applied?	Any non-compliance
2	13.1	Related party transactions are approved by a majority of shareholders without the related party participating in the voting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Corporate Governance Policies Manual includes this provision.	No
3	13.2	Board members do not participate in meeting where they have a conflict of interest or are related to the transaction.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Corporate Governance Policies Manual includes this provision.	No
4	13.4	Board Member trading in company shares shall be disclosed. An Insider Trading Policy by Board Members and Employees will be adopted.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	An insider trading policy has been developed and incorporated in the Corporate Governance Policies Manual. Qatar Exchange monitors trading of insiders.	No

S. No.	Bullet No.	Article 14 – Other Board Practices and Duties	Yes	No	N/A	What has been applied?	Any non-compliance
1	14.1	The Board has access to all company documents (check if part of charter or governance policies).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	As per the Board's Charter "Board Members shall have full and immediate access to information, documents, and records pertaining to the Company. The Company's executive management shall provide the Board and its committees with all requested documents and information".	No
2	14.2	Remuneration, Nomination and Audit Committee members, Internal Audit and External Audit Attend GA meeting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All Board Members and External Audit attend GA meetings. QIMC does not currently have an internal Audit function.	No

S. No.	Bullet No.	Article 14 – Other Board Practices and Duties	Yes	No	N/A	What has been applied?	Any non-compliance
3	14.3	An induction program for newly appointed members is in place, members responsibilities clearly discussed upon joining.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Corporate Governance Policies Manual include guidelines on BOD induction program and formal trainings.	No
4	14.4	Board will adopt a formal training to enhance Board Member knowledge.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Corporate Governance Policies Manual include guidelines on BOD induction program and formal trainings.	No
5	14.5	Board will be kept upto date on CG directly or through Audit / Governance Committee.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Board is currently being kept up to date on Corporate Governance issues. Going forward, the Nomination and Governance Committee will handle the review of corporate governance practices and issues.	No
6	14.6	The AoA of the Company will include procedures for the removing members who fail to attend meetings.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This is not specifically mentioned in QIMC's AoA. However, this is incorporated in QCCL which the Company adheres to.	Yes, QIMC will consider amending the AoA accordingly.

S. No.	Bullet No.	Article 15 – Appointments and Nomination Committee	Yes	No	N/A	What has been applied?	Any non-compliance
1	15.1	Formal, rigorous and transparent Board Appointment Procedure in place.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Company has established a system for nomination / appointment of BOD. Going forward, this will be part of the nomination and Governance Committee duty.	No



S. No.	Bullet No.	Article 15 – Appointments and Nomination Committee	Yes	No	N/A	What has been applied?	Any non-compliance
2	15.2	Company must have a Nomination Committee chaired by an Independent and comprised of Independent Members.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Committee Terms of Reference have been developed.	Yes. Terms of Reference are pending Board's approval. There are no more than 2 independent directors in the Company.
3.	15.3	Nomination Process / Assessment of Board Members in accordance with Annex 2 of QFMA.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Company's nomination process / assessment of Board Members is in accordance with QFMA.	No
4.	15.4	Nomination Committee TOR is published.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Terms of Reference is still under development. Upon arrival, it will be published on the Company's website.	Yes (Terms of Reference will be published on the Company's website after BOD's approval.)
5	15.5	Annual Self Assessment Process is in place	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The templates and tools to perform an annual self-assessment is incorporated in the Corporate Governance Policies Manual and will be implemented in due course.	No

S. No.	Bullet No.	Article 16 – Remuneration	Yes	No	N/A	What has been applied?	Any non-compliance
1	16.1	Remuneration Committee comprised of 3 non-executives majority independent.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Committee Terms of Reference have been developed.	Yes. Terms of Reference are pending Board's approval. There are no independent directors in the Company.
2	16.2	TOR is published.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Committee Terms of Reference have been developed. Upon approval, it will be published on the Company's website.	Yes (Terms of Reference will be published on the Company's website after BOD's approval).
3.	16.3	Remuneration policy presented to the GA and made public.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The provision is incorporated in the Corporate Governance Policies Manual.	Yes (to be published in the Company's website after Board's approval and GA).

S. No.	Bullet No.	Article 17 – Audit Committee	Yes	No	N/A	What has been applied?	Any non-compliance
1	17.1	Audit Committee comprise of 3 members, majority independent. One member with Financial and audit experience. Chairman is independent.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Committee Terms of Reference have been developed. Currently QIMC has a "Internal Auditing Committee".	Yes. Terms of Reference are pending Board's approval.

S. No.	Bullet No.	Article 17 – Audit Committee	Yes	No	N/A	What has been applied?	Any non-compliance
2	17.2	Members can not include an external auditor of the past two years.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This provision is incorporated in the Audit Committee Member job description.	No
3	17.4	The Audit Committee meets at least quarterly and has minutes of meetings.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Met 4 times on quarterly basis.	
4	17.5	Disagreements between the committee and the Board are noted in the Governance Report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No disagreements noted.	No
5	17.6	Publish its TOR.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Committee Terms of Reference have been developed. Upon approval, it will be published on the Company's website.	Yes (Terms of Reference will be published in the Company's website after Board's approval).
6	17.6	Adopt a policy for external auditors.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Policy for external auditors has been adopted as part of Corporate Governance Policies Manual.	No (pending Board approval).
7	17.6	Meet at least once a year with the external auditor.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This provision is incorporated in the BOD Terms of Reference.	No
8	17.6	Develop whistle blowing rules.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Whistle blowing policy has been developed and incorporated in the Corporate Governance Policies Manual.	No

S. No.	Bullet No.	Article 18 – Compliance, Internal Control and Internal Auditor	Yes	No	N/A	What has been applied?	Any non-compliance
1	18.1	Internal Control System (for risk, compliance and governance) adopted by the Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Company has developed internal audit, risk, compliance and corporate governance policies and procedures.	Yes, Pending.
2	18.2	Company conducts Risk Assessments.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	As part of the operational risk process, risk assessments are conducted.	No
3	18.2	Company has internal audit function (operational and financial)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The current full internal audit function of the Company is being outsourced.	Yes, However they are in the process of establishing an Internal Audit Function.
4.	18.3	The Audit Committee meets at least quarterly and has minutes of meetings.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Internal Audit Committee met a total of 5 times in 2011 and has meeting minutes for each.	No
5	18.4	Internal Audit Function with at least one auditor who reports to the Board, through the Audit Committee.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The current full internal audit function of the Company is being outsourced.	Yes, However they are in the process of establishing an Internal Audit Function.
6.	18.5	Audit Reports include relevant information in 18.5.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	QIMC Internal Audit Reports are prepared in accordance with Institute of Internal Audit Standards.	No
7.	18.6	Audit Reports prepared every 3 months.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A total of 5 reports were issued in 2011 on a continuous basis throughout the year.	No

S. No.	Bullet No.	Article 19 – External Auditor	Yes	No	N/A	What has been applied?	Any non-compliance
1	19.1	Appointed external auditor does annual and semi annual audits.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	KPMG is our external auditor and they perform semi annual audits and quarterly reviews.	No
2	19.2	External auditor is independent from the Company and the Board of Directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The external auditor is independent from the Company and the Board.	No
3	19.3	External auditor attends AGM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	External auditor attended the 2011 AGM. As a practice the external auditor attends the AGM.	No
4	19.4	External Auditor raises any concerns to regulatory authority, if no action taken by Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	External Auditor may raise concerns as appropriate.	No
5	19.5	External Auditor is rotated every 3 years.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		No.

S. No.	Bullet No.	Article 20 – Corporate Governance Report	Yes	No	N/A	What has been applied?	Any non-compliance
1	20.1	Financial disclosures are made.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Incorporated as part of the financial statements	No
2	20.1	Disclosure on Board Members (resume) of education, professions, board seats they hold.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Incorporated in this report.	No
3	20.1	Name of members of various committees.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Summary at the beginning of this report is provided.	No
4	20.3	Financials are in accordance with IFRS / IAS and ISA.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The audited financial statements have been prepared in accordance with IFRS.	No
5	20.4	Audit financials are made available to all shareholders	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Published on the Qatar Exchange website.	No

S. No.	Bullet No.	Article 21 – Shareholder Rights	Yes	No	N/A	What has been applied?	Any non-compliance
1	NA	Shareholder Rights are protected in accordance with AoA and this Code.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A shareholders relation policy has been developed and incorporated in the Corporate Governance Policies Manual.	No

S. No.	Bullet No.	Article 22 – Ownership Records	Yes	No	N/A	What has been applied?	Any non-compliance
1	22.1	Share ownership records are maintained and updated.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shareholder records are maintained and updated by the Qatar Exchange.	No
2	22.2	Shareholder register can be freely accessed by all shareholders during office hours or in accordance with Access to Information Procedure.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shareholder register is maintained and updated by the Qatar Exchange.	No
3	22.3	Shareholder may obtain any document listed in 22.3 for a fee (check if there is Access to Information Procedure)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This provision is included in the shareholder relations policy in the Corporate Governance Policies Manual.	No

S. No.	Bullet No.	Article 23 – Ownership Records	Yes	No	N/A	What has been applied?	Any non-compliance
1	23.1	Access to Information Procedures included in AoA and by laws.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This requirement is not specifically outlined in the Company's AoA. However, this has been incorporated in the Corporate Governance Policies Manual.	No
2	23.2	The Company shall have a website where all disclosures are made.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A company website is being maintained. However, it does not include all disclosures required by QFMA.	No

S. No.	Bullet No.	Article 24 – Shareholder Rights with regard to Shareholder Meetings	Yes	No	N/A	What has been applied?	Any non-compliance
1	NA	Shareholder right to call a GA, right to place items on the agenda, discuss matters listed on the agenda and address questions is included in AoA / Bylaws.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Right to call for a General Assembly is in accordance with Commercial Companies Law and is depicted in the Articles of Association.	No

S. No.	Bullet No.	Article 25 – Equitable Treatment	Yes	No	N/A	What has been applied?	Any non-compliance
1	25.1	Shareholder right in same class are the same	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Only one class of shares	No
2	25.2	Proxy voting is permitted.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Proxy voting is permitted and is communicated to shareholders.	No

S. No.	Bullet No.	Article 26 – Shareholder rights in Board Member Elections	Yes	No	N/A	What has been applied?	Any non-compliance
1	26.1	AoA and Bylaws include provisions ensuring shareholders are given information relating to Board Member candidates.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No specific provision incorporated in the AoA.	Yes. Will modify the basic law.
2	26.2	Voting for Board Members is through Cumulative Voting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Voting mechanism is in accordance with Commercial Companies Law and is on a cumulative vote basis.	No

S. No.	Bullet No.	Article 27 – Dividend Distribution	Yes	No	N/A	What has been applied?	Any non-compliance
1	NA	BOD will submit to the GA a clear policy on dividend distribution.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This provision is incorporated in the Corporate Governance Policies Manual.	No

S. No.	Bullet No.	Article 28 – Capital Structures, Shareholder Rights and Major Transactions	Yes	No	N/A	What has been applied?	Any non-compliance
1	28.1	Capital structure is disclosed. Company should determine what shareholder agreements are disclosed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Capital structure shown in the Financial Statement	No
2	28.2	AoA and / or Bylaws protect minority shareholders in the event of approval of Major Transactions when minority shareholders is against such transactions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Provision for the protection of all shareholders is not specifically disclosed in AoA. However, it is provided for in the Corporate Governance Policies Manual.	Yes, AoA will be modified.
3	28.2	AoA and / or Bylaws provide triggers or Tag Along Right in case of a change in ownership exceeding a certain threshold.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Provisions for the triggers or Tag Along Rights are not specifically disclosed in AoA. However, it is provided for in the Corporate Governance Policies Manual.	Yes, AoA will be modified.

S. No.	Bullet No.	Article 29 – Stakeholders Rights	Yes	No	N/A	What has been applied?	Any non-compliance
1	29.2	Employees treated in accordance with principles of fairness and equity without discrimination.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Company has developed a code of ethics which defines the principles mentioned.	No
2	29.3	Employees' remuneration policy and packages developed by the Board which should take into consideration long term performance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Company has developed a performance appraisal scheme for employees.	No
3	29.4	Board adopts a mechanism for reporting unethical behavior (whistle-blowing), where whistle-blower is protected.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Company has developed a Whistle-Blower Policy which is incorporated in the	No





S. No.	Bullet No.	Article 29 – Stakeholders Rights	Yes	No	N/A	What has been applied?	Any non-compliance
						Corporate Governance Policies Manual. The policy will be implemented as soon as Board's approval is obtained.	

S. No.	Bullet No.	Article 30 – Report	Yes	No	N/A	What has been applied?	Any non-compliance
1	30	Governance Report covers the items documented in Article 30.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Complied with in this report.	No