



# Qatar General Insurance & Reinsurance Company Q.P.S.C

Corporate Governance Report for 2017



**QATAR GENERAL**  
INSURANCE & REINSURANCE CO. Q.P.S.C.



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# Qatar General Insurance & Reinsurance Company Q.P.S.C

## Corporate Governance Report for 2017

### Corporate Governance

In accordance with the provisions of the Corporate Governance Code (the "Code") for Companies and Legal Entities Listed on the Main Market regulated by Qatar Financial Markets Authority (QFMA), and in compliance with Article 4 of the said Code, and in application of Resolution No.1 of 2016 of the Insurance Executive Instructions and Governance Principles for Insurance Companies issued by Qatar Central Bank (QCB), and in accordance with the Qatar Commercial Companies Law No.11 of 2015, the Board of Directors (the "Board") of Qatar General Insurance and Reinsurance Company Q.P.S.C (the "Company") is pleased to present the Annual Governance Report for 2017, which is drafted in accordance to the sound governance framework and the principles of full disclosure aiming to achieve complete transparency, justice and equality leading to the realisation of public benefit, and the best interest of the Company, its shareholders and stakeholders.

### Introduction:

In pursuing corporate best practices, the Company believes that governance is the comprehensive system through which a company can be directed and controlled, maintaining world-class professional conduct, and enhancing and strengthening corporate

governance code compliance programmes by fully complying with all applicable relevant laws and regulations. Generally, and in line with the rules of corporate governance, the Company has performed the following:

1. As part of the implementation of sound corporate governance principles and in accordance with the international standards relating to sound governance, and as the Management is keen to establish the principles of governance rules and standards, and to boost the investor's confidence in the Company through greater transparency, disclosure and the safeguarding of shareholders' equity, especially the rights of minor shareholders, the Board has sought to achieve the highest levels of governance within the framework of applicable legislations to the Commercial Companies, particularly the Qatar Commercial Companies Law No. 11 of 2015 and Qatar Financial Markets Authority's (QFMA) laws and regulations through attention to internal and external control tools and the implementation of effective governance procedures in the Company. The Company is also working towards implementation of the governance rules and standards in accordance with the relevant regulations of QFMA, and as well the Insurance Executive Instructions and the Governance Principles for Insurance Companies issued by Qatar Central Bank

(QCB), which became the Supervising Regulatory Authority of Insurance Companies under Law No. 13 of 2012.

2. The Company has developed the Governance Manual which includes the principles, rules, policies and procedures to ensure the implementation of effective governance practices as directed by the Board of Directors and in accordance with the relevant provisions of QFMA's regulations, the Insurance Executive Instructions and the Insurance Governance Principles issued by Qatar Central Bank (QCB) and the provisions of the Commercial Companies Law, in addition to the Company's Memorandum and Articles of Association. The governance system adopted by the Board provides assurance of the implementation of the rules and procedures required for sound governance in the Company, taking into account the best international governance standards, as well as adopting highest ethical value principles and observing the corporate social responsibility.

Such Manual is being reviewed annually to accommodate with all the issued regulations related to Governance.

3. Within its organisational structure, the Company has dedicated an integrated Compliance Department, the duties of which includes to ensure the Company's compliance and adherence to the implementation of the relevant laws, rules and procedures and also an integrated Risk Management Department.
4. The Executive Management, represented by the Executive Management Committee, assists the Board in implementing the principles and provisions of sound governance, and developing and updating

the Company's corporate governance policies and procedures, considering business variables, the provisions of the Code, QCB's requirements and the best professional governance standards.

This report aims to provide a comprehensive overview of the Company's sound governance and management practices and implementation of all relevant laws, regulations and instructions.

### Company Profile:

Qatar General Insurance and Reinsurance Company Q.P.S.C (the "Company") is a Qatari public joint-stock company, founded in 1979 under the provisions of the Joint-Stock Companies Regulation Law of 1961 as amended by Commercial Companies Law No. (5) of 2002 which in turn was amended by the Commercial Companies Law No.11 of 2015, to conduct all types of insurance and reinsurance business (except life insurance) and for capital and property investment. The Company's paid up capital is QR875,067,030 (Qatari Riyals Eight Hundred Seventy-Five Million Sixty Seven Thousand Thirty) divided into 87,506,703 shares (Eighty Seven Million Five Hundred Six Thousand Seven Hundred and Three shares). The Company carries out, through its branches across all the regions within the State of Qatar, the following diverse activities:

1. All types of insurance except life insurance (fire, general accident, marine and aviation, automotive, medical).
2. Investment in securities.
3. Real estate investment.
4. Investment in associates and subsidiaries.

As one of the Largest Insurance Companies operating in the State of Qatar, the Company's compliance with all the laws, regulations, resolutions and instructions issued by the competent authorities supervising the activities

of the Insurance Companies, has left a significant positive impact on its relationship with its shareholders, stakeholders and with the Regulators.

### Board of Directors:

The Company is managed by a Board of Directors composed of nine members, who possess the necessary expertise for the Company's business. Under the Company's Memorandum and Articles of Association, the Board of Directors (the "Board") is collectively responsible for the Company's management and performance, for developing the Company's overall comprehensive strategy and the required policies and procedures, including credit and investment policies, whether directly or through the Board Committees to implement the key business plans and providing the required administrative and supervisory guidance and effective control of the Company.

The members of the Board are elected through the General Assembly of Shareholders in accordance with the provisions of the Company's Memorandum and Articles of Association, Qatar's Commercial Companies Law, QFMA's regulations and as per the provisions of QCB's laws, in addition to fulfilling any other requirements stipulated in the applicable laws and regulations. It is noteworthy that it is observed to have one third of the Board members as independent and experienced members. The Board of Directors is composed of nine members, serving for a three-years renewable term. The current Board was elected by the shareholders for a period of three years (2017-2019) at the Ordinary & Extraordinary General Assembly Meetings held on 21 March 2017, in which it was resolved to increase the number of the Board members from 8 to 9 members and to amend the Company's Articles of Association accordingly. The Board members have the necessary experience and

knowledge to perform their duties, particularly in the financial and economic sectors.

### 1. The Board's Charter:

The Board performs its duties and responsibilities in accordance with the Charter of the Board of Directors, developed as per the form annexed to the Corporate Governance Code, defining the Board's tasks, duties and responsibilities, the duties of its members, the composition of the Board and its Committees. The Charter also defines the voting and decision-making mechanism and generally the Board's role in leading the Company in accordance with the requirements of the Company's Memorandum and Articles of Association, QFMA's regulations, the Commercial Companies Law, and Qatar Central Bank Law and the Executive Instructions issued pursuant to it. The Board Charter is made available to the public through the Company's website, which is one of the key requirements of Corporate Governance principles aimed to develop corporate functioning. This Charter is in the process of being amended to comply with the provisions of the new Commercial Companies Law No.11 of 2015, the Insurance Executive Instructions and the Governance Principles for Insurance Companies issued by Qatar Central Bank and the new Governance Code.

### 2. The Composition of the Board of Directors:

Below is a table that provides information about the members of the current Board of Directors, their number of shares and percentage of capital share as at 31/12/2017:

| Name   | Designation   | Number of Shares | % of Share Capital | CV   | Capacity  |
|--|---|------------------|--------------------|--|---|
| Sheikh Nasser Bin Ali Bin Saud Al Thani        | Chairman of the Board   | 5,518,129        | 6.3%               | <p>Businessman</p> <p>Over 23 years of professional expertise in the (insurance, investment, banking and management) fields.</p> <p>Vice Chairman of the Board of Directors of Ahli Bank</p> <p>Board member of Trust Bank Algeria</p> <p>Board member of Trust Investment (Algeria)</p> <p>Board member of Trust Insurance and Reinsurance (Algeria)</p> <p>Chairman and Managing Director of the Company</p> | Chairman of the Board and Managing Director   |
| Sheikh Mohammed Bin Ali Bin Saud Al Thani      | Vice Chairman of the Board  | 1,042,062        | 1.19%              | <p>Businessman</p> <p>Board Member of the Company</p>  | Non-Executive, Independent Member (Sheikh Mohammed Al Thani holds a tiny fraction of shareholding exceeds 1%) |
| Sheikh Ali Bin Jassim Bin Mohammed Al Thani    | Board Member  | 2,604,191        | 2.97%              | <p>Businessman</p> <p>Chairman of the Board of Directors of Milaha</p> <p>Board member of Naqilat</p> <p>Board member of Al Rayyan Bank</p> <p>Board Member of the Company</p>   | Non-Executive Member  |
| Sheikh Faisal Bin Jassim Bin Mohammed Al Thani | Board Member Representative of Middle East Business Development Company | 3,935,854        | 4.49%              | <p>Businessman</p> <p>Board Member of the Company</p>  | Non-Executive Member  |
| Mr. Hamad Mohammed Hamad Al Mana               | Board Member  | 2,041,584        | 2.33%              | <p>Businessman</p> <p>Board Member of Milaha</p> <p>Board member of Doha Bank</p> <p>Board Member of the Company</p>   | Non-Executive Member  |
| Mr. Abdul Aziz Mohammed Hamad Al Mana          | Board Member  | 2,138,822        | 2.44%              | <p>Businessman</p> <p>Vice Chairman of the Board of Directors of Barwa Bank</p> <p>Board member of United Development Company</p> <p>Board Member of the Company</p>   | Non-Executive Member  |

| Name                           | Designation  | Number of Shares | % of Share Capital | CV   | Capacity                          |
|--------------------------------|--|------------------|--------------------|--|-----------------------------------|
| Mr. Rashid Bin Faisal Al Naimi | Board Member - Representative of Al-Faisal Trading & Contracting Establishment | 437,534          | 0.50%              | Businessman<br>Board Member of the Company | Non-Executive, Independent Member |
| Mr. Khalifa Ali Saad Al-Kaabi  | Board Member - Representative of Ali Bin Saad Al-Kaabi Company                 | 877,101          | 1.00%              | Businessman<br>Board Member of the Company | Non-Executive Independent Member  |
| Mr. Abdullah Ali Saad Al-Kaabi | Board Member - Representative of North Africa Energy Company                   | 437,534          | 0.50%              | Businessman<br>Board Member of the Company | Non-Executive Independent Member  |

### Major Shareholders as at 31/12/2017:

| Name  | Number of Shares | % of Share Capital |
|---|------------------|--------------------|
| Trust International Insurance and Reinsurance Company | 7,468,015        | 8.53%              |
| Sheikh Nasser Bin Ali Bin Saud Al Thani               | 5,518,129        | 6.3%               |
| Sheikh Ahmed Bin Ali Bin Saud Al Thani                | 4,375,335        | 5%                 |
| Al Mana Capital Holding Company                       | 4,375,334        | 5%                 |
| Al Mana Capital Real State Company                    | 4,375,334        | 5%                 |

## The Board's Tasks and Responsibilities:

1. The Board is responsible for the management of the Company, establishing its key business plans, comprehensive strategies and main objectives and supervision of the implementation of the same by the Company's Executive Management. Subject to the authorities of the General Assembly, the Board shall assume all the authorities and powers necessary for management of the Company and shall discharge its duties as set out in all the relevant applicable laws, the Articles of Association and bylaws. The Board shall remain responsible for all the Board Committees.
2. The Board shall carry out and perform its duties prudently, in good faith, with a view to the best interests of the Company, and its resolutions shall be based upon adequate information from the Executive Management or any other reliable source.
3. The Board shall ensure providing its members with a full and prompt access to the Company related information, documents and records via the Board Committees. The Company's Executive Management shall provide the Board and its Committees with all requested documents and information.
4. Among the Board's functions is to develop and adopt the Company's management and organisational structure, the policies (financial, accounting, internal audit, etc.), strategies and systems especially the Risk Management system and the Internal Administrative system; the definition of tasks, functions, duties and responsibilities; the formation of the Committees and the definition of their functions; the nomination of the Company's External Auditor based on competency and efficiency; and determining the Auditor's fees for the Company's General Assembly.
5. The Board members shall ensure the attendance of the Nomination and Remuneration Committee members, the Audit Committee members, the Internal Auditors and representatives of the External Auditors the Company's General Assembly Meeting.
6. The Board shall design a training programme for newly appointed Board members to ensure that, members upon election shall have an adequate understanding of the Company's functions and operations and that they are fully aware of their respective responsibilities.
7. The Board members are responsible for having an appropriate understanding of their role and duties, and for educating themselves in financial, business, and industry practices as well as the Company's operations and functioning. In this respect, the Board shall adopt an appropriate formal training to enhance Board members' skills and knowledge.
8. The Board shall at all times keep its members aware of the latest developments in the area of Governance and best practices relating thereto. The Board may delegate the same to the Audit Committee or the Governance Committee or any other body as it deems appropriate.
9. The Company's Articles of Association shall include clear procedures for the tasks, authorities and powers of the Board, the terms and conditions of membership and isolation terms in the event of failing to attend the Board meetings, and other Company provisions related to the Board. The Board shall also assume all the other functions, duties and responsibilities prescribed in the relevant laws and regulations.

10. The Board shall prepare an Annual Report that includes a comprehensive assessment of the Company's performance and results of its activities during the year.

The Board shall have the broadest powers to manage the Company's affairs; set, develop and adopt future plans and strategic objectives and policies; approve, supervise and regularly review the Internal Control systems. The Board shall approve the appointment, determine the remuneration and review the performance of Executive Managers; and shall review the overall performance of the Company based on the recommendations of the Nomination and Remuneration Committee.

The Board shall also bear the overall responsibility for the Company's compliance with the applicable related laws, the Company's Memorandum and Articles of Association. It shall be also responsible for protecting the Company from illegal business or practices, ensuring the Company's adherence to the provisions of the Corporate Governance code and the provisions of Qatar Central Bank's Law, and reviewing all applicable legislations as well as updating the adopted Governance applications regularly.

### **Board Secretary:**

Mr. Hassan Taha Mohammed has been appointed by the Board as the Board's Secretary, who holds a law degree from a recognised university and who has relevant expertise and knowledge, to work under the supervision of the Chairman of the Board to ensure the orderly, timely delivery and distribution of documents and information to members, and to coordinate between the Chairman and the Board members, and between the Board and other stakeholders, including shareholders, Executive Management, and staff, responding to their enquiries and providing necessary advice. The secretary shall also handle the invitation sent to the

Board Members enclosing the Agenda thereto, recording, coordinating, and safekeeping of the Board's minutes of meetings, resolutions and all the records, correspondences, communications and books, and the reports submitted by and to the Board.

### **Company's Official Spokesperson**

The Board has appointed Mr. George Wakim, the Legal Manager of Qatar General Group - as the Company's Official Spokesperson.

### **Fiduciary Duties of the Board Members:**

1. Each Board member owes the Company the fiduciary duties of care, loyalty and compliance with the corporate authority as set out in the relevant laws and regulations including the Code and the Board Charter.
2. The Board members shall at all times act on an informed basis, in good faith, with due diligence and care for the best interests of the Company and all shareholders.
3. The Board members shall act effectively to fulfil their responsibilities towards achieving the Company's and shareholders best interests.

### **Duties and responsibilities of Non-Executive Members of the Board of Directors:**

1. Non-Executive members shall regularly participate in all Board meetings, providing an independent opinion and engaging in decision-making with respect to the Company's strategic matters and policy, evaluating the performance of the Executive Management and the overall management of the Company.
2. Non-Executive members shall also assume responsibility for monitoring and developing

Internal Audit and Risk Management Departments' activities, investigating any irregularities or violations of the Company's applicable regulations and policies through their active membership in the Audit Committee and Risk Management Committee.

3. The Nomination and Remuneration Committee shall comprise Non-Executive members to evaluate the performance of the Chairman, members of the Board of Directors and the Executive Management of the Company, selecting the nominees for such positions and determining their remunerations, through their membership in the Nomination and Remuneration Committee to ensure impartial and objective decision-making in this regard.

In accordance with the Company's Articles of Association and the Commercial Companies Law, the General Assembly of the Shareholders may terminate the membership of the Chairman or any of the Board members, based on the proposal of the absolute majority of the Board members, or at the written request of shareholders who own a minimum of 25% of the subscribed capital of the Company.

The remunerations of the Board of Directors shall be adopted by the General Assembly of Shareholders on an annual basis at the Annual General Assembly (AGM), in accordance with the requirements of the Commercial Companies Law, the law of Qatar Central Bank, the law of Qatar Financial Market Authority, the Company's Articles of Association and all applicable laws. The Nomination and Remuneration Committee has initiated a analysis of the mechanism for evaluating the performance of the Board and its members on an annual basis, in order to determine its effectiveness in the management of Company's affairs and in achieving the set strategic objectives, as well as to identify the vulnerabilities to be addressed, and to improve the Board's supervisory and control performance.

### **The Tasks and Functions of the Chairman of the Board:**

1. The Chairman of the Board of Directors shall be responsible for calling, chairing and supervising the proper functioning of Board meetings;
2. Overseeing and approving the Board's Agenda; providing the Board and the Committee members with all the relevant accurate information in a timely manner;
3. Ensuring that all listed issues on the Agenda are discussed effectively, including the issues raised by the Board Members. The Chairman shall be responsible for proper and effective discharging of the Board's duties;
4. The Chairman of the Board shall maintain constant communication with the Shareholders and ensure communicating their opinions to the Board as well as to the relevant Official and Regulatory authorities;
5. The Chairman of the Board shall also chair the Ordinary and Extraordinary General Assembly Meetings of the Company; presenting the Board's Annual Report to the General Assembly; following up on the implementation of General Assembly resolutions and the decisions of the Board; and overseeing the annual performance assessment of the Board;
6. The Chairman, in his capacity as the Managing Director, does not perform any executive functions, but rather acts as the focal point between the Company's Board and the Company's Executive Management Committee, for coordinating among them to fully achieve the objectives set by the Board; and
7. The Chairman shall not be a member of any of the Board's Committees.

## Board Meetings:

Based on the provisions of the applicable laws in force and the Company's Articles of Association, the Board must convene a minimum of six (6) meetings per year. The Board held seven (7) Board meetings during 2017.

The Board has documented its meetings and recorded its discussions and deliberations, while at all times observing the provisions of all applicable laws and regulations relating to the Board's meetings.

The Board members have dedicated the necessary time to discharge their duties, including preparing for the Board & Committees' meetings and ensuring its attendance. In terms of its Annual Assessment of its Committees, the Board reviewed and discussed the achievements of its Committees and their impact and effectiveness in achieving the interests of the Company and its stakeholders. According to the Board's Assessment Committees activities and functions, the results of such activities and functions have been included in the Report under review. The Board has concluded that its Committees have fulfilled its assigned duties and responsibilities, both the statutory and/or the regulatory duties. Being the entity responsible for following up the implementation of the Company's objectives, the Board has also performed an Assessment of the Executive Management functions in the Company, during its daily management of the Company's affairs and implementation of the strategy set by the Board. The Company's Executive Management has carried out its duties within the Internal Control Framework of the Company, implementing the recommendations and/or any updates presented by (the Internal Auditor, Actuary, Risk management Department and Compliance Department). It is noteworthy that no grievances, suggestions and/or notifications were reported during the Company's financial year under review.

## Board Committees:

Pursuant to its relevant resolution, the Board formed three Committees to assist in fulfilling its duties and responsibilities in accordance with the provisions of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market regulated by the Qatar Financial Markets Authority (QFMA), the Insurance Executive Instructions and Governance Principles for Insurance Companies issued by Qatar Central Bank (QCB). The Committees have been formed to support the Board in carrying out its duties and discharging its responsibilities in management of the Company.

### 1. Nomination And Remuneration Committee:

The Nomination and Remuneration Committee has been formed following a Board's resolution to assist the Board in performing its responsibilities and fulfilling its commitments in relevance to the Corporate Governance and overseeing the Company's Nomination and Remuneration policies and procedures, enabling the Board to attract high calibre Senior Management. The Board has ensured that the Committee has access to all the Company's documents, records and operations, meeting with the Company's employees, etc. Also, it has been observed that the members of the Committee are Non-executive and Independent. The Committee has developed its charter which was adopted by the Board, that defines the Committee's authorities and responsibilities. In addition, the Committee shall remain accountable for all the obligations governed by the relevant Laws and regulations.

This Committee is composed of Non-Executive and Independent members of the Board, as follows:

| Name                               | Position                  |
|------------------------------------|---------------------------|
| Mr. Khalifa Bin Ali Saad Al Kaabi  | Chairman of the Committee |
| Mr. Rashid Faisal Al Naimi         | Member of the Committee   |
| Mr. Abdullah Bin Ali Saad Al Kaabi | Member of the Committee   |

It has been observed that the Chairman of this Committee shall not be the Chairman of any other Board Committees.

#### Duties and Responsibilities:

- To nominate and re-nominate the members of the Board for election by the General Assembly, assessing the nominees for Board membership, and ensuring the implementation of all nomination requirements in accordance with the regulatory laws and the approved policies and standards.
- To assess the performance of the Board, its Committees and the Senior Management.
- To adopt the Company's organisation structure, and define its general policy for wages and remuneration, determining the basis for granting such allowances and incentives, and recommending the remunerations and incentives of the Chairman, members of the Board, the Senior Executive Management and the employees in the Company.
- To develop the Succession Planning scheme of the Company's Management to ensure a prompt and smooth appointment to fill the vacant position.

- Review the Performance Assessment criteria of the Board members and the Senior Executive Management for the purposes of determining their annual remunerations.
- To submit reports to the Board covering its activities and recommendations.
- The Committee's Framework shall be determined by a General Assembly's resolution based on the Board's proposal.

The Committee held two (2) meetings during 2017.

#### Achievements

In compliance with the sound Governance Principles, and given the Board's continuous endeavours to achieve full compliance and transparency, the Nomination and Remuneration Committee, within its respective duties stipulated in its Charter and in accordance with the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market, has performed the following:

- The Committee discussed the election of the Board members of Qatar General Insurance and Reinsurance Company for the period (2017 to 2019), elaborating the Internal Memorandum submitted by the Group Legal Department and its respective recommendation concerning the Board members election. The Committee adopted this recommendation and the templates related to the nomination of the Board members, comprising three templates prepared for Individuals, Independent Individuals and Corporations, and validating all the nomination required documents and ensuring the availability of the pre-requisites for nomination to Board membership, and submitted a list of nominated Board members, meeting the requirements to Qatar Central Bank, in order to obtain its approval.

2. In application of the Insurance Companies Governance Principles issued by Qatar Central Bank (QCB) and QCB’s Circular No. 15/2017, the Committee, in coordination with the Human Resources Department, is preparing a comprehensive study concerning the basis and policy for granting Remunerations and Incentives in the Company.
3. In terms of its duties, the Committee continues its follow up for developing the skills of the Company’s Board members, Executive Management and Customer Service employees, and monitoring the performance of the Company’s employees to be reflected accordingly on the Remunerations and Incentives, after obtaining the necessary approvals, in accordance with the aforementioned item.
4. The Committee performed the Annual Assessment of the Board, based on the Board’s fulfilment of its obligations and duties for the best interest of the Company. The Assessment was also conducted on the basis of several other factors and areas, to define the Company’s objectives and strategy by the Board, and the Board’s follow up of the implementation of the same, and the effectiveness of the internal Controls functions of the Company. The Committee concluded that the Board discharged its statutory and regulatory obligations in line with the Company’s best interest.

**2. The Audit Committee:**

The Audit Committee was formed by a Board resolution to assist the Board in carrying out its responsibilities and duties related to Corporate Governance and overseeing the Company’s Financial Reporting, Internal Control systems, the Audit process, the External Audit, and the Company’s procedures to ensure compliance with the statutory requirements, regulations

and Laws. One of the key responsibilities of the Committee is to ensure implementation of the Company’s Accounting, Financial and Audit systems in accordance with the best practices and procedures. The Committee has been assigned the power to initiate or allow the initiation of conducting investigations in relevance to any matter falling within its respective scope of responsibility. The pre-requisites for the Committee’s members have been observed, provided that the majority of the members are independent and that its Chairman is not a member of any other Committee. The Committee has developed its charter which was adopted by the Board that defines the Committee’s authorities and responsibilities. In addition, the Committee shall remain accountable for all the obligations governed by relevant Laws and regulations.

The Committee performs its duties in accordance with the Charter of the Audit Committee adopted by the Board. This Charter is reviewed on an annual basis, and was revised in November 2017 to align with the composition and functions of the current Committee. The Committee also reviews the Internal Audit Charter and the Policies and Procedures of the Internal Audit Department on an annual basis to ensure its relevance and adoption of the best Internal Audit practices.

This committee comprises of Non-Executive and Independent Board Members, as follows:

| Name                                      | Position                  |
|---|---------------------------|
| Sheikh Mohammed Bin Ali Bin Saud Al Thani | Chairman of the Committee |
| Mr. Khalifa Bin Ali Saad Al Kaabi         | Member of the Committee   |
| Mr. Rashid Faisal Al Naimi                | Member of the Committee   |

It has been observed that the Chairman of this Committee shall not be the Chairman of any other Board Committees.

#### **Duties and responsibilities:**

1. To set the related criteria and standards for appointing the External Auditors, issuing the necessary recommendation to the Board concerning such an appointment;
2. To oversee and ensure the independence of the External Auditors functions, discuss their reports, and submit the necessary recommendations to the Board with respect to assessing the External Auditors and their fees;
3. To ensure the accuracy of the financial statements and the quarterly, semi-annual and Annual Reports, while preparing the same in accordance with the International Accounting and Disclosure standards and principles prior to presenting it to the Board;
4. To review, consider and develop the effectiveness of the Company's Internal and Financial Control systems Reports and procedures, business systems and conflicts of interest, and to discuss the relevant reports and provide the necessary decisions to that effect;
5. To consider and deliberate with the Company's Executive Management any observations made by the Internal Audit Department and the External Auditor, and investigate to identify those involved in any violations of the Internal Control Systems;
6. To define the tasks, authorities, and action plans of the Company's Internal Control Department;
7. To ensure the accuracy of the information presented in the Annual General Assembly Meeting;
8. To oversee all the tasks and functions of the Internal Audit Department;
9. To regularly report the Committee's activities to the Board;
10. Comply with the State's applicable laws; and
11. Consider any matters referred to it by the Board.

#### **Achievements**

1. During 2017, the Committee held six (6) meetings in addition to holding several meetings over the phone, in order to settle certain matters on a timely basis.
2. The Committee convened several times with the Internal Auditors throughout the year, to review and adopt the submitted reports in accordance with the approved plan. Any significant observations and audit related recommendations in such reports were discussed together with the corrective actions taken by the Management in this regard.
3. The Committee met with the External Auditors at different times during the year to discuss the significant Audit results with respect to the effectiveness and efficiency of the Company's Internal Controls.

4. The Committee submitted its recommendations to the Board concerning the following:

- The financial statements of Qatar General Insurance and Reinsurance Company and its subsidiaries as at 31/12/2017 were prepared in accordance with the International Financial Reporting Standards, while ensuring that these statement accurately reflect the Company’s financial position, in order to be adopted by the Board.
- Appointment of Rodl & Partner as the Company’s External Auditor.
- Appointment of Ernst & Young to provide the Co-sourcing Services for the Internal Audit department for the year 2017-2018.
- Approval of the risk-based Internal Audit plan, that will be implemented by the Internal Audit Department in coordination with the Co-sourced Auditors.

This Committee held six (6) meetings during 2017.

### 3. Risk Management Committee:

The Risk Management Committee was formed by a Board resolution in accordance with the Insurance Companies Governance principles and the Executive Instructions issued by Qatar Central Bank to assist the Board in performing its responsibilities and obligations in identifying, evaluating, managing and following up all the risks faced by the Company such as, the Operational Risks, Insurance Risks, Credit Risks and Budget & Market-Based Risks, etc., that may negatively impact the Company’s Assets and liabilities, Shareholders’ Equity and generally the functioning of the Company. The Board shall ensure the independence and objectivity of the

Risk Management Committee. Noting that during the composition of the Committee, due regard was given to have the majority of its members of Non-Executive members, also observing that the Chairman of this Committee shall not be the Chairman of any other Board Committees. The Committee also has prepared its Charter, that was revised on November 2017, and adopted by the Board. This Charter stipulates the Committee’s authorities and responsibilities. In addition, the Committee shall remain accountable for all the obligations governed by relevant Laws and regulations.

Although the Committee relies on the Risk Management function to efficiently fulfil its responsibilities, nevertheless, the Committee engages External Experts to provide advice and counsel on risk related issues.

The Risk Management Committee comprises of Non-Executive and Independent members, as follows:

| Name                               | Position                  |
|------------------------------------|---------------------------|
| Mr. Rashid Faisal Al Naimi         | Chairman of the Committee |
| Mr. Khalifa Bin Ali Saad Al Kaabi  | Member of the Committee   |
| Mr. Abdallah Bin Ali Saad Al Kaabi | Member of the Committee   |

### Duties and Responsibilities:

1. Review, deliberate and approve the Company's Financial and Operational Risk Management Policies and Procedures, ensuring that policies are in place to manage all sorts of risks facing the Company, in accordance with the applicable statutory requirements and ascertaining the efficacy of the Internal Control and Risk Management.
2. Assess and develop the Company's Risk Management practices, in line with business requirements, ensuring that the Company takes the necessary measures to achieve balance in matching between risks and returns in the operational processes.
3. Consider and make recommendations to the Board for proper decision-making regarding the identified business risks and its potential impact on the Company's reputation and financial position.
4. Oversee the functions of the Risk Management Department in the Company.
5. Review the work of the Independent Actuary with respect to the Financial Position Report, submitted to Qatar Central Bank, that includes Actuary's opinion with respect to the financial performance of the Company, risk assessment policy, technical reserves, and insurance premiums. Since the Independent Actuary is an expert approved by Qatar Central Bank to submit such a detailed report annually, the appointment of Mr. Christos Patsallides was approved by Qatar Central Bank as the Company's Independent Actuary.
6. Promote the risk awareness culture across the Group.
7. Notify the Board of any matters, within its scope of responsibility, that may require an action or improvement.
8. The committee shall report to, and make recommendations to the Board on any risk related issues periodically or when deemed necessary for areas that an action or improvement is needed. In addition, the Committee submits to the Board a report about its activities at least once a year.

### Achievements

1. To advise the Board with respect to Business Continuity Plan across the Group.
2. Draft and review the amended Risk Management Committee Charter, to align with the applicable rules and regulations and the best international practices, in order to be adopted by the Board.
3. To commence the Subsidiaries Spin-off procedures, to segregate the key activity from others.
4. To provide advice and counsel regarding the Company's exposure to the countries imposing the blockade on Qatar, following the events of 6th June 2017.

The Committee held four (4) meetings during 2017.

## Segregation Of Authorities:

There is clear segregation of responsibilities and functions between the Chairman of the Board and the Group Chief Executive Officer. Sheikh Nasser Bin Ali Bin Saud Al Thani holds the position of Board Chairman and Managing Director, in line with Qatar Commercial Companies Law. The responsibilities and duties assigned to Sheikh Nasser has been set out under the aforementioned item of "Responsibilities of the Chairman of the Board". The position of Group Chief Executive Officer is held by Mr. Ghazi Abu Nahl, who is responsible for the day-to-day executive management of the business. Mr. Abu Nahl is accountable to the Board with respect to the implementation of the Board's resolutions and execution of the adopted business strategy in line with the objectives set by the Board, and for overseeing and monitoring all the Company's divisions and departments.

## Executive Management Committee:

An Executive Management Committee (which is a Non-Board Committee) comprises of the following members:

| Name                                    | Position                                    |
|---|---|
| Sheikh Nasser Bin Ali Bin Saud Al Thani | Chairman of the Committee                   |
| Mr. Ghazi Abu Nahl                      | Committee Member (Group CEO)                |
| Mr. Jamal Abu Nahl                      | Committee Member (Insurance CEO)            |
| Mr. Abdallah Barrage                    | Committee Member (Deputy CEO - Investments) |

## Tasks and responsibilities of the Executive Management Committee:

1. Monitor the Company's overall performance across the various divisions and departments, execute business plans and strategies, implement the Board's resolutions in collaboration with the respective Departments' Managers and present pertinent reports to the Board.
2. Discuss and make decisions on matters related to its competency, within its scope of financial and administrative authorities that are adopted by the Board.
3. Assist the Board in the development and evaluation of the Company's strategy and business plans.
4. Assist the Board in the preparation and adoption of the Estimated Budget for the Company and its subsidiaries.
5. Assist the Board of Directors in managing the Company's Investment Portfolio.

This Committee discharges its duties in accordance with its approved Charter.

## The Organisational Structure of the Company:

The Company's organisational structure has been adopted by the Board which includes all the departments, divisions and subsidiaries aiming at achieving an ongoing performance development and ensuring that all strategies and future action plans are implemented. The Company's amended organisational structure, under which the Company's Management structure has been reorganised, has been adopted by the Board to include four main sectors:

1. Insurance businesses;
2. Real estate investment sector;
3. Investment businesses;
4. Support services.

Investment operations of the Company are directly managed through a Holding Investment Company which is wholly owned by the Company, Qatar General Holding Company. The Board shall update the Company's organisational structure when and as required.

Consolidating certain support administrative services (Finance, Human Resources and Information Technology) has been the emphasis of the amended Organizational Structure in order to better serve the needs of the Company and its subsidiaries, ensuring an effective optimum use of technical and human resources, thus reducing Operational costs and developing Customer Service by the creation of new departments, by establishing new Departments and Business lines (Strategic Planning and Business Development), aiming to increase the Company's competitiveness, satisfy existing and bring on board new clients. Another goal is to actively implement the Company's Governance System by establishing the Risk Management and Compliance functions in addition to strengthening the vocational skills in the Internal Audit department. Furthermore, the Company, in compliance with the Executive Instructions of Qatar Central Bank and QFMA regulations, has established a Customer Complaints Department.

#### **Succession Planning:**

The Executive Management of the Company has developed a Succession Plan that involves selecting, training, and developing the most distinguished management competencies, preparing them for Senior Management positions in the Company. This is to ensure a smooth and professional transfer of powers and key management functions within the Company with

a minimal negative impact on the Company's business and activities in the event of resignation or termination of key and high calibre individuals in the Company.

This step is initiated in recognition of the significance of preparing a new generation of leaders to assume responsibilities and maintain the Company's proper functioning and future development.

This plan has been implemented throughout the Company, whereby Deputies for the majority of Heads of Departments are being identified. Promotions have been prioritised following an assessment of the required competencies and management skills for staff to be able to assume functional and managerial responsibilities and to hold higher positions.

#### **Internal Control:**

As the Board is fully aware of the importance of the Internal Control systems across all the Company's operational areas, it has adopted the Internal Control system that includes the Internal Regulatory Policies, Rules and Procedures covering all the Company's operations in accordance with the Corporate Governance Framework adopted by the Company.

The Internal Control system provides the Supervisory and Regulatory environment necessary for managing the Company and the effective monitoring of performance in accordance with the policies and controls established by the Board. It also sets clear and distinctive boundaries as to the functional responsibilities and authorities within the Company at all levels, as well as accountability in case of any irregularity, vulnerability or default.

The responsibility for implementing an effective Internal Control system at the Corporate level is the direct responsibility of each employee. The

Internal Control system provides a satisfactory, but not absolute, assurance to shareholders and the Board as to protecting the Company's assets, the validity and accuracy of its financial position and performance, and detecting fraud, errors or violations of the Company's financial and Administrative Policies and Systems. The Board of Directors shall be basically responsible for developing and overseeing the Internal Control system, delegating to the Executive Management the responsibilities and power for the effective implementation of such Internal Control procedures across all Departments, Sections and activities of the Company.

The Company's Internal Control system relies on the financial and administrative authority matrix that defines the authority levels for the Board and Executive Management for decision making with respect to the administrative, financial and investment decisions, as well as the adopted Policies and Working Procedures for all the Departments within the Company, which have been approved by the Board. The Internal Audit, Risk Management, Actuary and Compliance units, in addition to the External Auditor, are the fundamental pillars of the Company's Control System. They are responsible for monitoring its implementation and adherence to the Company's Policies and Working Procedures, detecting and directly reporting to the Board any violations, and proposing means to address such violations.

The Audit Committee, on behalf of the Board, carries out a periodic review of the Internal Control system, evaluating the Internal Policies and Procedures through the Audits and reviews conducted by the Internal and External Auditors. They submit reports to the Board on the efficiency of the Company's Internal Control systems, making recommendations for improving and actively implementing these systems. In addition, the Committee ensures the implementation of the Executive Management of such Internal Policies and Procedures.

During 2017, no violations or failures in the implementation of the Internal Control system within the Company were recorded, that would have a significant impact on the Company's financial and management performance.

#### **Internal Audit Department:**

As the Company is fully aware of the significance of the Internal Control systems throughout all the Company's operational areas, and in order to have in place a robust system in accordance with the international best practices in the area of detecting flaws in the procedures and in the implementation of the Internal Policies and Procedures, the Company has engaged the services of the prominent international financial Audit Firm (M/S Ernst & Young) to handle the Internal Control process as Internal Auditors, developing the Internal Audit Department to a high level of competency. M/S Ernst & Young handles the Internal Control functions in coordination and liaison with the Acting Head of Internal Audit in the Company.

Since the outsourcing of the Internal Control function is considered as 'outsourcing', accordingly, this has been observed upon entering into the contract with M/S Ernst & Young to perform the job in accordance with Qatar Central Bank's instructions applicable to outsourcing. The outsourcing process and related agreement has been approved by Qatar Central Bank.

The Internal Control process is progressing and reporting to the Company's Audit Committee. The Board is confident that this addition will lead to enhancing the quality of the Company's operations and businesses.

#### **External Auditor:**

In accordance with the applicable laws and regulations, the Company's General Assembly shall appoint an External Auditor for one financial

year pursuant to a recommendation submitted by the Board's Audit Committee. The External Auditor shall carry out an independent audit on an annual basis and perform a review on a quarterly basis of the financial statements. He shall submit his report on the financial position and performance of the Company, and his opinion on the consolidated financial statements prepared by the Board of Directors, and present it to the Ordinary General Shareholders Assembly at their Annual Meeting. He shall also respond to any enquiries by Shareholders.

M/s Rodl & Partner was appointed as the Company's External Auditor for the financial year 2017 at the Ordinary General Assembly Meeting of Shareholders held on 21st March 2017. This is Rodl's first year with the Company as an External Auditor. The Company shall comply with the relevant rules and regulations stipulating that the External Auditor shall be changed within a maximum of five years.

During the year, the Company didn't engage the services of an External Auditor in any professional advice or any related services apart from carrying out the External Audit of the Company's accounts.

### **Risk Management:**

The main objective of the Risk Management Department in the Company is to safeguard the Company's Shareholders from events that could impede the Company from achieving its objectives. The Senior Management is aware of the utmost importance of sustaining an effective Risk Management system. Within this context, the Board's Risk Management Committee is formed to assist the Board in identifying, following up, assessing and managing risks faced by the Company's business and to take the necessary actions to mitigate them.

Accepting and managing risk is an integral part of the Company's business in the insurance industry.

However, risk management in this context indicates the financial and operational risks inherent in the Company's business which are generally faced by companies as a result of carrying out their businesses and investment activities.

In this regard, the Company has created a separate Risk Management Unit in addition to engaging an External Consultant to undertake Risk Management evaluation.

The procedures for identifying, evaluating and managing risks in the Company are summarised in preparing and updating the Risk Register, which has been adopted by the Board to document the extent, appetite and ability of the Company to accept the various financial and operational risks. It is used as a guide when assessing the Company's Risk Management and eventually identifying the various risks faced by the Company throughout its activities and operations. This is done in coordination with the various departments and divisions.

Since the Internal Audit department has adopted a Risk-based Audit Methodology, there is direct and continuous coordination with the Risk Management.

The Risk Management Unit classifies, prioritises and documents the management of various risks according to their impact on the Company's activities and the integrity of its financial position. This is done by developing and maintaining a Risk Register that is used to monitor the risks identified throughout all the Company's activities and the measures taken by the Board and the Executive Management to manage such risks, whether by completely eliminating their root causes and impacts, mitigating their impacts or accepting such risks as a natural result of the Company's business.

The Risk Management Committee periodically reviews and evaluates the Company's Risk

Management practices and monitors its main Risk Register and the effectiveness of the measures taken to manage and contain these risks by the Executive Management, submitting the appropriate recommendations to the Board in this regard, and intervening in situations that require swift and effective action by the Board where there is no agreement with the Executive Management.

Following are the key business risks:

### Financial Risks:

**1. Market risks:** These include, in the Investment Industry, the fluctuation of Financial markets, the prices of stocks, bonds and other securities, interest rates, and currency exchange rates. In the insurance industry, market risks are the availability of reinsurance opportunities and fluctuations in insurance premiums resulting from the occurrence of insurance risks, such as earthquakes, floods, disorders, wars, etc.

The Company has managed these risks and minimised the opportunities of their occurrence or the extent of their impact on the Company by developing and implementing the Insurance Underwriting Policy and the Investment Asset Allocation Policy.

**2. Liquidity risks:** These are the unavailability of the necessary liquidity and cash flows to meet the short-term business requirements and financial obligations. In this regard, the Finance Department develops periodical reports showing the liquidity needs of the Company, based on which sufficient financial resources are maintained or banking facilities obtained for short-term shortfalls.

**3. Credit risks:** These result from the inability of the second party to fulfil his contractual obligations. In the Insurance business, these include the ability of Reinsurers and the owners of the insurance premiums to meet their contractual financial obligations towards the Company. These risks are addressed by reviewing the Reinsurer's Credit Rating and complying with the credit policy followed by the Company for providing payment facilities to clients. As for investment operations, credit risks consist mainly of the credit rating of the Company's securities or the company issuing these securities. These risks are mitigated by the policy of investing in securities with good credit ratings and monitoring any changes to the credit ratings of invested securities.

**4. Operational risks:** These include errors by employees or information systems in performing the required business correctly, the risks resulting from non-compliance with regulatory and statutory requirements, and the risks resulting from damage to the Company's reputation and its ability to perform its activities effectively. Opportunities for these risks being materialised are minimised, addressed and dealt with by the effective implementation of the Company's Internal Control systems.

**5. Reinsurance risks:** In order to minimise the potential financial exposure that could result from large claims, the Company enters into contracts with third parties for reinsurance purposes. Reinsurance documents are prepared in accordance with the applicable laws and legislations.

**6. Group risks:** They include the impact of the risks of any subsidiary of the other Group companies.

**Rating:**

In 2017, the Company has maintained an "A-" (Excellent) rating and a credit issuance strength rating of "a-" by international Credit Rating Agency, A.M. Best Global specialised in the Credit Rating of Insurance Companies. Once more, these ratings reflect the strength of the risk-weighted capital base, the outstanding record of operational performance and the Group's risk management distinguished capabilities. It also reflects the Company's strong financial, technical and credit position and its local and regional solid and competitive position.

**Compliance:**

As the Board is aware of the significant role played by the Compliance Officer in completing the components of the Company's Internal Control system and Money Laundering and Financing of Terrorism risks, the Company has established an independent Compliance Unit, under the direct supervision of the Board, to be responsible for the Company's compliance with all the official legal and regulatory requirements governing the Company, in addition to developing Policies and Procedures to combat Money Laundering and Financing of Terrorism, ensuring strict adherence to the applicable laws, regulations and standards. The Company was one of the first local Insurance Companies in Qatar to establish a Compliance unit.

A dedicated Compliance Officer, who is independent of the Executive Management, oversees this responsibility, supervising the implementation of the general legal and regulatory compliance framework within the Company as well as the Corporate Governance Code for Joint-Stock Companies Listed on the Markets regulated by QFMA and QCB, semi-annually reporting in detail the Company's compliance with all the relevant laws and regulations, Code of Conduct, the Code and any irregularities if found.

**Conflict of Interest and Transacting With Related Parties:**

Pursuant to the Company's approved Policy and Procedures governing dealing with Related Parties, the Company applies such a Policy and Procedure in all its dealings and transactions to secure full transparency and disclosure. Such transactions are regularly reviewed by the Audit Committee to ensure compliance with the Company's Policy in dealing and transacting with Related Parties.

It's the Company's Policy that such dealings and transactions with Related Parties are conducted only on a commercial basis and in accordance with the market-price, offering equal chances between the Related Party and other competitors under the same terms and conditions in order to achieve the interest of the Company in the first place. This Policy is based on transparency principles in dealing with Related Parties, where the Company must disclose dealings and transactions in the Company's Annual Report and to put them at the disposal of the Shareholders at their General Assembly Meeting.

The Internal Audit Department and the Board Audit Committee undertake to give utmost importance and care to oversee the Related Parties' transactions and its compliance in this respect with the Company's Policy and that they are disclosed in a proper manner and reviewed by the External Auditor.

All transactions with Related Parties in Qatar such as Al-Sari Trading Company, North Africa for Energy Company and Falcon Ready-mix Company to supply the building materials for the Group Real estate projects, as well as transactions with Related Parties outside Qatar such as Nest Investment (Holding) Company, Group of Trust International Companies, which provides technical assistance to the Company in the field of Insurance and Reinsurance, in

particular in the field of Reinsurance Bouquet Administration and Information Technology are conducted in full transparency to achieve the Company's interest. All these transactions with Related Parties are reported in the Company's Financial Statements and presented to the Board and the General Assembly for approval. It is worth mentioning that in June 30th 2017, the Company has terminated all its contracts with Trust Re-Bahrain.

### Disclosure:

The Company is fully committed to all the disclosure requirements set forth in the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market regulated by the Qatar Financial Markets Authority (QFMA) and by implementing QCB's Executive Instructions. The Board is responsible for disclosing the required disclosures in a complete and accurate manner. The information included in such disclosures shall be true and sufficient ensuring fairness by providing the information on a timely basis.

### Disclosure Requirements:

1. Disclose in details all the transactions with Related Parties.
2. Prepare the Company's financial reports in accordance with IAS/IFRS.
3. Disclose the Board members' trading in the Company's shares and other financial instruments, and the Company's relevant policy and procedures that govern trading by Board members, Senior Executive Management and employees.
4. Disclose the number of shares owned by Board members, Senior Executive Management and Significant Shareholders of the Company.
5. Disclose the information relating to the curriculum vitae of Board members, including their Educational Qualifications, Experience and Board Memberships of other companies.
6. Disclose the Board Committees that have been formed and the names and qualifications of its members.

The Company prepares its financial statements according to International Standards and publishes them with the External Auditor's report in its Annual Report, which is distributed to the Shareholders at the Ordinary General Assembly, besides publishing them in local newspapers and on the Company's website.

The Company also makes required disclosures of the trading and Company's number of shares owned by Board members, members of the Executive Management and by Significant shareholders when seeking the necessary approvals from the management of the financial market.

As to disclosure related to curriculum vitae of the Board members and Board Committees, the Company is in the process of implementing the required necessary procedures in accordance with the provisions of Corporate Governance Code and all related regulations and the Executive Instructions.

During the year, the Company disclosed all Board resolutions related to shareholders, investors, and stakeholders by immediate communication to Qatar Stock Exchange, Qatar Financial Markets Authority, Qatar Central Bank in addition to publishing them in the local newspapers and the Company's Website.

### Disclosures Related to Certain Provisions of the Laws and Instructions are under review by the Company:

1. In accordance with Article (7.2.1) of the Executive Instructions issued by Qatar Central Bank and Article (8) of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority, the Company shall maintain a Risk Management Framework, adopted by the Board. In this regard, the Company has complied with all the Risk Management related requirements, nevertheless, an official Risk Management Framework has not been developed yet, and the Company is currently drafting this document and expected to finalize it soon.
2. In accordance with Article (19) of the Corporate Governance for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority, the Board shall review and assess the performance of its Committees. The Company is currently in the process of complying with this Article, and by 2018 a full compliance shall be achieved.
3. The Nomination and Remuneration Committee is required to assess the performance of the Board. The Committee has performed this assessment and submitted the same to the Board by the beginning of 2018.
4. In accordance with the Article (5) of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority, all Board members are required to sign annually an undertaking of not combining between their membership in the Board and any other position that falls in contravention with the laws or Instructions from Regulators. The Company is currently

in the process of complying with this Article and by 2018 a full compliance shall be achieved.

5. There are various Articles in the Corporate Governance Code issued by Qatar Central Bank and QFMA that require the Company to provide Board members with the necessary training to fully discharge their duties. The Company shall comply with these Articles during the year 2018.

### Shareholders' Equity:

The Company's issued paid up share capital is QR 875,067,030, divided into 87,506,703 ordinary shares, the nominal value of each share is QR 10. The Company has not issued any preferred shares, bonds or other securities other than the ordinary shares issued to the Company's ordinary shareholders. The details of the capital structure are clearly disclosed in the Annual Report of the Company.

Ordinary shareholders of the Company enjoy all the rights granted to them under the Commercial Companies Law and the Company's Memorandum and Articles of Association, as well as in accordance with the Corporate Governance Codes issued by QFMA and QCB, including the equal rights to vote on the election of Board members, the approval of annual financial statements, the appointment of the External Auditors and the approval of any amendments to the Company's capital structure on the basis of cumulating voting principle in accordance with the applicable laws and legislations. Shareholders may vote in person or by delegating another shareholder to vote on their behalf by proxy. The Company respects the rights of all shareholders in order to ensure fairness and equality to all shareholders.

The Company maintains a special shareholders' register indicating their names and shareholding,

including the paid-up portion. The register shall be updated with ownership transfers. Under the Company's Articles of Association, shareholders have the right to access this record free of charge.

The Company informs shareholders at the General Assembly meeting that copies of the Shareholders' register, the Memorandum and Articles of Association, information about transactions with related parties, information of candidates for Board membership prior to election, and any other information that can be obtained for ordinary shareholders or shareholders with a certain percentage of shareholding, are available at the Investor Relations Department, and on how to obtain this information in a timely and organised manner.

The Company also informs the concerned Regulators with all relevant information, including the Company's financial statements, together with any changes of the share capital by publishing such information in local newspapers, on the Company's website, informing QCB, QFMA, Qatar Exchange and the Qatar Central Securities Depository.

Qatar General Insurance and Reinsurance Q.P.S.C reaffirms its full compliance with all the Laws, resolutions and circulars issued by the relevant Regulators with respect to determining shareholding percentage limits and conditions in the shares of Financial Institutions listed in Qatar Stock Exchange and regulated by Qatar Central Bank, especially QCB's Resolution No. (1) related to determining the percentage and conditions of ownership in the shares of Financial Institutions listed in Qatar Stock Exchange and regulated by Qatar Central Bank dated 21/03/2016.

The Company's Articles of Association includes provisions granting shareholders owning a 25% shareholding the right to call for the convening

of Extraordinary General Assembly, add items to the Agenda, ask questions and receive appropriate answers from the Board, and make decisions on issues raised within the scope of the powers guaranteed to them under the law and the Company's Articles of Association.

The Company shall include its Articles of Association a mechanism to protect shareholders' equity in general and minor shareholders in particular in the event of the Company conducting major transactions that may negatively affect their interests or prejudice the ownership of the Company's Capital.

### **The Rights of Other Stakeholders:**

The Company's general policy adopted by the Board, to respect and safeguard the rights of the Company's other Stakeholders, including employees, creditors, clients, suppliers, strategic partners and investors, in accordance with the Corporate Governance Code and Professional Code of Conduct. The Company also ensures that the Stakeholders have an access to the relevant information in a transparent manner enabling them to make their decisions based on accurate and sound information.

The Company maintains an open and transparent communication channels with the Shareholders, investors and other stakeholders, where it regularly communicates information relating to the Company's financial position and performance and future business plans and investment projects in the Official Newspapers, Press Conferences and also on its website.

### **Whistle-blowing:**

The Executive Management maintains open communication channels with the Company's staff at all levels, allowing them to express their opinions on important matters which cannot easily be communicated through official work channels. It ensures that all employees are treated in accordance with the principles of

fairness, equality and indiscriminate. The Board has developed and adopted a policy that allows employees to inform the Board about suspicious illegal acts and operations which potentially damage the interests of the Company and violations to the Internal Control system and the Policies and Procedures adopted by the Board, indicating the actions to be taken to communicate the necessary information, ensuring employee's confidentiality and protection from any negative repercussions from superiors and Senior Executives.

The Board has adopted and communicated to all the Company's employees the "Whistle-blower Protection" policy.

#### **Distribution of Profits:**

The profit distribution ratios from cash dividends and/or bonus shares shall be proposed by the Board based on the Company's financial position and performance at the end of its financial year and the Company's future business plan. This shall be discussed, approved and adopted by the General Assembly in their Ordinary and Extra-Ordinary Annual Meeting, in the event of the distribution of bonus shares.

The Board adopts a balanced policy of Profits' Distribution based on a partial spinning of the profit, to increase the Company's capital and thus maintain the necessary reserves for expansion in the operational and investment activities of the Company in the forthcoming period.

#### **During 2017:**

1. The Company didn't receive any complaints from customers or any of the Shareholders.
2. The Company, in accordance with the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority, appointed Mr. Georges Wakim -

Group Legal Manager - in the capacity of the Company's Official Spokesperson and Communication Officer with the Supervisory and Regulatory Authorities (Qatar Central Bank, Qatar Financial Markets Authority, Qatar Stock Exchange and Qatar Central Securities Depository).

#### **Conclusion:**

As one of the leading Companies operating in the Insurance Industry in the State of Qatar, Qatar General Insurance and Reinsurance Q.P.S.C has consistently worked towards strengthening its position through providing our clients with a high ranked service. The coming period shall witness developing future plans, contributing towards enforcing the economic growth and materializing Qatar National Vision 2030.

On the other side, the Board of Qatar Insurance and Reinsurance Company Q.P.S.C strongly believes that governance is an integral part of the Company's fundamental value and that it is imperative to fully comply with implementing all the provisions of the applicable legislations related to corporate companies and take into account the remarks made by the bodies supervising corporate companies. The Board seeks to develop the Company's corporate functioning in accordance with the best and sound corporate practices and in line with professional conduct rules that reflects the Company's values, regularly reviewing and updating governance applications to enhance quality, transparency and disclosure levels to achieve a higher level of confidence in the Company's performance.

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**Sheikh Nasser Bin Ali Bin Saud Al Thani**  
**Chairman of the Board**

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