


Qatar Cinema & Film Distribution Co.
(Governance Report for 2018)

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (2): Scope of Application	The Company shall disclose, in its annual report, its commitment to the principles and provisions of this Code. In case of failure to apply any principles or provisions thereof – for any reasons acceptable by the Authority for the public interest, market interest or for protection of investors– the article(s) whose application is not complied with shall be defined, along with the justifications of non-application or violation causes, as the case may be – within the Governance Report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company shall disclose its application of the provisions and principles of the Governance Code. This Report constitutes a part of the Annual Report. The Company undertakes hereby to clarify any article(s), which it failed to comply with, along with the justifications of the same, as shown in this Report.			
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Article (3): Compliance with Governance Principles (Section 1)	The Board shall implement the Governance principles set out in this Code, which are: Justice, Equality among Stakeholders without discrimination among them on basis of race, gender, and religion; and transparency, disclosure and shall disclose the information to the Authority and Stakeholders on a timely manner and in such a way that enables them to make decisions and undertake their duties properly. The principles also include upholding the values of corporate social responsibility and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<p>providing the public interest of the Company and Stakeholders over the personal interest as well as performing duties, tasks and functions in good faith, integrity, honor and sincerity and taking the responsibility arising therefrom to the Stakeholders and society.</p>			
<p>Statement of Commitment / or Justification of Non-commitment</p>	<p>The Board shall implement Governance principles set out in this Code, which are Justice, Equality among Stakeholders without discrimination among them on basis of race, gender, and religion; and transparency, disclosure and shall disclose the information to the Authority and Stakeholders. The Company has updated the Board Charter, the other stockholders policy and the other remaining policies to be compatible with the New Governance Code that includes such commitment, as set out in Section (10) of Clause (Third) (Board Duties) This commitment is summarized that the Board shall develop and prepare the Board Charter (Kindly vide the Attachments from (1 to 37).</p>			
<p>Article (3): Compliance with Governance Principles (Section 2)</p>	<p>The Board shall constantly and regularly review and update the Governance applications, and apply the highest principles of Governance when listing or trading any securities in the Foreign Market, and uphold fair trading principle among shareholders. The Board shall also update professional conduct rules setting forth the Company's values and shall constantly and regularly review its policies charters, and internal procedures of which shall be binding upon the Company's Board Members, Senior Executive Management, advisors, and employees. These professional conduct rules may include the Board Charters and committees, the policy of its dealings with related parties, and the Insiders' the trading rules.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	<p>The Board shall constantly and regularly review and update the Governance applications, develop the professional code of conduct, and periodically review the Company's policies and charters, including the policy of its dealings with related parties, and the Insiders' trading rules.</p> <p>The Company has updated the Board Charter to be compatible with the New Governance Code in order to ensure such commitment, as set out in Section (11) of Clause (Third) (Board Duties), as well as the Company has developed policies and procedures of the dealings with related parties, and the Insiders' trading rules.</p> <p>(Kindly vide the Attachments (1), (12) and (25) of the Governance Code Charter)</p>			
				
Article (4): Governance Report	<p>(4.1) The Governance Report is an integral part of the Company's annual report and shall be attached with it and signed by the Chairman.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company realizes the importance of the Governance Report and it is deemed as integral part of the annual report, so this report has been prepared and signed by the Board Chairman, as well as it has been reviewed by the External Auditor and included within the annual report.</p>			
Article (4): Governance Report	<p>Without prejudice to the provision of Article (2) of this Code, the Governance Report must include Company's disclosure on its compliance with the provisions of this Code. It must also include all the information regarding the implementation of its principles and provisions, which include, but not limited to:</p> <p>(1) The procedures followed by the Company in implementing the provisions of this Code.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Statement of Commitment / or Justification of Non-commitment	<p>The Company has taken many actions in order to implement the provisions of the Governance Code, where it prepared the Board Charter referring to the duties and responsibilities of each Member of the Board. It obliged the Board with the provisions thereof. The Board has formed the three main committees, which are Audit Committee, Remuneration Committee and Nominations Committee. The action plan and procedures that organize the duties of each Committee were developed. These Committees have already commenced their duties, and then the Company developed the other regulations, charters and policies as required under the Governance Code, and they become under execution following being approved by the Board (all are attached to this Report). (Kindly vide the Attachments from (1) to (37) of the Governance Code Charter)</p>			
Article (4): Governance Report	(2) The disclosure of any violations committed during the Year including violations and sanctions imposed because of non-compliance with implementation of any of principles or provisions of this Code, their reasons, the remedial measures taken and measures to avoid the same in the future.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	<p>Praise to Allah, no felonies were committed by the Company during that year, and not penalties were applied to the Company, as the Company is complied with implementation of the provisions and principles of the Governance Code.</p>			
Article (4): Governance Report	(3) The disclosure of the information relating to Board Members and its Committees , Senior Executive Management in the Company, their responsibilities, powers and activities during the Year, as well as their	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	remunerations;			
Statement of Commitment / or Justification of Non-commitment	<p>The Company shall disclose the information of the Board Members through their resumes attached to the Report, and it shall disclose the Board committees through the Board Sub-committees Formation Declaration, and membership thereof. As for the authorities and responsibilities of the Board Chairman and Members, the Company shall disclose the same through the Board Charter applicable in the Company, which indicates the duties and liabilities of each Member, while their missions during the year shall be clarified through the Board meetings and the Board Sub-committees' meetings, along with the resolution and recommendations they issue. With regard to the authorities, they are shown through the Powers & Authorities Manual attached to this Report. (Kindly vide the Attachments (1), (30), (33), (35), (36) and (4) of the (Governance Code Charter), (Board Charter, Members' Resumes, Board Committees Formation, Statement of the Board and Committees Meetings, and the Powers & Authorities Manual)</p>			
Article (4): Governance Report	(4) The disclosure of the procedures of risk management and Internal Control of the Company including the supervision of the financial affairs, investments, and any relevant information;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company has prepared policies and procedures of risk management and internal control for supervision of the financial management, real estate investments and other securities of the Company. These policies and procedures are attached to this Report. (Kindly vide the Attachments (7) and (8) of the (Governance Code Charter), (Policies & Procedures of Risk Management and Policies & Procedures of Internal Control)</p>			
Article (4): Governance Report	(5) The committees' works, including number of meetings and their recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or	<p>The Company shall disclose the duties of the Board Sub-Committees which are the Audit Committee, Remuneration Committee, Nominations Committee, along with the Technical</p>			

Justification of Non-commitment	<p>Committee and the Financial Committee. There is a statement attached hereto referring to the number of each committee's meetings, date of meeting, recommendations and resolutions concluded by each committee of them.</p> <p>(Kindly vide the Attachment (36) of the (Governance Code Charter), (Statement of the Board Committees' Meetings and the Recommendations concluded by these Committees).</p>
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Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (4): Governance Report	(6) Disclosure of the procedures followed by the Company in determining, evaluating and managing risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Risk Management of the Company is a recently established department and the Board decided in its Meeting No. 8/2017, convened on December 12th, 2017, to authorize the Policies and Procedures of Risk Management.</p> <p>The said Management has not officially commenced its duties yet. Hence, it could not define the risks, which it might encounter, how to evaluate and manage them, and comparatively analyze the factors of risks, which the Company encounters, as well as the Management failed to adopt a certain method to confront drastic or unexpected market changes.</p> <p>Risk Management will commence its works during this month, where the Company will undertake statement of the adopted procedures to define the risks and how to evaluate them in its upcoming report, if Allah needs.</p>			
Article (4): Governance Report	(7) Disclosure of the performance assessment of the Board, compliance of its Members in achieving the Company's interest, doing the committee's works, and their attending of the Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	and Committees. Disclosure of the performance assessment of the Senior Executive Management in implementing the Internal Controls system and risk management including identification of number of appeals, complaints, proposals, notifications and the way used by the Board to handle the regulatory issues;			
Statement of Commitment / or Justification of Non-commitment	<p>The Company annually evaluates the Board performance through self-evaluation, by giving questionnaire to each Member composing of some direct questions that are required to be answered without disclosing the Member's personality. Then, these questionnaires shall be placed in the fund dedicated for this purpose, so that any Member can get the opportunity to express his opinions without shame or timidity. The Company and the Board have developed clear policy for evaluating the Board performance, as well as the Board prepared special forms for these questionnaires, as attached with this Report. As for the Board Members' compliance with fulfilling the Company's interests, the Company asserts that all Members are keen on the interest of the Company and shareholders through their participation and attendance of the Board meetings and taking part in the discussion made in such meetings, as well as the Members are committed to appearance and participation in the committees' works. With regard to application of the Internal Control System, the Company assigned the internal control to an external auditing office, i.e. M/s. Rodel & Partners, and no appeals, complaints or reports are presented up to date.</p> <p>(Kindly vide the Attachments (24), (36), (7) and (8) of the (Governance Code Charter), (Board Performance Evaluation Policy, Statement of the Board Committees' Meetings and the Recommendations concluded by these Committees, Policies of Risk Management and Internal Control).</p>			
Article (4): Governance Report	(8) Disclosure of the Internal Controls failures, wholly or partly, or weaknesses in its implementation, contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing Internal Controls failures (especially such problems as disclosed	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	in the Company's annual reports and financial statements);			
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Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	The Company has completely activated the Internal Control System after entering into contract with the external auditing office, M/s. Rodel & Partners for Accounting & Auditing, to undertake the Internal Control duties. The said Office submitted their reports, which cover the period from 01/01/2018 to 31 December 2018 to the Board and the Audit Committee, including their notes and remarks on some deficiencies they found in the Financial Management, with reference to their recommendations to perfectly avoid such deficiencies in the future. The Company now endeavors to process and rectify such deficiencies.			
Article (4): Governance Report	(9) Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company hereby confirms that it is complied with all applicable market listing and disclosure rules and requirements, and it is totally keen on compliance with all instructions issued by the Authority, the provisions of the laws regulating business of the public shareholding companies which operate in the market and the other relevant laws.			
Article (4): Governance Report	(10) Disclosure of any conflict or dispute in which the Company is a party including arbitration and lawsuits.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company confirms that it has some lawsuits filed by or against it, or heard before the courts, as detailed below: (1) One executive case prosecuted against a tenant of its administrative offices, i.e. the Executive Case No. 423/2012 – Plenary Execution, filed by Qatar Cinema & Film Distribution Company (in its capacity as the judgment creditor) against Dar Al Noha Printing (in its capacity as the judgment			

debtor); knowing that the Rental Disputes Settlement Committee has adjudged the subject matter of Case No. 1392/2011 to cancel the lease, evacuate the leased property and oblige the Defendant (Judgment Debtor) to pay QAR 215,640.00/- plus the payable rent up to the full evacuation date. The leased property has been evacuated and the key was delivered to the Judgment Creditor, and the Law Firm still follows up the Case in order to collect the adjudged amount.

- (2) Labor Dispute No. 4699/2018 filed by Mr. Farouq Marghani against Qatar Cinema & Film Distribution Company to claim for the end-of-service benefits and indemnity and claim for QAR 927,543.00. The Dispute is still under deliberation before the Rental Disputes Settlement Committee; knowing that Ali Abdullah Jaffer Law Firm is the legal attorney who represents the Company in this Dispute.
- (3) Labor Dispute No. 4700/2018 initiated by Mr. Omer Mohammed Damaa' against Qatar Cinema & Film Distribution Company to claim for the end-of-service benefits and indemnity and claim for QAR 856,088.00. The Dispute is still under deliberation before the Rental Disputes Settlement Committee; knowing that Ali Abdullah Jaffer Law Firm is the legal attorney who represents the Company in this Dispute.
- (4) Rental Claim No. 129/2019 prosecuted by Qatar Cinema & Film Distribution Company (Claimant) against Mr. Mubarak Eid Suleiman Al Suliti (Respondent) to claim for the rent arrears that are payable for leasing administrative office in the Cinema Building. The Rental Disputes Settlement Committee decided to cancel the lease and oblige the Respondent (Mubarak Eid Suleiman Al Suliti) with QAR 234,000.00, plus the new rent of QAR 10,032.00 up to the full evacuation date; knowing that Ali Abdullah Jaffer Law Firm is the legal attorney who represents the Company in this Dispute.

(Kindly vide the Attachment (38) of the Governance Code Charter)

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (4): Governance Report	(11) Disclosure of operations and transactions entered into by the Company with any “Related Party”.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company emphasizes that it has never contracted or entered in to transaction with any of the related parties.			
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Article (5): Requirements for the Board Member	The Board Member must be qualified with sufficient knowledge of administrative matters and relevant experience to perform its duties effectively, and must devote enough time to do its job with integrity and transparency to achieve the Company’s interest, goals and objectives. The Board Member must: (1) Not be under twenty-one years old with full capacity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	Every Member of the Board is above twenty-one (21) years old, and they are have the full capacity and eligibility.			
Article (5): Requirements for the Board Member	(2) Not have been sentenced to criminal penalty, or a crime against honor or integrity, or any of the crimes stipulated in Article (40) of Law No. (8) Of 2012 concerning the Qatar Financial Markets Authority, and articles (334) and (335) of law No. (11) Of 2015 Promulgating Commercial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Companies Law, or be prevented from practicing any work in the entities subject to the Authority's jurisdiction under Article (35 paragraph 12) of law No. (8) Of 2012 referred to, or have been bankrupted, unless been rehabilitated.			
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Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	The Company emphasizes that none of the Board Members has been previously sentence for a criminal penalty, any crime of moral turpitude, or a crime of those referred to in Article (40) of Law No. (8) Of 2012 on Qatar Financial Markets Authority (QFMA) and Articles (334) and (335) of Law No. (11) Of 2015 promulgating Qatar Commercial Companies Law. Moreover, the Company confirms that none of its Board Members has been previously prohibited from practicing any business in the entities that subject to the Authority's control under Section (12) of Article (35) of the said Law No. (8) Of 2012, or adjudged as bankrupted.			
Article (5): Requirements for the Board Member	(3) Be a shareholder owning, when elected, or within thirty days from its election date, a number of the Company's shares determined by Article of Association. Such shares shall be deposited to the Depository within sixty days from starting date of membership with prohibition from trading, mortgage or seize until the end of membership period, approved on the last budget of financial Year of doing business. Such shares shall also be allocated to ensure the rights of the Company, shareholders, creditors and third parties for the responsibility of the Board Members. If the Member does not provide the guarantee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	as mentioned, its membership becomes invalid. The Independent Member shall be exempted from this requirement.			
Statement of Commitment / or Justification of Non-commitment	Each Member of the Board shall, when elected, own a number of shares not less than 25,000 shares as determined by the Company's Article of Association, the Board Charter, where such shares shall be allocated to ensure the rights of the Company, shareholders, creditors and third parties for the liability of the Board Members. (Kind vide the Attachments (1) and (29) of the Governance Code Charter (Articles of Association, Article (27), and the Board Charter)			
Article (5): Requirements for the Board Member	The candidate for Board membership shall provide written acknowledgment stating not undertaking any legally prohibited job position to combine it with the Board membership.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company presented written acknowledgment form whereby each candidate to the Board membership shall sign and declare that he will never occupy a job position that is legally prohibited to be combined with the Board membership. (Kind vide the Attachment (32) of the Governance Code Charter)			
Article (5): Requirements for the Board Member	In all cases, the Company shall commit to send a list of names and data of Board membership candidates attached with each candidate's curriculum vitae and original copies of candidacy requirements to the Authority at least two weeks before the date specified for Board election.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company shall commit to send a list of names and data of Board membership candidates attached with each candidate's resume to the Authority at least two weeks before the date specified for Board election, along with the candidacy requirements to be announced in daily newspapers.			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
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Article (6): The Board Composition (First Section)	<p>The Board shall be composed pursuant to the Law and the Company's Articles of Association. At least one-third of the Board Members shall be Independent Board Members, the majority of the Board members shall be Non-Executive Board Members; and a seat or more of seats may be allocated to represent the Minority and another to represent the Company employees.</p> <p>In all cases, the Board composition shall ensure that one Member or more do not dominate issuing the Board decisions.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>Last Section of Article (27) of the Company's Articles of Association includes a provision stating that one-third, at least, of the Board Members shall be Independent Board Members. According to the Board formation, majority of the Board Members are not independent. For example, Mr. Ahmed Nasser Abdullah Fakhro and Mr. Nasser Abdullah Fakhro are a father and son, and Mr. Mohammed Ali Juma Al-Sulaiti, Dr. Khalifa Abdullah Hussein Al Na'ma, Mr. Saud Abdul Aziz Al Darwish and Mr. Abdul Rahman Abdul Aziz Al Darwish possess shares more than (1%). In other words, majority of the Board Members and Non-Executive Board Members, except Mr. Ali Ishaq Hussein Al Ishaq who occupies the CEO and Managing Director of the Company, who is also Executive Board Member in the Company.</p> <p>However, the Company is going to elect a new Board of Directors for this year at the General Meeting intended to be convened on April 03rd, 2019, where Independent Board Members will be elected.</p>			

	<p>As for allocating one or more seats of the Board to represent the minority and another seat to represent the Company personnel, whereas this is permissible as stipulated, therefore, the Company does not currently allocate any seats to represent the minority or the Company personnel.</p> <p>The Board Charter also contains a clear provision stating that no one or more members of the Board can control the decision-making process.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Formation) and Section (C) of the Item on (Restrictions on the Board Membership & Exclusions) of the (Board Charter)</p>			
Article (6): The Board Composition (First Section)	In all cases, the Board composition shall ensure that one member or more do not dominate issuing the Board decisions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board Charter also contains a clear provision stating that no one or more members of the Board can control the decision-making process.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Formation) and Section (C) of the Item on (Restrictions on the Board Membership & Exclusions) of the (Board Charter)</p>			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
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Article (7): Prohibition of Combining Positions (First Section)	Without prejudice to the Law provisions in this regard, it is prohibited for any one, whether in person or in capacity, neither to be a Board Chairman or a vice-chairman for more than two Companies whose headquarters located in the State, nor to be a Board member for more than three shareholding companies which their headquarters located in the State, nor to be a Managing Director in more than one	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Company which its headquartered located in the State, nor to combine two memberships of two companies exercising a homogenous activity.			
Statement of Commitment / or Justification of Non-commitment	<p>The Company asserts that its Chairman, and Vice-Chairman, occupies such position only in Qatar Cinema & Film Distribution Company, as well as all the Board Members are not board members in three companies whose headquarters located in the State.</p> <p>The Company also emphasizes that the CEO and the Managing Director only occupy such position only in Qatar Cinema & Film Distribution Company, and none of its Board Members combines two memberships of two companies exercising a homogenous activity.</p> <p>This prohibition is expressly provided for in Section (A) of the Item on (Restrictions on the Board Membership & Exclusions) of the (Board Charter) (Kindly vide the Attachments (9) and (31) of the Governance Code Charter (Board Charter & Board Members' Declaration)</p>			
Article (7): (Second Section)	It is also prohibited to combine the position of the Chairman with any other executive position in the Company. The Chairman shall not to be a member of any of the Board committees set out in this Code.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company confirms that the Board does not occupy any executive position in the Company, and it does not participate with any Board Sub-committee of those set out hereunder.</p> <p>This prohibition is expressly provided for in Section (D) of the Item on (Restrictions on the Board Membership & Exclusions) of the (Board Charter) (Kindly vide the Attachment (1) of the Governance Code Charter (Board Formation)</p>			
Article (7): (Third Section)	The Chairman and the members of the Board must provide an annual acknowledgment that no one of them shall combine the prohibited positions according to the Law and this Code provisions. The Secretary shall keep such	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	acknowledgment in the file prepared for this purpose.			
Statement of Commitment / or Justification of Non-commitment	<p>Whereas this requirement is new and set forth for the first time in the New Governance Code, the Company prepared forms for the declarations of the Chairman and Board Members, which have been signed by all of them, prohibiting their combination between the positions which cannot be held together at the same time by virtue of Law and the provisions hereof.</p> <p>This prohibition is expressly provided for in Section (E) of the Item on (Restrictions on the Board Membership & Exclusions) of the (Board Charter) (Kindly vide the Attachments (1) and (31) of the Governance Code Charter (Board Charter & Board Members' Declaration)</p>			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
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Article (8): Key Functions and Tasks of the Board	The Board shall prepare a Charter called “Board Charter” detailing the Board’s functions, and rights, duties and responsibilities of the Chairman and members, according to the provisions of the Law and this Code, and shall be published at the Company’s website.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board prepared a Charter called “Board Charter”, recently update and the updates were approved by the Board in its Meeting No. 8/2017, dated 12/12/2017, detailing the Board’s functions, and rights, duties and responsibilities of the Chairman and members, according to the provisions of the Law and this Code, and it was published at the Company’s website. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Formation)</p>			
Article (8): Key Functions and Tasks of the Board	The Board Charter shall include the Board’s key functions and responsibilities including, at least the following: (1) Approving the Strategic Plan and main objectives of the	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<p>Company and supervising their implementation, including:</p> <p>(1.1) Setting a comprehensive strategy for the Company and key business plans and risk management policy, reviewing and directing them.</p>			
Statement of Commitment / or Justification of Non-commitment	<p>The Board Charter includes the Board's key functions and responsibilities, including approving the Strategic Plan and main objectives of the Company and Setting a comprehensive strategy for the Company. This update to the Board Charter has been approved and attested by the Board in its Meeting No. 8/2017, dated December 12th, 2017.</p> <p>(Kindly vide "Part II: Key Functions and Responsibilities of the Board, Delegation of Duties & Committees Formation", P. 11 of Attachment (1) of the Governance Code Charter (Board Charter))</p>			
Article (8): Key Functions and Tasks of the Board	(1.2) Determining the most appropriate capital structure of the Company, its financial strategies and objectives and annual budgets approval	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board Charter includes determination of the appropriate capital structure of the Company, its financial strategies and objectives and annual budgets approval. This update to the Board Charter has been approved and attested by the Board in its Meeting No. 8/2017, dated December 12th, 2017.</p> <p>(Kindly vide "Part II: Key Functions and Responsibilities of the Board, Delegation of Duties & Committees Formation", P. 11 of Attachment (1) of the Governance Code Charter (Board Charter))</p>			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (8): Key Functions and Tasks of the Board	(1.3) Supervising the main capital expenses of the company and acquisition/disposal of assets.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Board Charter includes the Board supervision on the main capital expenses of the company and acquisition/disposal of assets. This update to the Board Charter has been approved and attested by the Board in its Meeting No. 8/2017, dated December 12 th , 2017. (Kindly vide "Part II: Key Functions and Responsibilities of the Board, Delegation of Duties & Committees Formation", P. 11 of Attachment (1) of the Governance Code Charter (Board Charter))			
Article (8): Key Functions and Tasks of the Board	(1.4) Setting the performance objectives and monitoring the implementation thereof and the overall performance of the Company	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Board shall set the performance objectives and monitoring the implementation thereof and the overall performance of the Company. This update to the Board Charter has been approved and attested by the Board in its Meeting No. 8/2017, dated December 12 th , 2017. (Kindly vide "Part II: Key Functions and Responsibilities of the Board, Delegation of Duties & Committees Formation", P. 11 of Attachment (1) of the Governance Code Charter (Board Charter))			
Article (8): Key Functions and Tasks of the Board	(1.5) Reviewing and approving the organizational structures of the Company on periodic basis to ensure distinct distribution for the functions, tasks and responsibilities of the Company especially internal control units.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of	The Board Charter includes review and approval of the organizational structures of the Company			

Commitment / or Justification of Non-commitment	on periodic basis to ensure distinct distribution for the functions, tasks and responsibilities of the Company especially internal control units. This update to the Board Charter has been approved and attested by the Board in its Meeting No. 8/2017, dated December 12 th , 2017. (Kindly vide "Part II: Key Functions and Responsibilities of the Board, Delegation of Duties & Committees Formation", P. 11 of Attachment (1) of the Governance Code Charter (Board Charter))			
Article (8): Key Functions and Tasks of the Board	(1.6) Approving the procedures manual needed to implement the strategy and objectives of the Company, prepared by senior executive management. The manual shall include determining ways and means of the quick contact with the Authority and other regulatory authorities as well as all parties concerned to governance, including the appointment of a communication officer.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	The Board Charter includes approval of the procedures manual needed to implement the strategy and objectives of the Company, including determination of the ways and means of the quick contact with the Authority and other regulatory authorities as well as all parties concerned to governance, including the appointment of a communication officer. This update to the Board Charter has been approved and attested by the Board in its Meeting No. 8/2017, dated December 12 th , 2017. (Kindly vide "Part II: Key Functions and Responsibilities of the Board, Delegation of Duties & Committees Formation", P. 11 of Attachment (1) of the Governance Code Charter (Board Charter))			
Article (8): Key Functions and Tasks of	(1.7) Approving the annual plan of training and education in the Company that includes programs introducing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

the Board	the Company, its activities and Governance, according to this Code. (1.8)			
Statement of Commitment / or Justification of Non-commitment	The Board Charter includes the Board's approval of annual plan of training and education in the Company that includes programs introducing the Company, its activities and Governance, according to this Code. This update to the Board Charter has been approved and attested by the Board in its Meeting No. 8/2017, dated December 12 th , 2017. (Kindly vide "Part II: Key Functions and Responsibilities of the Board, Delegation of Duties & Committees Formation", P. 11 of Attachment (1) of the Governance Code Charter (Board Charter))			
Article (8): Key Functions and Tasks of the Board	(2) Setting the rules and procedures for Internal Control and supervision thereon, that includes:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Board Charter includes setting the rules and procedures for Internal Control and supervision thereon. The Board has assigned the Accounting Auditor Office (Hussein Al O'baidly Accounting Auditor) to prepare the policies and procedures of Internal Control which have been discussed and approved by the Board in its Meeting No. 8/2017, dated December 12 th , 2017. (Kindly vide "Part II: Key Functions and Responsibilities of the Board, Delegation of Duties & Committees Formation", P. 11 of Attachment (1) of the Governance Code Charter (Board Charter), Attachment No. (7) (Policies of Internal Control Management), and the Minutes of Meeting No. 8/2017, dated December 12 th , 2017)			
Article (8): Key Functions and Tasks of the Board	(2.1) Developing a written policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Related Parties.			
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Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	The Company developed written policy regulates the conflict of interest and remedies any possible cases of conflict by Board members, Senior Executive Management and shareholders, and it was approved by the Board. The Company also developed a policy regulates the transactions with the related parties, which has been presented to the Company's General Meeting that convened on April 08 th , 2018, where it was approved and attested. (Kindly vide the Attachments (6), (26) and (44) of the Governance Code Charter (Conflict of Interests Policy, Policy of Transactions with the Related Parties, and Minutes of General Meeting held on April 08 th , 2018)			
Article (8): Key Functions and Tasks of the Board	(2.2) Developing full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider Information. Such system shall include procedures followed when dealing in securities by Insiders, and identify prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of Insiders to provide a copy to the Board and the Market upon adoption or update.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company developed the Full Disclosure System and the Board approved it in its Meeting No. 8/2017. The System defines the information that should be disclosed and the time of disclosure, and it prohibits conflict of interests and misuse of the information unavailable to the public. This System includes the procedures followed when dealing in securities by Insiders and identifies the prohibited periods of their trading in securities of the Company or any company of its group. The			

	Company is honored to provide a copy thereof. (Kindly vide the Attachment (10) of the Governance Code Charter (Full Disclosure System))			
Article (8): Key Functions and Tasks of the Board	(2.3) Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company periodically ensures the integrity of the financial and accounting rules and the systems related to financial reports. The Company has recently contracted with the External Auditor Office (Hussein Al O'baidly Accounting Auditor) to prepare the new financial and accounting systems according to the recognized accounting standards, which have been prepared and they are currently under study and discussion before being approved by the Board.			
Article (8): Key Functions and Tasks of the Board	(2.4) Ensuring the implementation of control systems appropriate for risk management by generally forecasting the risks that the Company may encounter and disclosing them transparently.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	The Company believes that its business nature is simple where it is limited to operation and presentation of films to the audience. Hence, there are no risks to be confronted by the Company. However, the Company has recently assigned the External Auditor Office (Hussein Al O'baidly Accounting Auditor) who prepared the appropriate control systems for risk management that have been approved by the Board in its Meeting No. 8/2017, dated 12/12/2017. The Company is recently going to appoint an employee to undertake the risk management functions in the Company; knowing that the External Auditor Office (M/s. Rodel & Partners) is undertaking the Internal Control and provides their reports periodically. (Kindly vide the Attachment (8) of the Governance Code Charter (Risk Management Policy &			

	Evaluation))			
Article (8): Key Functions and Tasks of the Board	(2.5) Reviewing annually the effectiveness of the Company's Internal Control procedures.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company periodically reviews its Internal Control procedures, where the Company has officially assigned the External Auditor Office (M/s. Rodel & Partners Accounting & Auditing) who undertakes the Internal Controller duties and provides their reports to the Board periodically. Furthermore, the Company assigned the External Auditor Office (Hussein Al O'baidly Accounting Auditor) who prepared the Internal Control systems that have been approved by the Board and placed under execution.</p> <p>(Kindly vide the Attachment (7) of the Governance Code Charter (Internal Control Management Policy)</p>			
Article (8): Key Functions and Tasks of the Board	(3) Drafting a Governance Code for the Company that does not contradict the provisions of this Code, supervising and monitoring in general the effectiveness of this Code and amending it whenever necessary.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company developed Governance Code for the Company compatible with the provisions of this Code. The Company periodically reviews and updates this Code, whenever necessary, to be compatible with the Governance Code issued under Resolution No. 5 of 2016. Then, the Company has already updated several polices and charters that are existed, and it drafted and approved the new policies required under the New Governance Code.</p> <p>(Kindly vide the Attachments from (1) to (38) of the Governance Code Charter)</p>			
Article (8): Key Functions and Tasks of the Board	(4) Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General Meeting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of	The Company develops a new policy including clear and specific standards and procedures for the			

Commitment / or Justification of Non-commitment	Board membership. It was presented to Company's General Meeting held on April 08 th , 2018, and it was approved, attested and placed under execution. (Kindly vide the Attachments (18) and (44) of the Governance Code Charter) (Policy & Procedures of Board Membership) and Minutes of General Meeting dated April 08 th , 2018)
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Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (8): Key Functions and Tasks of the Board	(5) Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights; in particular, such policy must cover the following: (5.1) Mechanisms of the Stakeholders' indemnify in case of contravening their rights pursuant to the Law and their respective contracts.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company developed a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights. Among the other points covered by this Policy, it includes Mechanisms of the Stakeholders' Indemnify in case of contravening their rights, as expressly set forth in Articles (4) and (25). It was approved and attested by the Board and placed under execution. (Kindly vide the Attachment (12) of the Governance Code Charter (Policy of Relationship Regulations among the Stakeholders))			
Article (8): Key Functions and Tasks of the Board	(5.2) Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company developed a written policy that regulates the relationship among the Stakeholders. It includes clear provisions on mechanisms of complaints or disputes that might arise between the Company and the Stakeholders including, but not limited to, Articles (24), (25) and (26) of			

	<p>the aforesaid Policy. (Kindly vide the Attachment (12) of the Governance Code Charter (Policy of Relationship Regulations among the Stakeholders))</p>			
Article (8): Key Functions and Tasks of the Board	<p>(5.3) Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of information related to them.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company developed a written policy that regulates the relationship among the Stakeholders. It includes clear provisions on the suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of information related to them including, but not limited to, Articles (26) and (28) of the aforesaid Policy. (Kindly vide the Attachment (12) of the Governance Code Charter (Policy of Relationship Regulations among the Stakeholders))</p>			
Article (8): Key Functions and Tasks of the Board	<p>(5.4) Develop a code of conduct for the Company's executives and employees compatible with the proper professional and ethical standards, and regulate their relationship with the Stakeholders and mechanisms for supervising this Code and ensuring compliance there with.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company developed the Professional Code of Conduct so as to comply with the sound professional and moral standards that regulate the relationship between the Company's Executive Management and Personnel and the Stakeholders. (Kindly vide the Attachment (13) of the Governance Code Charter (Professional Code of Conduct))</p>			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (8): Key Functions and Tasks of the Board	(5.5) The Company's social contributions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company developed the Charter of Wise Management Social Liability Committee which aimed at presentation and provision of appropriate recommendations to the Board in connections with the Company's business in a manner recognizes and reflects compliance with the social and financial liability, environmental sustainability, continued undertaking of business to behave morally, and contribution to economic development.</p> <p>(Kindly vide the Attachment (17) of the Governance Code Charter (Charter of Wise Management Social Liability Committee))</p>			
Article (8): Key Functions and Tasks of the Board	(6) Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to shareholders, creditors and other Stakeholders.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Company set several policies and charters that aim at ensuring transparency and the Company's compliance with the laws and regulations and its obligation to disclose the Information to shareholders, creditors and other Stakeholders, including, but not limited to, Full Disclosure System, Conflict of Interests Policy, Other Stakeholders' Policy and the other policies provided for under the Governance Charter.</p> <p>(Kindly vide the Attachments (6), (10) and (12) of the Governance Code Charter)</p>			
Article (8): Key Functions and Tasks of the Board	(7) Inviting all shareholders to attend the General Meeting in the way charted by Law. The invitation and the announcement shall include a thorough summary of the	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	General Meeting agenda, including the item of discussing and approving the Governance Report.			
Statement of Commitment / or Justification of Non-commitment	The Company usually obtains the consent of the Corporates Control Department of the Ministry Of Economy & Commerce to the agendas of the Ordinary and Extraordinary General Meetings, as well as it seeks their consent to the date of General Meeting and the form of announcement to be published to all shareholders in the daily newspapers, where the announcement may be published more than fifteen (15) days before convening the General Meeting; knowing that the announcement includes invitation and thorough summary of the General Meeting agenda, including the item of discussing and approving the Governance Report. (Kindly vide the Attachment (40) of the Governance Code Charter (Form of Announcement to the Ordinary General Meeting))			
Article (8): Key Functions and Tasks of the Board	(8) Approving the nominations for appointment in functions of Senior Executive Management, and the succession planning concerning the management.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	The Board usually approves the appointment in functions of Senior Executive Management, and the succession planning concerning the management. (Kindly vide the Attachment (11) of the Governance Code Charter (Policy of Authority Succession on the Board and Senior Executive Management))			
Article (8): Key Functions and Tasks of the Board	(9) Developing a mechanism for dealing and cooperation with providers of financial service, financial analysis, credit rating and other service providers as well as the entities that identify standards and indices of financial markets in order to provide their services for all	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	shareholders in a quick manner with integrity and transparency.			
Statement of Commitment / or Justification of Non-commitment	The policy and procedures of the Audit Committee includes mechanism for dealing and cooperation with providers of financial services and financial analysis. The Company has also developed the External Auditor Appointment Policy and it is placed under execution. (Kindly vide the Attachments (14) and (21) of the Governance Code Charter (Audit Committee Policy and External Auditor Appointment Policy)			
Article (8): Key Functions and Tasks of the Board	(10) Developing awareness programs necessary for spreading the culture of self-control and risk management of the Company.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company failed to develop awareness programs necessary for spreading the culture of self-control and risk management of the Company, but the Company undertakes to develop such programs in the future.			
Article (8): Key Functions and Tasks of the Board	(11) Setting a clear and written policy that defines the basis and method of granting remuneration for the Board members, in addition to incentives and rewards of Senior Executive Management and the Company's employees in accordance with the principles of this Code without any discrimination based on race, gender or religion. Such policy shall be submitted yearly to the General Meeting for approval.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or	The Company set a written policy that defines the basis and method of granting remuneration for the Board members, in addition to incentives and rewards of Senior Executive Management and			

Justification of Non-commitment	the Company's employees in accordance with the principles of this Code without any discrimination based on race, gender or religion. The Policy was presented to the Company's General Meeting dated April 08 th , 2018, where it was approved, attested and placed under execution. (Kindly vide the Attachments (19) and (44) of the Governance Code Charter (Bases and Standards of granting Remuneration for the Board Members)			
Article (8): Key Functions and Tasks of the Board	(12) Developing a clear policy for contracting with the Related Parties and presenting it to the General Meeting for approval.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-commitment	The Company developed a clear written policy for contracting with the Related Parties and presented it to the Company's General Meeting dated April 08 th , 2018, where it was approved, attested and placed under execution. (Kindly vide the Attachments (26) and (44) of the Governance Code Charter (Policy of Contracting with the Related Parties) and Minutes of the General Meeting dated April 08 th , 2018)			
Article (8): Key Functions and Tasks of the Board	(13) Setting bases and standards for evaluating the performance of the Board and the Senior Executive Management.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Company set bases and standards for evaluating the performance of the Board and the Senior Executive Management. This Policy and forms were presented to the Board who examined, discussed, approved and placed them under execution. (Kindly vide the Attachments (20), (23) and (24) of the Governance Code Charter (Bases and Standards for Evaluating the Performance of the Board and the Senior Executive Management)			
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Article (9): Board Responsibilities	The Board represents all shareholders; therefore, the Board must exert more due diligence and care in managing the Company in an effective and productive manner to achieve the interest of the Company, partners, shareholders and Stakeholders, and to achieve the public interest and investment development in the State as well as community development. The Board shall also bear the responsibility to protect shareholders from illegal or abusive practices and business, or any acts or decisions that may be harmful to them, discriminate among them, or let a group dominate another.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Chairman and Board Members well recognize their role in representing all Shareholders of the Company, without exception, and, for this purpose, they use their best endeavors to achieve the interest of the Company, partners, shareholders and Stakeholders and to improve the society. This obligation is clearly stated in Item (Second: Board Responsibilities), Section (2) of the Board Charter. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter))			
Article (9): Board Responsibilities	The responsibilities of the Board must be clearly stated in the Company’s Articles of Associations and in “the Board Charter” referred to in the previous article.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Statement of Commitment / or Justification of Non-	The Board Charter includes all details pertaining to individual and group functions, responsibilities and duties of the Chairman and Board Members, along with the prohibitions which they must not handle and the penalties applicable to them. The Charter also includes the Shareholders' rights,			

commitment	<p>their right to be treated equally, their entitlement to the profits and other rights.</p> <p>The same thing applies to the Articles of Association, where the Board decided, in its Meeting No. 8/2017 dated December 12th, 2017, to invite the Extraordinary General Meeting and presented its recommendation to the Meeting regarding amendment of the Company's Articles of Association so as to include this item. This item is inserted in Article (38) of the Articles of Association, and the Extraordinary General Meeting has already approved it.</p> <p>(Kindly vide the Attachments (1), (29) and (44) of the Governance Code Charter (Board Charter), Article (38) of the Company's Articles of Association, and Minutes of the Extraordinary General Meeting dated April 08th, 2018)</p>			
Article (9): Board Responsibilities	<p>Without violating the provisions of the Law, the Board must carry out its functions and duties, and bear responsibility according to the following:</p> <p>(1) The Board must carry out its duties in a responsible manner, in good faith and with due diligence. Its decisions should be based on sufficient information from the executive management, or from any other reliable source.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board carries out its duties in a responsible manner, in good faith and with due diligence. With regard to its decisions and recommendations, the Board issues it based on sufficient and clear information from the Company's Senior Executive Management, and it often uses external advisor, if required.</p> <p>This Obligation is expressly stated in the Board Charter.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (Second: Board Responsibilities), Item (1))</p>			
Article (9): Board Responsibilities	<p>(2) A Board member represents all shareholders; shall undertake to carry out whatever might be in the interest</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


	of the Company, but not in the interests of the group, it represents or for which he voted to be appointed in the Board.			
Statement of Commitment / or Justification of Non-commitment	<p>All the Board Members are aware of their duty and that they represent all Shareholders, with taking consideration to the Company's interest at first and then the benefits of Shareholders. The Board Members also realize that they are not agents for whomever they vote for in elections, but they shall certainly consider the interest of all Shareholders.</p> <p>This principle is expressly stated in the Board Charter, Article (Second: Board Responsibilities), Item (2) thereof.</p> <p>The same thing applies to the Articles of Association, where the Board decided, in its Meeting No. 8/2017 dated December 12th, 2017, to invite the Extraordinary General Meeting and presented its recommendation to the Meeting regarding amendment of the Company's Articles of Association so as to include this item. This item is inserted in Article (38) of the Articles of Association, and the Extraordinary General Meeting has already approved it.</p> <p>(Kindly vide the Attachments (1), (29) and (44) of the Governance Code Charter (Board Charter), Item (2) thereof, Article (38) of the Company's Articles of Association, Item (2) thereof, and Minutes of the Extraordinary General Meeting dated April 08th, 2018)</p>			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (9): Board Responsibilities	(3) The Board shall determine the powers to be delegated to the executive management and the procedures for taking any action and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The executive management shall submit to the Board periodic reports on the exercise of the delegated	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	powers.			
Statement of Commitment / or Justification of Non-commitment	The Board realizes the results of misusing the powers and authorities which it refers some thereof to the Senior Executive Management, and this does not discharge the Board of responsibility if it fails to follow up how to use them or if it assigns them to who does not deserve. Therefore, the Board issued the Powers & Authorities Manual whereby the topics, procedures or decisions to be taken are defined, and who is authorized to issue the same from the Senior Executive Management. In most cases, resolutions are issued under two doubled signatures, one by the CEO and the other by the Alternative Director, to ensure non-exploitation of these powers. (Kindly vide the Attachment (4) of the Governance Code Charter (Powers & Authorities Manual))			
Article (9): Board Responsibilities	(4) The Board shall ensure that procedures are laid down for orienting the new Board members of the Company's business and, in particular, the financial and legal aspects, in addition to their training, where necessary.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	At the first meeting convened for electing new Board Members, the Board and Legal Advisor enlightens the new Board Members of the Company's business, the financial and legal aspects and their duties in accordance with the Governance Code and the Companies Law, along with how the meetings are convened, how the decisions are made, and other topics. However, the Board has never held training courses for its Members in this regard, where it is not necessary, due to the accumulated experiences of its Chairman and Members. This Obligation is expressly stated in the Board Charter. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (Second: Board Responsibilities), Item (4))			
Article (9): Board Responsibilities	(5) The Board shall ensure that sufficient information about the Company is made available to all Board members, generally, and, in particular, to the Non-Executive Members, to enable them to discharge their duties and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	responsibilities in an effective manner.			
Statement of Commitment / or Justification of Non-commitment	<p>The Company ensures that sufficient information about the Company is made available to the Chairman and all Board Members before making any decision or commencing the discussion of any subject, through requesting supporting reports and documents before settling the subject. The Board Members often uses the Board Secretary to provide them with the supporting information and documents which they request to be attached with the agenda before commencing the discussion of any item on the agenda.</p> <p>These duties are expressly stated in the Duties of the Board Secretary and the Board Charter. (Kindly vide the Attachments (1) and (5) of the Governance Code Charter (Duties of the Board Secretary and the Board Charter), Article (Second: Board Responsibilities), Item (5))</p>			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (9): Board Responsibilities	(6) The Board shall not enter into loans that spans more than three years, and shall not sell or mortgage real estate of the Company, or drop the Company's debts, unless it is authorized to do so by the Company's Articles of Association. In the case where the Company's Articles of Association includes no provisions to this respect, the Board should not act without the approval of the General Meeting, unless such acts fall within the normal scope of the Company's business.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board confirms that it has never sold the Company's properties and the Articles of Association do not include any clear provision allowing the Board to discharge the Company's debtors of their obligations, and the Board confirms that it has never discharged any of the Company's debtors. If so required in the future, the Board will obtain the prior or subsequent consent of the General Meeting before making the discharge decision, as the case may be.</p> <p>With regard to entering into the loan contracts that span more than three years, the Company has entered</p>			

	<p>into such contracts with Ahli Bank Qatar QSC under real estate guarantee (official mortgage of two buildings owned by the Company) for financing a real estate project (two residential buildings owned by the Company). This was before commencing the Governance Code application. In all cases, this transaction was known and approved by the General Meeting of the Company.</p> <p>Recently at the Extraordinary General Meeting of the Company, held on April 08th, 2018, the Articles of Association of the Company include clear provision prohibiting the Board to enter into loan contracts that spans more than three years or to sell or mortgage the Company's properties, as stated under Section (6) of Article (38) of the Articles of Association.</p> <p>(Kindly vide the Attachments (1), (29) and (44) of the Governance Code Charter (Board Charter), Article (Second: Board Responsibilities), Item (6), Section (6) of Article (38) of the Company's Articles of Association, and Minutes of the Extraordinary General Meeting dated April 08th, 2018)</p>			
				
<p>Article (10): Tasks Delegation</p>	<p>Without prejudice to the competences of the General Meeting, the Board shall assume all the necessary competencies and powers for the Company's management. The Board may delegate to its committees to exercise some of such powers, and may form a special committee or more to carry out specific tasks to be stipulated in the decision of formation the nature of those tasks.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Statement of Commitment / or Justification of Non-commitment</p>	<p>The Board assumes all duties that are included under the net activities of the management. In case of any issue that requires obtaining the General Meeting's consent or requires issuing a resolution by the Ordinary or Extraordinary General Meeting, the Board usually studies the subject and present its recommendation to the concerned meeting, as the case may be.</p> <p>The Board often assigns some functions to the Board Sub-committees with some powers that ensure facilitating and studying the issue in a way does not hinder the business; knowing that formation of these committees consists of membership of the Board Member, and the policy and procedures of each committee defines the nature of issues that can be assigned to the concerned committee. The committee shall present its recommendation to the Board to make the appropriate decision in this regard or, in very few cases, to ensure that the decision is made quickly. The Board authorizes the committee to take the</p>			

	<p>sound decision, provided that the issue shall be presented at the first meeting of the Board following the decision to be approved.</p> <p>This issue is expressly provided for in the Board Charter.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (Third: Duties Delegation)</p>
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Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (10): Tasks Delegation	The ultimate responsibility for the Company rests with the Board even if it sets up committees or delegates some of its powers to a third party. The Board shall avoid issuing a general or an open-ended delegation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board confirms that it does not issue general or open-ended delegations to any of the Board Sub-committees, because the Board is fully aware that delegation of some of the Board authorities to any committee or any person does not discharge the Board from liability if such delegation results in damage to the Company.</p> <p>In all cases, the Board emphasizes that it does not delegate any person other than the Board Members for any reason, but delegation is often made to the Board Sub-committees as tight as possible.</p> <p>This issue is expressly stated in the Board Charter.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (Third: Duties Delegation)</p>			
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Article (11): Duties of the Board Chairman	The Chairman: is the president of the Company, represents it before the others and before the judiciary and is primarily responsible for ensuring the proper management of the Company in an effective and productive manner and working	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	to achieve the interest of the Company, partners, shareholders and Stakeholders. The Board Charter must include tasks and responsibilities at least the following:			
Statement of Commitment / or Justification of Non-commitment	<p>Pursuant to the provisions of the Qatari Companies Law and the Company's Board Charter, the Chairman is the president of the Company who represents it before the third parties and before the judiciary and he is primarily responsible for ensuring the proper management of the Company and protecting the interests of the Company, partners, shareholders and Stakeholders.</p> <p>This obligation is expressly stated in the Board Charter.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (First: Chairman Responsibilities)</p>			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (11): Duties of the Board Chairman	(1) Ensuring that the Board discusses all the main issues in an efficient and timely manner;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>As the Chairman is the one who manages the Board meetings, he ensures that the Board discusses all the main issues of the agenda in an efficient and timely manner.</p> <p>This obligation is expressly stated in the Board Charter.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (First: Chairman Responsibilities), Item (4) thereof)</p>			
Article (11): Duties of the Board Chairman	(2) Approving the agenda of the Board meeting taking into consideration any matter proposed by any other Board member;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-	<p>The Chairman proposes and approves the agenda before calling for the Board meetings. Moreover, the Board Members have the right to propose any point they find necessary to be enrolled on the agenda, but the Chairman's consent shall be obtain firstly before enrollment. As for the emergency</p>			

commitment	<p>and urgent issues that arise after directing invitations to the Member accompanied with the agenda, they shall be enrolled under (Other Matters) Item, of course, after obtaining the Chairman's approval before discussion thereof.</p> <p>This obligation is expressly stated in the Board Charter. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (First: Chairman Responsibilities), Item (5) thereof)</p>			
Article (11): Duties of the Board Chairman	(3) Encouraging all Board members to collectively and effectively participate in dealing with the Board affairs for ensuring that the Board is working with its responsibilities to achieve the best interest of the Company;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Chairman often presents his inquiry to the Board Members to know their point of view or comment on the issue in question, because the Chairman is keen on all Members' participation in the decision-making and giving recommendations, as he believes that entire discussion of a subject matter after hearing the point of view of all present Members will give greater opportunity to make the more complete and global decision unanimously or, at least, by approval or the majority of Members.</p> <p>This obligation is expressly stated in the Board Charter. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (First: Chairman Responsibilities), Item (6) thereof)</p>			
Article (11): Duties of the Board Chairman	(4) Making available for the Board Members all data, information, documents and records of the Company, and of the Board and its committees.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
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Statement of Commitment / or Justification of Non-commitment	<p>Before every meeting, the Chairman ensures that all documents and papers that support the subject matter enrolled on the agenda are attached to the meeting. The Chairman often postpones the meeting to provide certain reports pertaining to the subject matter in question which needed to be decided, in order to ensure well discussion and study of the issue before making the proper decision. The same applies to the meetings and recommendations of committees, where the Chairman endeavors to provide all documents and exhibits to the concerned committee before they submit their report or recommendation.</p> <p>This obligation is expressly stated in the Board Charter. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter), Article (First: Chairman Responsibilities), Item (1) thereof)</p>			
Article (11): Duties of the Board Chairman	(5) Creating effective communication channels with shareholders and making their opinions heard to the Board;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Chairman is concerned with creating effective communication channels with shareholders and making their opinions heard to the Board to know their points of view or the remarks or notes in their minds, so that the Board can recognize or discuss and comment on them. This duty is stated in the Board Charter and the Stakeholders Policy.</p> <p>(Kindly vide the Attachments (1) and (12) of the Governance Code Charter (Board Charter), Article (First: Chairman Responsibilities), Item (1) thereof and the Stakeholders Policy, Article (3) thereof)</p>			
Article (11): Duties of the Board Chairman	(6) Allowing effective participation of the Non-Executive Board Members in particular and promoting constructive relations between Executive and Non- Executive Board Members; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of	To ensure participation of the Non-Executive Board Members, the Board reforms its committees to			

Commitment / or Justification of Non-commitment	<p>ensure participation of all Non-Executive Board Members in the Board Sub-committees, and it is ensured that any Board Member presides one committee only to ensure the full participation of all Members.</p> <p>Not to mention that the relationship of all Board Members is excellent.</p> <p>(Kindly vide the Attachments (1) and (33) of the Governance Code Charter (Board Charter), Article (First: Chairman Responsibilities), Item (6) thereof)</p>			
Article (11): Duties of the Board Chairman	(7) Keeping the members constantly informed about the implementation of the provisions of this Code, the Chairman may authorize Audit Committee or other committee in this mission.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Chairman confirms that the Board Members are constantly informed about the implementation of the provisions of this Code and they take part in the meetings where any updates or approvals to any new policies, regulations or charters pertaining to the Governance Code are discussed. Furthermore, the Board assigned the Audit Committee, along with its scope of mission, to follow up all issues related to implementation of the provisions of this Code.</p> <p>Not to mention that the Board Charter expressly states that the Vice-Chairman may supersede the Chairman if the latter is absent for any reason. Article (First: Chairman Responsibilities), Item (10) thereof</p> <p>(Kindly vide the Attachments (1) and (14) of the Governance Code Charter (Board Charter) and Policy & Procedures of the Audit Committee)</p>			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
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Article (12): Board Members Obligations	<p>The Board members shall comply with the following:</p> <p>(1) Attending meetings of the Board and committees</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	regularly, and not withdrawing from the Board except for the need at the right time.			
Statement of Commitment / or Justification of Non-commitment	Minutes of meetings of the Board and the Board Sub-committees certify the Board Members' compliance with attending the meetings, as they did not fail to attend except in exceptional cases due to illness or traveling abroad, and such excuses are acceptable by the Board; knowing that the Board has never recorded any withdrawal or resignation from the Board membership during this year.			
Article (12): Board Members Obligations	(2) Giving priority to the interest of the Company, shareholders and all Stakeholders over their own interest;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Board Members give priority to the interest of the Company, shareholders and all Stakeholders, as this is why they have been elected by the Shareholders. This obligation is expressly stated in the Board Charter, Article (Seventh: Duties of the Board Members), Item (5) thereof. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter))			
Article (12): Board Members Obligations	(3) Providing opinion on the Company's strategic matters, policy of projects implementation, staff accountability systems, resources, key appointments and operation standards;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Board Members actively and positively participate in the Board meetings, where they discuss all details and present their opinions and points of view on any issue presented to the Board. The resolutions issued by the Board embodies such participation; especially in connection with the strategic issues, main appointments and their implementation standards. This obligation is expressly stated in the Board Charter, Article (Seventh: Duties of the Board Members), Item (7) thereof. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter))			
Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A

Article (12): Board Members Obligations	(4) Monitoring the Company's performance in realizing its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board Members participate in monitoring the Company's performance in realizing its agreed objectives through their participation in the Board Sub-committees, i.e. Audit Committee, Financial Committee, Technical Committee and Remuneration Committee. Moreover, the Board Member take part in discussion of the annual, semi-annual and quarterly reports, either through their contribution with the Audit Committee or by presenting such reports to the Board and discussing the items thereof before approval.</p> <p>This obligation is expressly stated in the Board Charter, Article (Seventh: Duties of the Board Members), Item (7) thereof.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter))</p>			
Article (12): Board Members Obligations	(5) Supervising the development of the procedural rules for the Company's Governance to ensure their implementation in an optimal manner in accordance with this Code.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board Members play role in supervision on the development of the procedural rules for the Company's Governance, where the Board assigned the duty of developing the procedural rules for the Company's Governance to the Audit Committee, which then presented it to the Board for approval and best application thereof.</p> <p>The best evidence on the same is that the Company recently updates several applicable policies to keep up with the new requirements, such as the Updates to the Board Charter, the Updates to Duties and Responsibilities of the Board Secretary, the Updates to the Other Stakeholders' Rights Policy, the Updates to the Conflict of Interests Policy, the Updates to the Audit Committee Regulations, the Updates to the Nominations Committee Regulations, the Updates to the</p>			

	Remunerations Committee Regulations, and the new policies and regulations that have been prepared and approved, and they all are attached to the Governance Code Charter. (Kindly vide the said policies and procedures of the Governance Code Charter, Attachments from (1) to (27))			
Article (12): Board Members Obligations	(6) Using their diversified skills and experience with diversified specialties and qualifications through an effective and productive management of the Company, and working to achieve the interests of the Company, partners, shareholders and other Stakeholders.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Board depends mainly on skills and experiences of its Members on the Company management and through participation in the Board Committees, where the Board chairmanship is assigned to the Audit Committee and the technical committees to Members with diversified professional skills and experiences in this area. As for the technical committees, the presidency and membership thereof are given to Members with wide experience in cinema fields and how to develop them, who are completely aware of the obstacles that might hinder such activity. This obligation is expressly stated in the Board Charter, Article (Seventh: Duties of the Board Members), Item (9) thereof. (Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter))			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (12): Board Members Obligations	(7) Effective participation in the Company's general assemblies, and achieving its members' demands in a balanced and fair manner.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or	Minutes of the Ordinary and Extraordinary General Meetings certify the participation of all Members in these meetings and their respond to the present Shareholders' inquiries and the raised questions. No			

Justification of Non-commitment	<p>Member fails to attend the Ordinary and Extraordinary General Meetings unless for the utmost necessity, as they recognize that nothing more important than the Company's annual meetings. This obligation is expressly stated in the Board Charter, Article (Seventh: Duties of the Board Members), Item (10) thereof.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter))</p>			
Article (12): Board Members Obligations	(8) Not to make any statements, data or information without prior written permission from the Chairman, and the Board shall appoint an official spokesperson for the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>None of the Company's Board Members makes any statements or provides any information pertaining to the Company, where the CEO (Chairman) is the person assigned and authorized to make any statements in connection with the Company or its business. The Board has named the CEO and the Managing Director, Mr. Ali Ishaq Hussein Al Ishaq to be the official speaker of the Company in any official forum.</p> <p>This obligation is expressly stated in the Board Charter, Article (Seventh: Duties of the Board Members), Item (11) thereof.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter)</p>			
Article (12): Board Members Obligations	(9) Disclosure of financial and trade relations, and litigants, including the judicial, which may affect negatively on carrying out the tasks and functions assigned to them. The Board members, at the Company's expense, may request an opinion of an independent external consultant in issues relating to any of the Company's affairs.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Board Members confirm that they have no financial or commercial relationships or lawsuits filed by or against them which may adversely affect their performance of the duties and functions assigned to them. As for the current proceedings, they have been disclosed and included in this Report.</p> <p>The Board Members also confirm that the Board often uses experienced external advisors to illustrate</p>			

	<p>any technical issue which the Board is unable to recognize its influences before making the sound decision. For instance, the Board used engineering consultant offices in all strategic projects offered to it or used the external audit offices and accountants for discussing any professional accounting issue.</p> <p>This obligation is expressly stated in the Board Charter, Article (Seventh: Duties of the Board Members), Items (12) and (13) thereof.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter)</p>
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Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
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Article (13): Invitation for Meeting	The Board shall meet upon an invitation by the Chairman, and pursuant to what is stipulated in the Company's Articles of Associations. The Chairman may call the Board for the meeting upon a request by at least two of its members. The invitation, accompanied with the agenda, shall be sent to each member at least one week prior to the meeting date; the member may request to add an item or more to the agenda.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	<p>The Chairman calls for the Board meetings, under Article (34) of the Articles of Association, sua sponte or at request of two of the Board Members one week, at least, before the date of meeting. If the Chairman is absent, the Vice-Chairman shall undertake such duty and he shall administrate and control the meeting.</p> <p>Invitations are directed accompanied with the agenda and any necessary documents or papers which the Board Secretary finds it necessary to be provided to the Member in order to be reviewed before attending the meeting to give his opinion, so that he can take the full idea of the subject in question.</p> <p>As aforesaid, all Board Members have the right to propose the items they concern to, in order to be</p>			

	<p>enrolled on the agenda after seeking the Chairman's consent thereon. This obligation is expressly stated in the Board Charter, Article (Fifth: Board Meetings & Decisions), Item (2) thereof. (Kindly vide Attachment (1) of the Governance Code Charter, and Article (34) of the Articles of Association)</p>			
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Article (14): Board Meetings	The Board shall convene at least six meetings during the year and three months must not elapse without convening a meeting. The Board meeting shall be deemed valid if attended by the majority of the members provided that either the Chairman or the Vice-Chairman attends the meeting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of Commitment / or Justification of Non-commitment	The Board convened six (6) meetings during this year, and this is the minimum established under the Law and the Board Charter (six meeting at least); knowing that the Board shall convene a meeting every three months, at least. All these meetings are presided by the Chairman or the Vice-Chairman, if the Chairman is absent for any reason. Also, the quorum required to convene any meeting is available for all these meetings.			

Article No.	Item No. / Item Content	Commitment	Non-commitment	N/A
Article (14): Board Meetings	The absent member may, by written request, delegate any other Board member to represent it in attendance and voting. A Board member cannot represent more than one member. If the Board member is absent from attending three consecutive meetings or four non-consecutive meetings without an excuse acceptable to the Board, the Board member shall be deemed as resigned.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Statement of Commitment / or Justification of Non-commitment</p>	<p>The Member, who fails to attend any of the Board meetings, usually delegates another Member in writing to attend and vote in the meeting on behalf of him. The Chairman and the Legal Advisor verify that a Member does not represent more than one absent Member, as well as absence and attendance of Members is recorded under delegation in the minutes of meeting.</p> <p>In accordance with the Companies Law and the Board Charter, the Board realizes that if a Board Member fails to attend three consecutive meetings or four inconsecutive meetings, without an excuse acceptable by the Board, he shall be deemed as resigned, but, praise to Allah, such unjustified absence that require deeming the Member as resigned does not occur during this year.</p> <p>This obligation is expressly stated in the Board Charter, Article (Fifth: Board Meetings & Decisions), Item (8) thereof.</p> <p>(Kindly vide the Attachments (1) and (35) of the Governance Code Charter (Board Charter), and the Statement of Board Meetings Disclosure)</p>			
<p>Article (14): Board Meetings</p>	<p>Participation in the Board meeting may be done by any secure and known of new technologies that enable the participant to hear and actively participate in the Board agenda discussions and make decisions.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Statement of Commitment / or Justification of Non-commitment</p>	<p>However the Corporate Governance Law permits the Board Members to participate in the Board meeting through any secured mean of the recognized modern technology, such as mobile, video conference or the e-communication means, like skype, whatsapp, etc., all the Board meetings within this year are convened in presence of the Member personally or under written delegation to any of the present Members.</p> <p>This obligation is expressly stated in the Board Charter, Article (Fifth: Board Meetings & Decisions), Item (9) thereof.</p> <p>(Kindly vide the Attachment (1) of the Governance Code Charter (Board Charter))</p>			
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Article 15: Board Resolutions	<p>In a manner that does not violate the provisions of the law in this regard, the resolutions of the Board are issued by a majority of the votes from the attendees and representatives. When the votes are equal, the side of the presiding chairperson shall prevail. Each meeting shall be recorded in the minutes of the meeting, specifying the names of the attending and absent members, detailing what happened at the meeting, and shall be signed by the chairman and the secretary. Any member who did not agree with any resolution issued by the board may note his objection in the minutes of the meeting.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The secretary of the board of directors, who is a legal consultant with extensive experience in the board of directors meetings, records the minutes of the meetings, the date of the meeting, the time the meeting started, and the attendance of the members in person and by representatives and those absent without notice. It shall also record the agenda, an unprejudiced summary of the events of the meeting, and the discussions that took place in the meeting, along with an indication to the name of the members presenting a differing viewpoints or reservations about any resolution (in disagreement). The resolutions shall be issued by an absolute majority of the votes, and when the votes are equal, the side of the presiding chairperson shall prevail.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Fifth: Board Meetings and Resolutions), clause (6) and (10).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter).</p>			
Article 15: Board Resolutions	<p>The Board may, when necessary and urgent, issue some of its resolutions by circulation, provided that all its members agree to those resolutions in writing, and that they are presented at the next</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Board Meeting, to be included in the minutes of the meeting.			
Statement of compliance/ or justification for non-compliance	<p>The Board usually issues its resolutions at the same Board meeting, but in cases of extreme necessity and urgency that cannot afford delay, the opinions and approvals of all members are taken over the phone, and if consensus is reached, the resolution shall be drafted and circulated to the members to sign before taking effect. Also, the resolution shall be presented at the next Board meeting, following the date of its issuance by circulation, for approval, and during this year no resolution by circulation shall be issued.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Fifth: Board Meetings and Resolutions), clause (7).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter).</p>			

Article 16: Secretary	<p>The Board shall issue a resolution naming the Board's secretary. Preference for those holding a university degree in law or accounting from an accredited university or its equivalent, and for those with at least three years of prior experience in holding a similar position in a registered company.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Board of Directors, by virtue of its issued resolution, has appointed the legal advisor of the company to assume the duties of Company Secretary and Board Secretary. The secretary is a legal advisor and holds a master's degree in private law from an accredited university, and has no less than ten years of experience in the position of Board Secretary. It is noteworthy that the resolution to nominate the secretary is renewed annually by a resolution that is recorded in the first board meeting after the general assembly.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company</p>			

	<p>Secretary, Tasks and Duties), second paragraph).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter).</p>			
Article 17: Secretary	<p>After the approval of the Chairman, the Secretary may seek the assistance of any of the company's employees in performing his duties.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Secretary is assisted by an executive secretary who is in charge of book keeping and maintaining copies of the minutes of meetings, as well as copies of the agenda attachments in the designated files, and other tasks assigned to her by the Board Secretary.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company Secretary, Tasks and Duties), second paragraph).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter).</p>			

Article 17: Tasks and Duties of the Secretary	<p>The Secretary shall assist the chairman and all board members in the tasks they carry out, and shall undertake to facilitate all the works of the Board, including: (1) Recording the Board's minutes of meetings, indicating the names of present and absent members, detailing what happened in the meeting, and noting objections to any resolution issued by the Board.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Secretary record and edit the minutes of the Board's meetings, indicating the date of the meeting, the time the meeting started, and the attendance of the members in person and by representatives and those absent without notice. The Secretary shall also note down the objections of any member who does not agree with any</p>			

	<p>resolution.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company Secretary, Tasks and Duties), clause (1) and (3).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter).</p>			
Article 17: Tasks and Duties of the Secretary	(2) Recording Board resolutions in the designated file according to the date of their issuance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Secretary records Board resolutions in the designated file according to the date of their issuance.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company Secretary, Tasks and Duties), clause (2).</p> <p>Kindly refer to Appendix 1 and 41 of the Charter for Governance. (Board Charter). And a copy of the Board's Resolutions Record.</p>			
Article 17: Tasks and Duties of the Secretary	(3) The record of the Board meetings shall be arranged in sequence according to the date it was held, indicating the present and absent members, the resolutions issued by the Board, and the objections, if any.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Secretary, with the assistance of the executive secretary, records the minutes of the Board's meetings arranged in sequence according to the date it was held, indicating the present and absent members, the resolutions issued by the Board, and the objections, if any.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company Secretary, Tasks and Duties), clause (2).</p>			

	Kindly refer to Appendix 1 and 42 of the Charter for Governance. (Board Charter). And a copy of the Board's Resolutions Record.			
Article 17: Tasks and Duties of the Secretary	(4) A soft and hard copy shall be kept of the minutes of the board's meetings, resolutions, reports, records and correspondence.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Secretary, with the assistance of the executive secretary, keeps paper records of all minutes of the board's meetings, decisions, reports, and correspondence, and there is also an electronic copy kept in an independent storage medium (Hard Disk).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter). paragraph (Section Four: Board Secretary, Company Secretary, Tasks and Duties), clause (4).</p>			
Article 17: Tasks and Duties of the Secretary	(5) Sending notice to Board members, and participants -if applicable- with the agenda at least two weeks before the date of the meeting, and receiving requests from members to add one or more items to the agenda and recording the date of their submission.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Secretary prepares the agenda based on the directives of the board chairman, and then sends a notice to the board members at least a week before the meeting is held, along with the agenda and any documents required attached to it, to enable the members to become familiar with the topics to be discussed in the meeting. if there are any new items proposed by any of the members, then it shall be included in the agenda after being approved by the board chairman.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company Secretary, Tasks and Duties), clause (5).</p>			

	Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter).			
Article 17: Tasks and Duties of the Secretary	(6) Full coordination between the board's chairman and members, between the members themselves, and between the board and the concerned authorities and stakeholders, including shareholders, management and employees.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Secretary coordinates in full between the Chairman and members and between the members themselves, to verify that the meeting dates is suitable to each of them, and to provide members with any data or information they deem necessary to help them fully grasp the topics listed in the agenda. In addition, the Secretary coordinates between the Board, stakeholders, other shareholders, management, and employees.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company Secretary, Tasks and Duties), clause (6). It is also expressly stated in the policy of other stakeholders, in Article (8) thereof.</p> <p>Kindly refer to Appendix 1 and 12 of the Charter for Governance. (Board Charter). And the policy of other stakeholders.</p>			
Article 17: Tasks and Duties of the Secretary	(7) Providing the chairman and members with quick access to all company documents and records, as well as all related information and data.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>One of the main roles of the Secretary is to enable the Chairman and members to access any information or data required by them, whether they relate to the proposed agendas, or the members themselves, or any documents, information, or data related to the company and its activities that are permitted to be disclosed.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company</p>			

	Secretary, Tasks and Duties), clause (7). Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter).			
Article 17: Tasks and Duties of the Secretary	(8) Keeping the board members declarations not to simultaneously hold positions as prohibited by the law and the provisions of these Articles.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Secretary keeps the board members' declarations not to simultaneously hold positions as prohibited by the law and the provisions of these Articles.</p> <p>This obligation is expressly stated in the Board Charter, paragraph (Section Four: Board Secretary, Company Secretary, Tasks and Duties), clause (8).</p> <p>Kindly refer to Appendix 1 and 31 of the Charter for Governance. (Board Charter). And the Board Members Declaration Form.</p>			

Article 18: Board Committees	<p>Immediately after its election and in its first meeting, the Board shall form at least three committees as follows:</p> <p>First: The Nominations Committee: It shall be chaired by one of the Board members and have at least two members. The selection of the committee members shall observe the required experience in exercising its authorities which are -at least- as follows:</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-	Immediately following the end of the General Assembly on 12 Feb 2017 AD, a Board meeting No. (3/2017 AD) was held, and formed its committees, including the three required committees according to the			

compliance	<p>governance Charter, where it formed the Nominations Committee, which is chaired by a board member and has two other members which are also board members. All members have the necessary experience that enables them to perform the tasks assigned to them. It is noteworthy that the Board has reconstituted its committees at its meeting held on 6 November 2017, Board meeting No. (7/2017), so that the formation of the Committee is in compliance with the requirements of the new governance system.</p> <p>Kindly refer to Appendix 33 of the Charter for Governance. (Forming the board committees).</p>			
Article 18: Board Committees	(1) Establishing general principles and criteria for the General Assembly to use in electing the most suitable candidates to become board members.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>One of the main tasks of the Nominations Committee is to determine the standards and criteria for electing Board members. This matter is expressly stated in the Nominations Committee Procedures, Article (4), paragraphs (1) and (2), and the Board has established a written policy that includes the standards and criteria for the election of members to the Board of Directors.</p> <p>Kindly refer to Appendix 15 and 18 of the Charter for Governance. (Nomination Committee procedures, standards and criteria for selecting members of the Board of Directors).</p>			
Article 18: Board Committees	(2) Nominate whomever it deems suitable for Board membership if any of its seats becomes vacant.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Nominations Committee shall, in accordance with its regulations and procedures, nominate whom it deems suitable to fill the position as a member of the Board of Directors subject to the position requirements, during the election sessions of the board members and in the event of any of its seats becomes vacant.</p> <p>This has been expressly stated in the procedures of the Nominations Committee, Article (4), paragraph (3).</p>			

	Kindly refer to Appendix 15 of the Charter for Governance. (Nomination Committee Procedures).			
Article 18: Board Committees	(3) Develop the succession plan draft for the company's management to ensure the speedy appointment of the appropriate alternative to fill the vacancies in the company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>One of the main tasks of the Nomination Committee is to develop the succession plan draft for the company's management to ensure the speedy appointment of the appropriate alternative to fill the vacancies in the company. This has been expressly stated in Article (4) paragraph (4). It is noteworthy that the company has also developed a written policy for the succession plan.</p> <p>Kindly refer to Appendix 11 and 15 of the Charter for Governance. (Nomination Committee Procedures and the Succession Plan Policy).</p>			
Article 18: Board Committees	(4) Nominate whom it deems appropriate to fill any of the upper executive management positions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Nominations Committee shall nominate whom it deems appropriate for any of the upper executive management positions, and it will review the job requirements and verify that the applicant fulfills these requirements before submitting the matter to the Board of Directors for approval.</p> <p>This has been expressly stated in the procedures of the Nominations Committee, Article (4), paragraph (5).</p> <p>Kindly refer to Appendix 15 of the Charter for Governance. (Nomination Committee Procedures).</p>			
Article 18: Board Committees	(5) Receiving applications for the nomination to Board Membership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The Nominations Committee receives applications and the required documents from the applicants usually after announcing the date of the board elections and inviting those qualified to submit an application to the			

compliance	<p>Committee.</p> <p>This has been expressly stated in the procedures of the Nominations Committee, Article (4), paragraph (6).</p> <p>Kindly refer to Appendix 15 of the Charter for Governance. (Nomination Committee Procedures).</p>			
Article 18: Board Committees	(6) Submit the list of candidates for the board membership to the Board, including its recommendations in this regard, provided that a copy is sent to the Authority.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>After the Nominations Committee receives the applications for the board membership, the committee verifies that the applicants have met the required conditions, and then the Committee excludes applicants who did not meet the requirements. After that a list of all the candidates is submitted to the Board of Directors, indicating its recommended candidates and the reasons for the same, as well as indicating the applicants who did not meet the required conditions and their shortcomings, so that the Board is clear about all the details. Prior to all this, the committee sends a copy of that list to the Authority.</p> <p>This has been expressly stated in the procedures of the Nominations Committee, Article (4), paragraph (7).</p> <p>Kindly refer to Appendix 15 of the Charter for Governance. (Nomination Committee Procedures).</p>			
Article 18: Board Committees	(7) Submit an annual report to the Board that includes a comprehensive analysis of the Board's performance, identifying the strengths and weaknesses and their proposals in this regard.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>One of the tasks of the Nominations Committee is to analyze the performance of the Board and submit an annual report thereof to the Board, so that the Board can be aware of its own strengths and weaknesses, and then take the appropriate decision to correct the course or reconstitute the committees to overcome such weaknesses identified by the Committee.</p>			

	<p>This has been expressly stated in the procedures of the Nominations Committee, Article (4), paragraph (7). In addition to that, the Board has a written policy to evaluate the performance of the Board, supported by forms approved by the Board for evaluation.</p> <p>Kindly refer to Appendix 15 and 24 of the Charter for Governance. (Nomination Committee Procedures and the Annual board performance evaluation policy).</p>
<p>Article 18: Board Committees</p>	<p>Second: The Remuneration Committee: It shall be chaired by <input checked="" type="checkbox"/> one of the Board members and have at least two members. The selection of the committee members shall observe the required experience in exercising its authorities which are -at least- as follows: <input type="checkbox"/></p>
<p>Statement of compliance/ or justification for non-compliance</p>	<p>Immediately following the end of the General Assembly on 12 Feb 2017, a Board meeting No. (3/2017) was held, and formed its committees, including the three required committees according to the governance Charter, where it formed The Remuneration Committee, which is chaired by a board member and has two other members which are also board members. All members have the necessary experience that enables them to perform the tasks assigned to them. It is noteworthy that the Board has reconstituted its committees at its meeting held on 6 November 2017, Board meeting No. (7/2017), so that the formation of the Committee is in compliance with the requirements of the new governance system.</p> <p>Kindly refer to Appendix 33 of the Charter for Governance. (Forming the board committees).</p>
<p>Article 18: Board Committees</p>	<p>(1) Determine the general policy for granting annual remunerations, including the method for determining the remunerations of the chairman and members of the Board, provided that the annual remunerations of the Board does not <input checked="" type="checkbox"/></p>

	exceed 5% of the net profit of the company after deducting the legal reserves and deductions and distributing dividends to the shareholders.			
Statement of compliance/ or justification for non-compliance	<p>The Board of Directors prepared a written policy for granting annual remunerations, including the method for determining the remunerations of the Chairman and members of the Board. The policy was reviewed and discussed by the Board and then referred with recommendation to the General Assembly for discussion, approval and implementation. This policy was presented at the General Assembly meeting which was held on 8 April 2017, where the policy was confirmed and approved.</p> <p>It is noteworthy that the procedures of the Remuneration Committee have included explicit provisions, Article (4) Paragraph (7), which was enforced in the previous years for determining the remunerations of the Chairman and members of the Board, provided that the annual remunerations of the Board does not exceed 5% of the net profit of the company after deducting the legal reserves and deductions and distributing dividends to the shareholders.</p> <p>Kindly refer to Appendix 16, 19 and 44 of the Charter for Governance. (Remuneration Committee Procedures, the policy for granting annual remunerations to the Chairman and members of the Board and Minutes of Meeting for the General Assembly held on 8 April 2017).</p>			
Article 18: Board Committees	(2) Determine the basis for granting allowances and incentives in the company, including issuing incentive shares to its employees.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The regulations of the Company's Remuneration Committee explicitly stipulate in Article (4) paragraph (8) that determining the basis for granting allowances and incentives to the company, including issuing incentive shares to its employees, are within the scope of the committee's tasks,. Article (7) of the remuneration committee regulation also specified the basis on which bonuses are awarded to the Board members and			

	<p>company employees.</p> <p>Kindly refer to Appendix 16 of the Charter for Governance. (Remuneration Committee Procedures).</p>			
<p>Article 18: Board Committees</p>	<p>Third: The Audit Committee: It shall be chaired by one of the independent Board members and at least two members. The selection of the committee members shall observe that the majority of the members are independent, and that none of them have previously audited the company's accounts during the two years preceding the candidacy for the Committee's membership directly or indirectly, and that they have the required experience in exercising its authorities which are -at least- as follows:</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Statement of compliance/ or justification for non-compliance</p>	<p>Immediately following the election of the Board on 12 Feb 2017, a Board meeting No. (2/2017) was held, and formed its committees, including the three required committees according to the governance Charter, where it formed The Audit Committee, It is chaired by a non-executive Board member (Mr. Muhammad Ali Juma Al-Sulaiti) and has two other members who are also Board members, whereas all board members do not fulfill the description of the independent member as required above.</p> <p>The company will elect its new board of directors at the general assembly meeting to be held on (3 April 2019), and shall elect independent members to be included in the Board.</p> <p>It is noteworthy that all members have the necessary experience that enables them to perform the tasks entrusted to them, and that the Board has reconstituted its committees in its meeting held on 6 November 2017, Board meeting No. (7/2017), so that the formation of the Committee is in compliance with the requirements of the new governance system.</p> <p>The company confirms that none of the members of the audit committee had previously audited the accounts</p>			

	<p>of the company during the two years preceding the candidacy for membership in the committee, directly or indirectly.</p> <p>Kindly refer to Appendix 33 of the Charter for Governance. (Forming the board committees).</p>			
Article 18: Board Committees	<p>(1) Prepare a proposal for the company's internal control system once the committee is formed and present it to the board, and carry out periodic reviews whenever necessary.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Board of Directors appointed the office of the External Auditor, Mr. Hussein Al-Obaidli, to prepare the necessary regulations, policies and procedures for the Internal Control System. The necessary regulations were prepared, discussed and approved at the Board meeting No. (8/2017) held on 12 December 2017, and has been implemented. The audit committee is obligated to review the internal control system periodically whenever required, but the audit committee did not submit a proposal for the company's internal control system, rather it was satisfied with the internal controls implemented by the office of Rodl and partner, as indicated in the internal control reports.</p> <p>Kindly refer to Appendix 7 of the Charter for Governance. (Company internal control system policies and procedures).</p>			
Article 18: Board Committees	<p>(2) Define the basis for contracting and nominating the external auditors, and ensure their independence in performing their work.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>One of the tasks assigned to the audit committee is to define the basis for contracting with the external auditors, according to what is stipulated in Article (4) paragraph (2), whereby the committee annually submits (before the General Assembly meeting) its nominations for the external auditors to the Board, who in turn submit its recommendation accordingly to the General Assembly. It is noteworthy that the Board of Directors has established a written policy regulating how to nominate and select the external auditor.</p>			

	Kindly refer to Appendix 14 and 21 of the Charter for Governance. (Audit Committee Policies and Procedures & the policy for nominating the company's external auditor).			
Article 18: Board Committees	(3) Oversee the company's internal controls, monitor the work of the auditor, coordinate between them, and ensure its compliance with the best practices in auditing and preparing financial reports in accordance with international accounting and auditing standards (IFRS / IAS) and (ISA) requirements, and to verify that the auditor's report includes an explicit indication of whether it was able to obtain all the necessary information, the company's compliance with IFRS / IAS, and whether or not the audit was conducted in accordance with ISA standards.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>One of the tasks assigned to the audit committee is to Oversee the company's internal controls, monitor the work of the auditor, coordinate between them, this is in accordance with what is stipulated in Article (4), Paragraph (3) of the Audit Committee Procedures. It is noteworthy that the audit committee actively supervises the work of the Internal Control Department, where it receives its periodic report (every three months) and either review and discusses it, or submits it directly to the Board for discussion. In addition, the audit committee also supervises the process of preparing the financial reports and verifying their conformity with IFRS / IAS standards and ISA requirements, and verifying that the auditor's report includes an explicit indication of whether it has obtained all the necessary information or not.</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(4) Supervise and review the accuracy and validity of the financial statements and the annual, semi-annual and quarterly reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Statement of compliance/ or justification for non- compliance	<p>The audit committee verifies the accuracy and validity of the financial statements and the annual, semi-annual and quarterly reports, and it reviews and discusses them before submitting them to the Board of Directors for approval. This obligation is expressly stated in the Audit Committee Procedures, Article (4), Paragraph (4).</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(5) Study and review the reports and observations of the auditor on the company financial statements and follow up on what has been done in this regard.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non- compliance	<p>The audit committee periodically reviews the reports of the auditor before submitting them to the board of directors, and it also discusses the notes on the company's financial statements with the auditor. This obligation is within the scope of work of the committee as per the Audit Committee Procedures, Article (4) paragraph (5).</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(6) Checking what is presented to the general assembly by the Company, and what the company discloses of numbers, data and financial reports, and reviewing those numbers, data and reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non- compliance	<p>The Audit Committee ensures that the financial statements and financial reports disclosed, whether for the General Assembly or the official authorities, are accurate and factual information. Whereas, the committee reviews those numbers and data and verifies their authenticity. This obligation is within the scope of work of the committee as per the Audit Committee Procedures, Article (4) paragraph (6).</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board	(7) Coordination between the board, upper executive	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Committees	management, and the company's internal controls.			
Statement of compliance/ or justification for non-compliance	<p>The audit committee preforms its role in coordinating between the board of directors and senior executive management, in addition to its main role in managing the internal controls of the company. This obligation is within the scope of work of the committee as per the Audit Committee Procedures, Article (4) paragraph (7).</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(8) Reviewing financial and internal control and risk management systems.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>As mentioned above, the Audit Committee proposed to the Board to appoint an external office to prepare the policies and procedures of the Internal Audit and Risk Management departments, and indeed, for the first time, the External Auditor Office of, Mr. Hussein Al-Obaidli was officially appointed to provide accounting and auditing services, and has prepared and established the policies and procedures for the aforementioned departments. These policies were discussed by the board of directors, and were approved and implemented by a resolution issued at the board meeting No. (8/2017) which was held on 12 December 2017. This obligation is within the scope of work of the committee as per the Audit Committee Procedures, Article (4) paragraph (8). The audit committee undertakes to review and update these systems whenever necessary.</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(9) Carrying out investigations related to financial control matters, as required by the Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>Among the duties of the audit committee is to carry out investigations related to financial control matters, as instructed by the board of directors, and although this duty was explicitly stated in Article (4) paragraph (9), the board of directors did not instruct the committee to conduct any investigation to date.</p>			

	Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).			
Article 18: Board Committees	(10) Coordination between the company's internal audit unit and the auditor.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>It is also one of the main duties of the committee to coordinate between the internal control department (the internal audit unit) and the external auditor, and to facilitate for the auditor to obtain all the financial data or information related to the work assigned to him. This obligation is expressly stated in the Audit Committee Procedures, Article (4), Paragraph (10).</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(11) Reviewing the company's financial and accounting policies and procedures and expressing opinions and recommendations to the Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The audit committee reviews the company's financial and accounting policies and procedures and gives recommendations to the Board of Directors. This is what actually happened as the committee requested a review to reformulate the company's financial and accounting policies and procedures. The external auditor's office, Mr. Hussein Al-Obaidli, has also been appointed to prepare new policies and procedures that are in line with the generally accepted accounting standards, including the financial system (budget, procurements, auctions, warehouses and accounts), which were approved and implemented in accordance with the resolution issued at the board meeting No. (8/2017) which was held on 12 December 2017. This obligation is expressly stated in the Audit Committee Procedures, Article (4), Paragraph (11).</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board	(12) Review the company's transactions with related parties, the extent of their conformity and compliance with the regulations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Committees	related to these transactions.			
Statement of compliance/ or justification for non-compliance	<p>This duty is within the scope of the audit committee, and it has been expressly stated in the Audit Committee Procedures, Article (4), paragraph (12) thereof, but the company confirms that there were no transactions with related parties in the past, and if there any such transactions in the future, it will be subject to review by the Audit Committee to verify its conformity and compliance with the regulations of such transactions.</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(13) Develop and review the company's policies regarding risk management periodically, taking into account the company's business, market variables, and the directions of the company's investment and expansion.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>As the establishment of the company's risk management is a recent endeavor, the audit committee undertakes to review the company's policies regarding risk management periodically, taking into account the company's business, market variables, and the company's investment and expansion directions. It is noteworthy that the company has already prepared risk management policies and procedures which were presented to the board of directors for discussions and were approved and implemented by a resolution issued at the board meeting No. (8/2017) held on 12 December 2017. This obligation is within the scope of work of the committee as per the Audit Committee Procedures, Article (4) paragraph (13).</p> <p>Kindly refer to Appendix 14 and 8 of the Charter for Governance. (Audit Committee Policies and Procedures & Risk Management Policies and Procedures).</p>			
Article 18: Board Committees	(14) Supervise and nominate training programs for risk management to be applied by the company.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/	One of the audit committee's duties is to supervise the training programs for risk management prepared by the			

or justification for non-compliance	<p>company, and since this department is newly established as mentioned above, the committee has not established any training programs, but the audit committee undertakes to supervise training programs for risk management very soon, God willing. This obligation is within the scope of work of the committee as per the Audit Committee Procedures, Article (4) paragraph (14).</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(15) Preparing periodic reports on risks under management in the company, submitting them to the board when required, including its recommendations, and preparing reports on specific risks as instructed by the Board or the Chairman.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>One of the duties of the audit committee is to prepare periodic reports on risks under management in the company, and submit them to the Board when required, including its recommendations. This obligation is within the scope of work of the committee as per the Audit Committee Procedures, Article (4) paragraph (15). It is noteworthy that the risk management policies and procedures were approved by a resolution issued at Board meeting No. (8/2017) held on 12 December 2017.</p> <p>The committee did not prepare periodic reports on risks management to date, and therefore did not report such matter to the Board of Directors, but the committee pledges to perform this duty and prepare these reports along with its recommendations and submit it to the Board in the near future. As for preparing specific risk reports, the risk management department nor the Audit Committee has received any such instructions from the Board or the Chairman to date.</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	(16) Executing board instructions regarding the company's internal controls.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Statement of compliance/ or justification for non-compliance	<p>The audit committee is obligated to execute all instructions issued by the board of directors in relation to the company's internal control, and it is also obligated to provide the board with any required information or data related to its scope of work. This obligation is within the scope of work of the committee as per the Audit Committee Procedures, Article (4) paragraph (16).</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
Article 18: Board Committees	<p>(17) Discussing the audit related risks, most important of which is the appropriateness of accounting decisions and estimates, with the auditor and senior executive management, and submitting it to the Board with the annual report.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The audit committee is obligated as stipulated in Article (4) paragraph (17) of the Audit Committee Procedures to discuss the audit related risks, most important of which is the appropriateness of accounting decisions and estimates, with the auditor and senior executive management, and submitting it to the Board with the annual report.</p> <p>It is noteworthy that the risk management policies and procedures were approved by a resolution issued at Board meeting No. (8/2017) held on 12 December 2017.</p> <p>The audit committee has not discussed the audit related risks with the auditor and senior executive management to date, and therefore has not submitted any matter to the board of directors to include it in the annual report, but the committee pledges to perform this duty and present its recommendations to the board with the annual report very soon.</p> <p>Kindly refer to Appendix 14 of the Charter for Governance. (Audit Committee Policies and Procedures).</p>			
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Article 19: Committees Work	The Board shall issue a resolution appointing the chairman and members of each committee, and specifying its authorities, duties, and procedures for its work, provided that the number of meetings of the audit committee is not less than six meetings per year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The Board usually in its first meeting, after the General Assembly meeting, consider forming the committees affiliated with the Board of Directors, which are the Audit Committee, the Remuneration Committee, the Nominating Committee, the Technical Committee and the Financial Committee. As for its authorities and duties, it is already predetermined by the procedure regulations for each of the committees. Usually, the committees meet when necessary, with the exception of the audit committee meetings, which is obliged to hold not less than (6) meetings annually, and in this year the audit committee held (6) meetings.</p> <p>Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter), Paragraph (Fourth: Formation of Committees, and their Scope of Work), Clause (1), and Appendix (14), (10) and (19) (Regulations of the Audit Committee, Remunerations Committee and Nominations Committee, and Appendix (33) Committees' Formation and Meetings).</p>			
Article 19: Committees Work	It is prohibited to assume the chairmanship of more than one committee of the board's committees. It is also prohibited to simultaneously hold the position of the audit committee chairman while being a member of any other committee. The nomination and remuneration committees may be merged into one committee called the "Nomination and Remuneration Committee."	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-	The Board of Directors was keen that no member of the Board would chair more than one committee, as the Board was careful that the Chairman of the Audit Committee would not chair or be a member of any other committee. As such, Mr. Muhammad Ali Juma Al-Sulaiti was appointed to be Chairman of the Audit			

<p>compliance</p>	<p>Committee, and thus he did not participate in the formation of any other committee.</p> <p>Although the governance system allowed for merging the Nomination Committee and Remuneration Committee into one committee called the “Nomination and Remuneration Committee”, however, the Board choose to keep the two Committees separate.</p> <p>This was expressly stated in the Board Charter, Paragraph (Fourth: Formation of Committees, and their Scope of Work), Clause (1).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance (Board Charter), and Appendix (33) Committees’ Formation.</p>			
<p>Article 19: Committees Work</p>	<p>The committee meeting shall not be valid except in the presence of its chairman and the majority of its members. The minutes of meeting shall be taken for every meeting, indicating what happened during the meeting, and shall be signed by the committee chairman.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/></p>
<p>Statement of compliance/ or justification for non-compliance</p>	<p>All meetings of the committees branching from the Board of Directors are not held except in the presence of the Committee Chairman and the majority of its members. If the quorum is achieved but the Committee Chairman is absent for any reason, the meeting will not take place It is noteworthy that in each meeting, the minutes of meeting records the attendance and absence, a summary of the minutes of the meeting, what was discussed in its agenda, and the recommendations submitted by the committee in this regard, then the minutes of the meeting is signed by the committee chairman and the committee secretary.</p> <p>This was expressly stated in the Board Charter, Paragraph (Fourth: Formation of Committees, and their Scope of Work), Clause (1).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance (Board Charter), and Appendix (33) Committees’</p>			

	Formation.			
Article 19: Committees Work	Each committee submits an annual report to the Board regarding its actions and recommendations. The Board reviews and evaluates the work of the committees, and includes their work in the governance report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The committees submit their reports periodically to the Board of Directors, where the actions taken and recommendations given by the committees are endorsed at the first Board meeting following the meeting of the relevant committee, and the Board reviews and evaluates the committees' work, and takes that into consideration when forming the committees in the next cycle.</p> <p>This was expressly stated in the Board Charter, Paragraph (Fourth: Formation of Committees, and their Scope of Work), Clause (1).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance (Board Charter), and Appendix (43) Committees' Recommendations.</p>			

Article 20: Internal Control	The Board may approve the internal control system proposed by the audit committee, provided that this proposal includes the control mechanism, and specifies the tasks and competencies of the company's divisions and departments, the provisions and procedures for liability in this regard, and awareness and training programs for workers on the importance of self-monitoring and internal controls.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Statement of compliance/ or justification for non-compliance	<p>The Board of Directors, upon the recommendation of the Audit Committee, appointed the External Auditor Office, Mr. Hussein Al-Obaidli to provide Accounting and Auditing services, to establish regulations, policies and procedures for the company's internal audit system, specifying the tasks and authorities for the various divisions and departments of the company, and the Board has reviewed these policies and regulations during the meeting held on 12 December 2017, and then approved them to be implemented.</p> <p>Kindly refer to Appendix 7 and 14 of the Charter for Governance. (Internal Control Policies & The Audit Committee)</p>			
Article 20: Internal Control	<p>The proposal referred to in the previous paragraph must include the company's risk management plan, provided that it includes, at least, identifying the main risks to which the company may be exposed, most important of which are modern technology risks, the extent of the company's ability to bear risks, and the mechanisms for identification, measurement and addressing these risks, the awareness programs, and ways to avoid or minimize their effects.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>Risk management is a new department, and its policies and procedures were approved at the end of December 2017, specifically in the Board Meeting No. (8/2017) held on 12 December 2017. The Audit Committee and the Risk Management Department have not submitted the company's risk management plan and therefore have not yet identified the main risks to which the company may be exposed, most important of which are modern technology risks, the extent of the company's ability to bear risks, and the mechanisms for identification, measurement and addressing these risks, the awareness programs, and ways to avoid or minimize their effects. However, the committee and the Risk Management Department are preparing to present its plan very soon, God willing.</p>			

Article 21: Internal Control Unit	The internal control system of the company must include the establishment of one or more units that are independent and effective in assessing and managing risks, financial auditing and monitoring the company's compliance with the controls of financial transactions, especially with any related party, and its activities are carried out by one or more internal auditors with experience and competence in the field of financial auditing, performance evaluation and risk management. The auditor must be given access to all departments and review its works. He shall be appointed and his duties and remunerations determined by a decision of the Board, and shall report directly to the Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company established the internal control and risk management units in accordance with its resolution issued in the Board meeting No. (9/2015), held on Tuesday, October 29, 2015. It states that this department (internal control) is an independent department, and the board of directors is the only competent authority to appoint the internal auditor and determine its remuneration. The Board of Directors has already hired Rodl and Partner Accounting Office, which was tasked with the internal auditing and submitting periodic reports to either the Board of Directors directly or to the Audit Committee. It is noteworthy that the Rodl and Partner is one of the most acclaimed offices for its expertise and competence in the accounting and auditing fields. The internal auditor has been informed that its most important duties it to audit the company's financial management and monitor the extent of the company's compliance with the controls of financial transactions, especially with any related party.</p> <p>Kindly refer to Appendix 7 and 8 of the Charter for Governance. (Internal Control Policies & Risk</p>			

	Management Policy)			

Article 22: Internal Control Reports	The internal auditor shall submit to the Audit Committee a report every three months on the company's internal control works, and the Board shall determine, based on the recommendation of the Audit Committee, the data that must be included in the report, provided that it contains, at least, the following:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The internal auditor (Rodl and Partner Accounting office), submits their periodic reports every three months to the board of directors or the audit committee, including the results of their actions and their findings of violations or failures, along with their recommendations on each matter indicated. This is to enable the Audit Committee to submit its recommendations to the Board appropriately, and to enable the Board to take decisions that lead to addressing the failures indicated in these reports.</p> <p>Kindly refer to the internal auditor reports which can be made available for viewing by the company upon request.</p>			
Article 22: Internal Control Reports	(1) Control and supervision procedures for financial, investments and risk management affairs.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>Clear policies and procedures have been established and adopted to regulate the company's internal control department, including supervision of financial management and auditing its business, in addition to overseeing the investments made by the company like financial portfolios and shares in public joint stock companies listed on the Doha Stock Exchange, in addition to real estate investments represented in the collection of rents from real estate owned by the company.</p> <p>Kindly refer to Appendix 7 and 8 of the Charter for Governance. (Internal Control Policies & Risk</p>			

	Management Policy)			
Article 22: Internal Control Reports	(2) Review the development of risk factors in the company and the appropriateness and effectiveness of the established systems in the face of radical or unexpected changes in the market.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company's risk management department is a newly established department and the board of directors had just concluded in its meeting No. (8/2017) held on December 12, 2017, the adoption of policies and procedures related to risk management, so the said department has not started its work officially yet, and therefore has not yet reviewed the risk factors that the company may face and the effectiveness and appropriateness of the established systems in the face of radical or unexpected changes in the market.</p> <p>However, since the risk management will start its work during the coming months, the company will undertake to explain the procedures followed to determine the risks and methods of evaluating them in its next report, God willing.</p>			
Article 22: Internal Control Reports	(3) Comprehensive evaluation of the company's performance regarding the commitment to implement the internal control system, and the provisions of this system	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The office entrusted with the internal audit function (Rodel and Partner Accounting Office) has prepared its periodic reports that include a comprehensive evaluation of the company's performance, which included some observations and reservations regarding the application of the internal control system, noting that the Board of Directors has adopted the policies and procedures of the Internal Audit Department, as it was approved at meeting No. (8/2017) held on December 12, 2017.</p> <p>The internal auditor also mentioned some reservations related to non-compliance with some of the provisions of this system, which are the issues explained and justified the reasons for non-compliance in various places</p>			

	<p>in this report.</p> <p>Examples of internal auditor notes and reservations contained in his periodic reports include the absence of a financial policies and procedures manual, the absence of an accounting manual, the absence of the names of suppliers in the general ledger, the separation of job tasks, the non-renewal and review of periodic service contracts, the non-review of employee housing lease contracts, and the absence of inventory checks for cash funds. The company will strive to correct and address these notes, so that they will be corrected in the next report, God willing.</p>
Article 22: Internal Control Reports	<p>(4) The extent to which the company adheres to the rules and regulations governing disclosure and listing in the market. <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Statement of compliance/ or justification for non-compliance	<p>The company adheres to the rules and regulations governing disclosure and listing in the market, as the company comply with all instructions and directions received from the Qatar Financial Markets Authority as well as its commitment to all laws issued by the Qatar Financial Markets Authority and the Qatar Stock Exchange and related laws. The company recently prepared a full disclosure system that regulates everything related to the disclosure process, timing of disclosure, and other controls that are stipulated exclusively in the said system. The system was approved at meeting No. (8/2017) held on December 12, 2017, and has been implemented. We will provide the Authority with a copy of the system after the General Assembly meeting, God willing.</p> <p>Kindly refer to Appendix 10 of the Charter for Governance. (Comprehensive Disclosure System)</p>
Article 22: Internal Control Reports	<p>(5) The extent of the company's compliance with internal control systems when identifying and managing risks. <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/></p>
Statement of compliance/ or justification for non-compliance	<p>As we have already stated previously, given the recent establishment of the risk management department, the department has not started its business yet, and therefore the risks to which the company and its management</p>

compliance	<p>is exposed to have not yet been identified. It is noteworthy that the policies and procedures of Internal control and Risk Management was approved at meeting No. (8/2017) held on December 12, 2017. Therefore, the company will be committed to include the risks and how to manage it in detail in its next report, God willing.</p> <p>Kindly refer to Appendix 7 and 8 of the Charter for Governance. (Internal Control Policies & Risk Management Policy)</p>			
Article 22: Internal Control Reports	(6) The risks to which the company was exposed, its types, causes and what has been done mitigate it.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>With the grace of God Almighty, the company has not been exposed to any type of risk to date, and inevitably, the risk management department shall, upon commencement of its operations, that are planned to start in the next two months, determine the expected risks (despite the simplicity of the company's operations and activities), and will present the proposed remedies, solutions and scenarios to mitigate those risks.</p>			
Article 22: Internal Control Reports	(7) Proposals to remedy violations and remove the causes of risks.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>In regard to the violations mentioned in the internal auditor's reports, the report included recommendations and proposed remedies to correct the violations, and these proposals are under consideration by the board of directors for adoption and approval. As for the removal of the causes of risks, as we previously stated, we have not been exposed to date to any type of risk, and after the risk management department commenced its operations, it will develop a plan for the remedies and solutions to the remove the causes of the risks.</p>			

Article 23: External Controls	The Audit Committee reviews and examines the quotations of auditors registered with the Authority's external auditors, and submits to the Board a recommendation to approve one or more	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	quotations to appoint an external auditor for the company. Once the Board approves the recommendation, it is included in the agenda of the company's general assembly meeting.			
Statement of compliance/ or justification for non-compliance	<p>The audit committee usually invites the external auditors offices accredited by the authority to submit their quotations related to their audit services, and the committee receives the quotations of the external audit offices, then after studying and reviewing those quotations the committee raises its recommendation for three quotations to the Board, the Board then in turn submits its recommendation to the general assembly after adding it to the agenda, and selects one the three offers submitted to it by the recommendation of the board of directors for approval to assume the task of external auditing of the company. This obligation is expressly stated in the Audit Committee Procedures, Article (4) Audit Committee Duties, Item No. (2), and the company has adopted a written policy for contracting with the external auditors.</p> <p>Kindly refer to Appendix 14 and 21 of the Charter for Governance. (The Audit Committee Procedures and the External Auditors Contracting Policy)</p>			
Article 23: External Controls	The General Assembly shall appoint one or more auditors for a period of one year, renewable for other similar periods, with a maximum of five consecutive years. The auditor may not be reappointed before two consecutive years have passed, and the auditor and his employees are prohibited from disclosing company confidential information, as well as being appoint to any other position in addition to the work, tasks and duties assigned to him. The auditor must work for the company at least one year before the date of service termination.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/	Each year, after the end of the fiscal year and the completion of the audit of the financial statements, the			

or justification for non-compliance	<p>company's ordinary general assembly discuss its agenda items, including the recommendation of its board of directors to appoint the external auditor, which is appointed annually, and the company is fully aware that it is not legally permitted that the period of appointment of the auditor exceeds five consecutive years, and the company is also aware that it is not permissible to reappoint the auditor before the passage of two consecutive years, and that it is prohibited for the auditor and his employees to disclose company confidential information, as well as being appointed to any other position in addition to the work, tasks and duties assigned to him. This obligation is expressly stated in the Audit Committee Procedures, Article (4) Audit Committee Duties, Item No. (2), and the company has adopted a written policy for contracting with the external auditors.</p> <p>Kindly refer to Appendix 14 and 21 of the Charter for Governance. (The Audit Committee Procedures and the External Auditors Contracting Policy)</p>			
	<p>*****</p>			
Article 24: Auditor's Duties and Responsibilities	<p>The auditor shall inform the Board in writing of any risk to which the company is exposed or is expected to be exposed, and of all violations he finds upon his knowledge thereof, and to send a copy of that notification to the Authority. The auditor also has the right to invite the general assembly to convene in accordance with the provisions of the law in this regard, provided that he had submitted a notification to the Authority.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The external auditor is obliged to inform the Board in writing of any risk to which the company is exposed or is expected to be exposed, and of all violations he finds upon his knowledge thereof. Thankfully, there were no violations by the company that required the external auditor to report it or notify the board of directors.</p> <p>The company and the external auditor are aware that the external auditor has the authority and the right to</p>			

	invite the general assembly to convene in accordance with the provisions of the law in this regard, provided that he had submitted a notification to the Authority.			
Article 24: Auditor's Duties and Responsibilities	The auditor shall submit and recite one report to the General Assembly, and provides a copy of it to the Authority. The Auditor is responsible for the validity of the data contained therein, and every member of the General Assembly has the right to discuss with the auditor any matter in the report to clarify its content.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The external auditor annually attends the company's ordinary general assembly and also submits and recite his annual report in the presence of shareholders attending the meeting, and indicates his responsibility for the validity of the financial data presented in the report, and every shareholder present at the meeting, whether attending in person or by a representative, has the right to discuss with the auditor any matter in the report to clarify its content.			
Article 24: Auditor's Duties and Responsibilities	The auditor's report must include everything related to the company's controls and performance evaluation, especially related to the following: (1) The appropriateness and effectiveness of the company's internal control systems.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The auditor's report includes the audits and controls implemented, and always indicates in his report the appropriateness and effectiveness of the company's internal control systems.			
Article 24: Auditor's Duties and Responsibilities	(2) The extent of the company's ability to continue to carry out its operations and fulfill its obligations, and this has to be done	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	independently of what the Board claims.			
Statement of compliance/ or justification for non-compliance	The external auditor states in his annual report that the company is able to continue to carry out its operations and fulfill its obligations, and this is done independently without any influence or pressure from the Board. If the external auditor shows that the company is unable to continue to carry out its operations and fulfill its obligations, then this must be stated in his annual report and during the recitation of the report to the shareholders attending the meeting, regardless of the opinion of the Board of Directors in this matter.			
Article 24: Auditor's Duties and Responsibilities	(3) The extent of the company's commitment in setting internal controls and regulations, the suitability of these controls and regulations for the company's development, and the extent of its commitment in implementing them.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The external auditor has not submitted any reservation regarding the company's non-compliance with the establishment of internal controls and regulations, or the suitability of these controls and regulations for the company, by virtue of the fact that the company has its financial systems to manage the company's affairs, and that the company is committed to implementing these regulations. Despite this, the company has recently appointed Mr. Hussein Al-Obaidli Office, to develop modern internal systems and regulations that are consistent with the established and applicable standards and are compatible with the governance system. The office has already prepared and drafted these controls and regulations, and it has been approved and put into practice.			
Article 24: Auditor's Duties and Responsibilities	(4) The extent of the company's adherence to its articles of association and its compliance with the provisions of the law and relevant legislations, including the provisions of this system.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/	The company adheres fully to its articles of association and the terms and conditions contained therein, and it			

or justification for non-compliance	is in compliance with all relevant laws and legislations that govern the work of joint stock companies listed in the market, including stock exchange laws and the laws and regulations of the Qatar Financial Markets Authority in addition to the Commercial Companies Law and other related laws. The external auditor has not submitted any reservation in his annual report stating that the company does not adhere to the above.			
Article 24: Auditor's Duties and Responsibilities	(5) The extent of his and the company commitment to apply the best practices in auditing and financial reporting and their commitment to international accounting and auditing standards (IFRS / IAS) and (ISA) and their requirements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The external auditor as indicated through his report that he is committed to apply the best practices in auditing and financial reporting and the company also is committed to the international accounting and auditing standards (IFRS / IAS) and (ISA) and their requirements. The external auditor has not submitted any reservation in his annual report to the contrary.			
Article 24: Auditor's Duties and Responsibilities	(6) The extent of the company's cooperation in enabling him to access the information necessary to complete his work.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The external auditor explicitly indicates in his annual report that the company and financial department has cooperated fully in regards to giving him access to the information necessary to complete his work, and the external auditor understands that in the event the company does not comply with this duty, he must inform the board of directors and the authority accordingly, and he may also submit a reservation in his report stating this. However, the company's annual reports have no indication of any lack of cooperation between the company and the external auditor.			

Article 25: Disclosures	The company must comply with the disclosure requirements,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	including financial reports, the number of shares owned by the chairman and members of the Board, the senior executive management, and the major shareholders or controlling shareholders, as well as disclosing information about the chairman and members of the board and its committees and their academic and practical experiences from the their resume, and whether any of them is a member of the board of directors or senior executive management of another company or a member of any of its board committees.			
Statement of compliance/ or justification for non-compliance	<p>The company always comply in the disclosure of its financial reports, the number of shares owned by the chairman and members of the Board, the senior executive management, and the major shareholders or controlling shareholders, as well as disclosing information about the chairman and members of the board and its committees and their academic and practical experiences from the their resume, and whether any of them is a member of the board of directors or senior executive management of another company or a member of any of its board committees.</p> <p>Kindly refer to Appendix 30, 31 and 34 of the Charter for Governance. (Disclosure of shares of the chairman, members of the board of directors and major shareholders, the resumes of the chairman and members of the board of directors, and the pledge of the chairman and members of the board not to participate in the membership of any other companies)</p>			
Article 25: Disclosures	The company must define its policy regarding dealing with rumors whether to deny or confirm, and how to disclose information in a clear and written manner that does not conflict with the relevant legislations, and the board must ensure the	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	accuracy and validity of what the company discloses and adheres to all the disclosure rules.			
Statement of compliance/ or justification for non-compliance	<p>The Board continuously checks all of the company disclosures and adheres to all the rules of disclosure, and the company has prepared a written policy on how to deal with rumors whether to deny or confirm, and this policy was approved by the Board of Directors at its meeting No. (8/2017) held on December 12, 2017. The company also prepared and drafted a comprehensive disclosure system, which clearly stipulates how to make disclosures and what information and data need to be disclosed, this system was also approved by the Board of Directors at its meeting No. (8/2017) held on December 12, 2017.</p> <p>Kindly refer to Appendix 10, 22 and 39 of the Charter for Governance. (Rumour Handling Policy and Comprehensive Disclosure System)</p>			

Article 26: Conflict of interest	In a manner that does not contravene the provisions of the law in this regard, the Board shall comply with the principles of this system, and to disclose the transactions and deals concluded by the company with any "related party" which has an interest that may conflict with the company's interest.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The company adheres to all the principles and obligations stipulated in the governance system, and the company confirms that it has never had any transactions or dealings with any "related party" which has an interest that may conflict with the company's interest. In the event of any such conflict of interest occurring in the future, the company is fully committed to disclosing such transactions or deals. It is worth noting that the related parties policy and the comprehensive disclosure system include this obligation, Article (21) of the Disclosure System, paragraph (1).			

	Kindly refer to Appendix 10 and 26 of the Charter for Governance. (Related Parties Policy and Comprehensive Disclosure System)			
Article 26: Conflict of interest	The board must, at least a week before the date of the general assembly meeting to review the company's budget and the board's report, submit to the shareholders a detailed disclosure of the transactions and deals referred to in the previous paragraph, and it must also be disclosed in the company's annual report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company confirms that it has never entered into any transactions with any related parties, and in the event of any such transaction, the company is fully committed to submitting to the shareholders a detailed disclosure of the transactions and deals referred to, as well as the company's commitment to disclose those transactions in the annual report. This obligation is expressly stated in the company's Comprehensive Disclosure System, in Article (19) Paragraph (12).</p> <p>Kindly refer to Appendix 10 of the Charter for Governance. (Comprehensive Disclosure System)</p>			
Article 26: Conflict of interest	In all cases, the company may not enter into any major transaction with any "related party" except after the approval of the company's general assembly, and it must be included in the agenda of the following general assembly to complete the transaction procedures.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The company confirms that it has never entered into any transactions with any of the related parties. In the event of entering into any such transaction, the company undertakes to request the approval of the ordinary general assembly, and shall also ensure to include it in the agenda of the following general assembly to complete the transaction procedures.			

	Kindly refer to Appendix 26 of the Charter for Governance. (Related Parties Policy)			

Article 27: Transparency and Prioritizing Company's Interest	It is not permissible for any related party that is a party or related to a process, relationship or transaction concluded by the company to attend the board meeting while discussing that process, relationship or transaction, and may not be entitled to vote on the resolutions issued by the Board in this regard.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company confirms that it has never entered into any deals or transactions with related parties, and also confirms that in the event of entering into any such transaction, any party who has a relationship with the relevant transaction, whether directly or indirectly, will not attend the meetings of the Board of Directors that will discuss that process, relationship or transaction, and the party concerned shall not vote on the resolutions issued by the Board in this regard. This is expressly stated in the Board Charter (Second: Conflicts of Interest and Dealings of Related Parties, First Paragraph), as well as mentioned in the Related Parties Policy.</p> <p>Kindly refer to Appendix 1 and 26 of the Charter for Governance. (Board Charter and Related Parties Policy)</p>			
Article 27: Transparency and Prioritizing Company's Interest	In all cases, all the relations that the company maintains with others must be in the best interest of the company. Likewise, all the deals concluded by it must be in accordance with market prices and on a strictly commercial basis, and it should not include conditions that violate the company's interest.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	The company confirms that all its transactions and deals are in the best interest of the company and the shareholders, and although the company has repeatedly confirmed that it has not previously mad any deals with any of the related parties, in the event of entering into any such transaction, the company will ensure that			

	<p>this is in accordance with market prices and on a strictly commercial basis, and the company shall ensure that such deals will not include any conditions that violate the interests of the company and the shareholders. This obligation is expressly stated in the Board Charter, Fourth: Board of Directors Prohibitions, paragraph (8).</p> <p>Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter)</p>			

Article 28: Trading Disclosure	<p>All Board members, senior executives, insiders and their spouses and minor children are obligated to disclose their trading operations on company shares and other stocks, and the board must adopt clear rules and procedures governing the insiders' trading of shares issued by the company.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>All Board members, senior executives, insiders and their spouses and minor children are committed to disclose their trading operations on company shares and other stocks. In addition, the company's board of directors has adopted written rules and procedures to regulate insiders' trading of shares issued by the company.</p> <p>Kindly refer to Appendix 25 of the Charter for Governance. (Rules and Procedures for Insiders Trading)</p>			

Article 29: Equal rights of shareholders	<p>The shareholders are all equal and have all the rights arising from the ownership of the share in accordance with the provisions of the law, regulations and related resolutions.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-	<p>The company confirms that all shareholders are equal in rights and responsibilities, and they have the same rights arising from the ownership of the shares in accordance with the provisions of the law and relevant</p>			

compliance	<p>regulations and resolutions, and this is expressly stated in Article (17) of The Stakeholders Policy, and confirmed by the provisions of the company's articles of association, in Article (20), Each share of the same class has the same rights related therewith, and the shares are equal in all the rights and responsibilities prescribed for the shareholder.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (The Stakeholders Policy and Company's Articles of Association, Article 25)</p>			
Article 29: Equal rights of shareholders	<p>The company's articles of association and internal regulations must include the procedures and guarantees necessary for all shareholders to exercise their rights, in particular the right to dispose of shares, the right to obtain the prescribed share of dividends, the right to attend the general assembly and participate in its deliberations and vote on its resolutions, and the right to access and request information that does not prejudice the interests of the company.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company confirms that the articles of association includes the guarantees necessary for all shareholders to exercise their rights, in particular the right to dispose of shares, the right to obtain the prescribed share of dividends, the right to attend the general assembly and participate in its deliberations and vote on its resolutions, and the right to access and request information that does not prejudice the interests of the company. This is in accordance with Articles (25), (51), (75) and (76) of the Articles of Association, in addition to the provisions of Articles (14), (16) and (17) of The Stakeholders Policy, which guarantees the shareholders rights.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (Articles (25), (51), (75) and (76) of the</p>			

	Articles of Association and The Stakeholders Policy).		

Article 30: Shareholder Register Review	The company must apply monthly to the Depository Authority to obtain an updated copy of the shareholder register for its records.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company periodically (monthly) receives an updated copy of the shareholder register from the Depository Authority via the company email, and the attached file is in Excel file format, and it is printed and deposited in the designated file.</p> <p>Kindly refer to Appendix 45 of the Charter for Governance. (An updated copy of the company's shareholder register for the last three months, sent by from the Depository Authority).</p>		

Article 31: Shareholder Right to Access Information	The company's articles of association and internal regulations must include procedures for the shareholder to access information that enables him to exercise his rights in full, without prejudice to the rights of other shareholders or the interests of the company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company's internal regulations includes procedures for the shareholder to access information that enables him to exercise his rights in full, without prejudice to the rights of other shareholders or the interests of the company. This is expressly stated in Article (25) of The Stakeholders Policy which was approved by the Board of Directors at its meeting No. (8/2017) held on December 12, 2017.</p> <p>The company has also amended its articles of association and included this item within the articles of association, item (25) of the articles of association, and the amendment was approved at the extraordinary general assembly meeting held in April 08, 2017.</p>		

	Kindly refer to Appendix 12 and 29 of the Charter for Governance. (Articles (25) of the Articles of Association and The Stakeholders Policy).			
Article 31: Shareholder Right to Access Information	The company is obliged to check and update the information on a regular basis, and to provide all information of interest to shareholders and enable them to fully exercise their rights, and to utilize modern technology for that purpose.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company updates the information regularly, and it also provides all the information of interest to shareholders and enables them to fully exercise their rights, utilizing modern technology for that purpose. This is expressly stated in Article (16), Second paragraph, of The Stakeholders Policy which was approved by the Board of Directors at its meeting No. (8/2017) held on December 12, 2017.</p> <p>Kindly refer to Appendix 12 of the Charter for Governance. (The Stakeholders Policy).</p>			

Article 32: Shareholders Rights Regarding General Assembly	<p>The company's articles of association shall include the regulations of shareholders' rights related to the general assembly meeting, including:</p> <p>(1) The right of the shareholder or shareholders who own at least (10%) of the company's equity, to request the general assembly to convene for serious reasons, and the right of shareholders who represent at least (25%) of the company's equity to request the extraordinary general assembly to convene in accordance with procedures established by law and regulations in this regard.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/	The Articles (55) and (61) of the company's articles of association clearly stipulates that the right of the			

<p>or justification for non-compliance</p>	<p>shareholder or shareholders who own at least (10%) of the company’s equity, to request the general assembly to convene for serious reasons.</p> <p>As for the right of shareholders who represent at least (25%) of the company’s equity to request the extraordinary general assembly to convene in accordance with procedures established by law and regulations in this regard, was not stipulated in the articles of association, but it is included in The Stakeholders Policy, Article (18) paragraph (1).</p> <p>The company in its extraordinary general assembly meeting held on April 8, 2018, has amended the company's articles of association, whereas this item was included under Article (55) and Article (61) of the Articles of Association, and this amendment was approved at the said meeting.</p> <p>Kindly refer to Appendix 12, 29 and 44 of the Charter for Governance. (Articles (55) and (66) of the Articles of Association, The Stakeholders Policy and The minutes of the extraordinary general assembly meeting held on April 8, 2018).</p>			
<p>Article 32: Shareholders Rights Regarding General Assembly</p>	<p>(2) The right to request the inclusion of certain issues on the agenda of the General Assembly to be discussed at the meeting if the Board does not include them and the Assembly decides to do so.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Statement of compliance/ or justification for non-compliance</p>	<p>This provision is expressly stated in the Articles of Association, specifically in Article (52) the last paragraph, in addition to that the same provision is included in the stakeholders policy in Article (18) paragraph (2) of the policy.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (Articles (52) of the Articles of Association and The Stakeholders Policy).</p>			

Article 32: Shareholders Rights Regarding General Assembly	(3) The right to attend the General Assembly meetings, the opportunity to participate effectively in its deliberations, discuss the topics on the agenda, and facilitate everything related to the notification of the date and location of the assembly, the issues listed in the agenda, and the rules governing discussions and asking questions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The articles of association include an explicit provision that grants the shareholder the right to attend the general assembly meetings, under Articles (51) paragraph (1) and (7) of the articles of association. In addition, the same provision is included in The Stakeholders Policy in Article (18) paragraphs (2) and (3) of the policy, which gives the shareholder the opportunity to participate effectively in its deliberations, discuss the topics on the agenda, and facilitate everything related to the notification of the date and location of the assembly, the issues listed in the agenda, and the rules governing discussions and asking questions.</p> <p>The company's articles of association did not originally include a provision that provided the shareholder with an opportunity to participate effectively in its deliberations, discuss the topics on the agenda, and facilitate everything related to the notification of the date and location of the assembly, the issues listed in the agenda, and the rules governing discussions and asking questions. Therefore, the company's extraordinary general assembly in its meeting held on April 8, 2018, approved the articles of association to include Article (51), Paragraph (7), which grants the shareholder the opportunity to actively participate in its deliberations and discuss the topics listed in the agenda.</p> <p>Kindly refer to Appendix 12, 29 and 44 of the Charter for Governance. (Article (51) of the Articles of Association, The Stakeholders Policy and The minutes of the extraordinary general assembly meeting held on April 8, 2018).</p>			

Article 32: Shareholders Rights Regarding General Assembly	(4) The shareholder has the right to appoint, under a special written power of attorney, another shareholder who is not a member of the Board as representative to attend the general assembly meeting, provided that the number of shares held by the representative in this capacity does not exceed (5%) of the company's share capital.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The articles of association of the company include a provision that expressly gives the shareholder the right to appoint, under a special written power of attorney, another shareholder who is not a member of the Board as representative to attend the general assembly meeting, provided that the number of shares held by the representative in this capacity does not exceed (5%) of the company's share capital. As Article 51, paragraphs (3) and (4) of the Articles of Association stipulate this right, and Article (18) paragraph (4) of the Stakeholders Policy provides for the same right.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (Article (51) of the Articles of Association and The Stakeholders Policy).</p>			
Article 32: Shareholders Rights Regarding General Assembly	(5) The right of minors shareholders and shareholders under guardianship to attend the General Assembly meeting, represented by their legal representatives.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company's articles of association include an explicit provision that grants the right of minors shareholders and shareholders under guardianship to attend the General Assembly meeting, represented by their legal representatives. As Article 51, paragraph (2) of the Articles of Association stipulate this right, and Article (18) paragraph (5) of the Stakeholders Policy also provides for the same right.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (Article (51) of the Articles of Association</p>			

	and The Stakeholders Policy).			
Article 32: Shareholders Rights Regarding General Assembly	(6) The shareholder's right to raise questions to board members and their obligation to provide an answer to the extent that does not prejudice the company's interest, and his right to appeal to the General Assembly if he considers that the answer to his question is not sufficient.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company's articles of association include an explicit provision that gives the shareholder the right to raise questions to board members and they are obliged to provide an answer to the extent that does not prejudice the company's interest, and his right to refer to the general assembly if he considers that the answer to his question is not sufficient. As Articles 51 and 55 of the Articles of Association stipulate this right, and Article (18) paragraph (6) of the Stakeholders Policy also provides for the same right.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (Articles (51) and (55) of the Articles of Association and The Stakeholders Policy).</p>			
Article 32: Shareholders Rights Regarding General Assembly	(7) The right to vote on General Assembly resolutions, and the facilitation of all matters regarding awareness of the rules and procedures governing the voting process.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company's articles of association include an explicit provision that gives the shareholder the right to vote on General Assembly resolutions, and the facilitation of all matters regarding awareness of the rules and procedures governing the voting process. The company in its extraordinary general assembly meeting held on April 8, 2018, has amended the company's articles of association, whereas this item was included under Article 51 paragraph (8).</p> <p>Also, this right is expressly stated in Article (18) paragraph (6) of the Stakeholders Policy, which was</p>			

	<p>approved by the Company's Board of Directors.</p> <p>Kindly refer to Appendix 12 of the Charter for Governance. (The Stakeholders Policy, Article (51) of the Articles of Association, Appendix 44, and the minutes of the extraordinary general assembly meeting held on April 8, 2018).</p>			
<p>Article 32: Shareholders Rights Regarding General Assembly</p>	<p>(8) The right of the shareholder to object to any decision he considers issued in favor or harm to a certain class of shareholders or brings a special benefit to members of the Board or others without regard to the interest of the company and to record his objection in the minutes of the meeting, and his right to nullify what he objected to in accordance with the provisions of the law in this regard.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Statement of compliance/ or justification for non-compliance</p>	<p>The company's articles of association include an explicit provision that gives the shareholder the right to object to any decision he considers issued in favor or harm to a certain class of shareholders or brings a special benefit to members of the Board or others without regard to the interest of the company and to record his objection in the minutes of the meeting, and his right to nullify what he objected to in accordance with the provisions of the law in this regard. The company in its extraordinary general assembly meeting held on April 8, 2018, has approved and amended the company's articles of association, whereas this item was included under Article 51 paragraph (9) of the amended articles of association.</p> <p>Also, this right is expressly stated in Article (18) paragraph (8) of the Stakeholders Policy, which was approved by the Company's Board of Directors.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (The Stakeholders Policy, Article (51) of the amended Articles of Association, Appendix 44, and the minutes of the extraordinary general assembly</p>			

	meeting held on April 8, 2018).			

Article 33: Facilitating effective participation in the General Assembly	The most suitable locations and dates must be chosen for the general assembly, and the company may use modern technology to communicate with the shareholders in order to facilitate to the greatest extent the effective participation in the general assembly meeting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company chooses the best locations to hold its ordinary and extraordinary general assembly meetings, and the meetings are usually held in one of the conference rooms at a famous hotel (five stars) or in one of the company's cinemas if the hotel conference rooms is not available on the date of the proposed general assembly. The company also selects the most suitable dates for its ordinary and extraordinary general assembly meetings, bearing in mind that the meeting should be after the afternoon prayer or the evening prayer, as the case may be.</p> <p>The company is keen to inform most of the shareholders about the date and timing of the general assembly meetings, so the company publish the dates of its meetings in two daily newspapers (at least half a page), and the company informs many shareholders who provide their phone numbers to the company through phone calls in addition to the advertisements.</p> <p>This right is expressly stated in Article (19) paragraph (3) of the Stakeholders Policy, which was approved by the Company's Board of Directors.</p> <p>Kindly refer to Appendix 12 of the Charter for Governance. (The Stakeholders Policy).</p>			
Article 33: Facilitating effective participation in	The company shall inform the shareholders of the topics listed in the agenda and all its updates and provide sufficient information	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

the General Assembly	to enable them to make their decisions, as well as enable them to view the minutes of the general assembly meeting, disclose the results of the general assembly upon its completion, and submit a copy of the minutes of the meeting to the Authority as soon as it is approved.			
Statement of compliance/ or justification for non-compliance	<p>The company is keen to inform the shareholders of the topics listed in the agenda and all its updates and provide sufficient information to enable them to make their decisions, by providing these information in the company's administration buildings well in advance of the ordinary or extraordinary general assembly meeting in order to enable shareholders to obtain a copy if they needed. Likewise, the company provides all the required information related to the agenda and the annual report at the entrance to the meeting hall to enable those who did not obtain a copy to acquire the necessary information or documents to enable them to make informed decision.</p> <p>The company is also keen on enabling shareholders to view the minutes of the general assembly meeting. It also discloses this meeting and this minutes and the results of the meeting by providing the authority with a copy of the meeting minutes in addition to providing a summary of the ordinary and extraordinary general assembly meeting on the company's website.</p> <p>This right is expressly stated in Article (19) paragraph (1) of the Stakeholders Policy, which was approved by the Company's Board of Directors.</p> <p>Kindly refer to Appendix 12 of the Charter for Governance. (The Stakeholders Policy).</p>			

Article 34: Shareholders' Voting Rights	The right of the shareholder to vote - exercised by himself or by proxy - cannot be waived and cannot be revoked.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Statement of compliance/ or justification for non-compliance</p>	<p>The Articles of Association guarantees the shareholder’s right to vote in the ordinary and extraordinary general assembly, whether attending the meeting in person or by proxy, provided that the proxy authorization is in writing. This right is provided for in Article (51), Paragraph (3), Paragraph (8) of the Articles of Association, it is also expressly stated in Article (19) paragraph (2) of the Stakeholders Policy, which stipulates that The right of the shareholder to vote, exercised by himself or by proxy, cannot be waived or revoked.</p> <p>The company asserts that there is no provision in its articles of association or any of its internal policies or covenants that prohibit or deny the shareholder the inherent right to participate or in vote in the general assembly meetings.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (Article (51) of the Articles of Association and The Stakeholders Policy).</p>			
<p>Article 34: Shareholders’ Voting Rights</p>	<p>The company shall not implement any restriction or procedure that might hinder the shareholder's right to vote, and is obliged to enable the shareholder to exercise the right to vote and facilitate its procedures, and it may utilize modern technology for this purpose.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Statement of compliance/ or justification for non-compliance</p>	<p>As previously stated, there is no provision in its articles of association or any of its internal policies or covenants that prohibit or deny the shareholder the inherent right to participate or in vote in the general assembly meetings. We also confirm that Article 19, Paragraph (3) of the Stakeholders Policy, expressly stated:</p> <p>" The company shall not implement any restriction or procedure that might hinder the shareholder's right to vote, and is obliged to enable the shareholder to exercise the right to vote and facilitate its procedures, and it</p>			

	<p>may utilize modern technology for this purpose."</p> <p>Kindly refer to Appendix 12 of the Charter for Governance. (The Stakeholders Policy).</p>			

Article 35: Shareholders' Rights To Elect Boar Members	<p>The company shall comply with the disclosure requirements in relation to the candidates for membership of the Board, and it shall inform the shareholders of all information related to all the candidates and their academic background and practical experiences as shown in their CVs, sufficiently before the date of the General Assembly.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company adheres to the disclosure requirements by providing the Authority with a list of the candidates' names running for membership in the board of directors in addition to the curriculum vitae of each one of them in each cycle. This obligation is expressly provided for in Article (30) of the company's articles of association. The company also announces on the company's bulletin board the names of the candidates who meet the conditions required to run for membership in the Board well in advance of the date set for the general assembly meeting. In addition to the foregoing, the company provides the curriculum vitae of the candidates and discloses their names at the gate of the hall in which the general assembly meeting will be held so that it is available to every shareholder who wishes to obtain a copy of the list of candidates or their CVs.</p> <p>This right is also expressly stated in Article (19) paragraph (4) of the Stakeholders Policy.</p> <p>Kindly refer to Appendix 12 and 29 of the Charter for Governance. (Article (30) of the Articles of Association and The Stakeholders Policy).</p>			
Article 35: Shareholders' Rights To Elect Boar	<p>The general assembly elects the Board members by secret ballot</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Members	and according to the cumulative voting method.			
Statement of compliance/ or justification for non-compliance	<p>The company's articles of association expressly state that the members of the board are elected by secret ballot and according to the method of cumulative voting, as stipulated in Article (29) of the company's articles of association.</p> <p>Kindly refer to Appendix 29 of the Charter for Governance. (Article (29) of the Articles of Association).</p>			

Article 36: Shareholders' Dividends Rights	<p>The company's articles of association shall specify, without prejudice to the company's ability to fulfill its obligations towards others, the minimum percentage of net profits that must be distributed to shareholders, and the board must set a clear policy for distributing those profits in a manner that in the best interest of the company and shareholders, and the shareholders must be informed of this policy in the General Assembly meeting and indicated in the Board report.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The articles of association stipulate explicitly in Article (70) that a (5%) of the net profits must be distributed to the shareholders after deducting the statutory reserve and the optional reserve, and the shareholder shall be entitled to his share of the profits according to the current rules and regulations of the Authority and the financial market in which the shares are listed.</p> <p>The company has amended the articles of association to include Article (75) paragraph (2) which expressly state that it is necessary to develop a clear policy in the best interests of the company and the shareholders for distributing profits, and the shareholders must be informed of this policy at the General Assembly meeting. The dividend policy has been prepared and shared with shareholders, and was approved by the shareholders in</p>			

	<p>the ordinary general assembly meeting held on April 8, 2018.</p> <p>Kindly refer to Appendix 29 and 27 of the Charter for Governance. (Article (75) of the amended Articles of Association, Appendix 44, and the minutes of the extraordinary general assembly meeting held on April 8, 2018).</p>			
Article 36: Shareholders' Dividends Rights	<p>The shareholders registered in the shareholders' register at the Depository Authority at the end of trading on the day of the general assembly are eligible to receive the dividends approved by the general assembly whether in cash or in bonus shares.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company adheres to its obligations to give the dividends approved by the General Assembly, whether in cash or in bonus shares, to the owners of shares registered in the shareholders register. Although this obligation is expressly stipulated in The Stakeholders' Policy Article (19) Paragraph (5), the company has made an amendment to the company's articles of association and included that the dividends shall be distributed (to the shareholders registered in the shareholders' register at the Depository Authority at the end of trading on the day of the general assembly), under Article (75), last paragraph of the amended articles of association.</p> <p>Kindly refer to Appendix 12 of the Charter for Governance. (The Stakeholders Policy, Article (75) of the amended Articles of Association, Appendix 44 the minutes of the extraordinary general assembly meeting held on April 8, 2018).</p>			

Article 37: Shareholders' Rights in regard to Major Transactions	<p>The company's articles of association must include a specific mechanism to protect the rights of shareholders in general and the minority in particular if the company enters into major</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<p>transactions that may prejudice their interests or the ownership of the company's capital.</p>			
<p>Statement of compliance/ or justification for non-compliance</p>	<p>The company's articles of association expressly provide for a specific mechanism to protect the rights of shareholders in general and the minority in particular if the company enters into major transactions that may prejudice their interests or the ownership of the company's capital, which was approved in the ordinary general assembly meeting held on April 8, 2018.</p> <p>Kindly refer to (Article (83) of the amended Articles of Association, Appendix 44, the minutes of the extraordinary general assembly meeting held on April 8, 2018).</p>			
<p>Article 37: Shareholders' Rights in regard to Major Transactions</p>	<p>In all cases, the company's capital structure and any agreement made in this regard must be disclosed, and shareholders who own (5%) or more of the company's shares, directly or indirectly, must be disclosed.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Statement of compliance/ or justification for non-compliance</p>	<p>The Company's Article of Association includes, in Article (83), a provision that requires the company to disclose the capital structure, and the company manages its capital to ensure its ability to continue as a going concern and that guarantees the best return on its capital investments.</p> <p>The company's capital structure consists of equity, which includes issued capital, statutory reserve, general reserve and accumulated profits.</p> <p>There are no agreements between the company and the shareholders (shareholders' agreements) to be disclosed.</p> <p>As for the major shareholders who own more than (50,000) of the shares of the company's capital, they are listed as indicated in the attached list.</p>			

	Kindly refer to Article (83) of the amended Articles of Association, Appendix 37 of the Charter for Governance. (Major Shareholders List)		

Article 38: Rights of Non-Shareholder Stakeholders	The company shall be obliged to preserve and uphold the rights of stakeholders, and every stakeholder in the company may request information related to his interest provided that he attaches to his request proof of his capacity, and the company shall provide the required information in a timely manner and to the extent that it does not prejudice the interests of company or others.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company is committed to preserving and upholding the rights of non-shareholder stakeholders, by enabling each stakeholder to obtain information relevant to their interest provided that he attaches to his request proof of his capacity, and the company shall provide the required information in a timely manner and to the extent that it does not prejudice the interests of company or others. The company's policies and internal covenants stipulated this commitment, specifically in The Stakeholders Policy Article (15), and the company's articles of association Article (76).</p> <p>Kindly refer to Article (76) of the Articles of Association, and Appendix 37 of the Charter for Governance. (The Stakeholders Policy)</p>		
Article 38: Rights of Non-Shareholder Stakeholders	The board shall establish a mechanism in writing that specifies the procedures for submitting complaints by the stakeholders in regard to the decisions and actions of the company's officials and senior executives, and another mechanism to receive and examine	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	<p>their complaints, proposals and communications regarding everything that affects the interests of the company and its assets, provided that this mechanism maintains the confidentiality of the content of the complaints, proposals or communications, ensures the protection of its provider, and specify the deadlines for responding to complaints and proposals.</p>			
Statement of compliance/ or justification for non-compliance	<p>The company and the Board has provided a written mechanism that specifies the procedures to file complaints, the party to which the complaint is submitted and how to settle such complaints, in accordance with the provisions detailed in Article (15), Paragraph (2), and Articles (21), (22), (23), (24), (25) and (36) of The Stakeholders Policy.</p> <p>Kindly refer to Appendix 12 of the Charter for Governance. (The Stakeholders Policy)</p>			

Article 39: The Rights of Society	<p>The company must perform its role in developing and advancing society and preserving the environment through effective and earnest participation in the corporate social responsibility system.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statement of compliance/ or justification for non-compliance	<p>The company believes in society rights, as it acknowledges its commitment to social responsibility. Therefore, this commitment has been explicitly included in the Board Charter (The Board of Directors Tasks) paragraph (10) and (First: the main functions of the Board), paragraph (5). Therefore, the company dedicated free entertainment shows for children with special needs on a regular basis, and whenever the schools for children with special needs require it, the company also supports the principles of preserving the environment and is in</p>			

	coordination with Friends of the Environment Centre to turn this vision into tangible reality.
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	Kindly refer to Appendix 1 of the Charter for Governance. (Board Charter).
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Ahmed Abdul Rahman Nasser Fakhro

Chairman of the Board