



# Corporate Governance Report 2018



For the financial year ended  
31 December 2018

Dear Shareholders,

I am pleased to present the Vodafone Qatar Corporate Governance Report for the financial year ended 31 December 2018. The Corporate Governance Report is intended to provide shareholders with a summary of the Company's governance policies and practices and an overview of how the Company has adhered to the main principles and requirements of the Qatar Financial Markets Authority ("QFMA") and in particular, the Governance Code for Companies and Legal Entities Listed on the Main Market, issued in November 2016 (the "QFMA Corporate Governance Code").

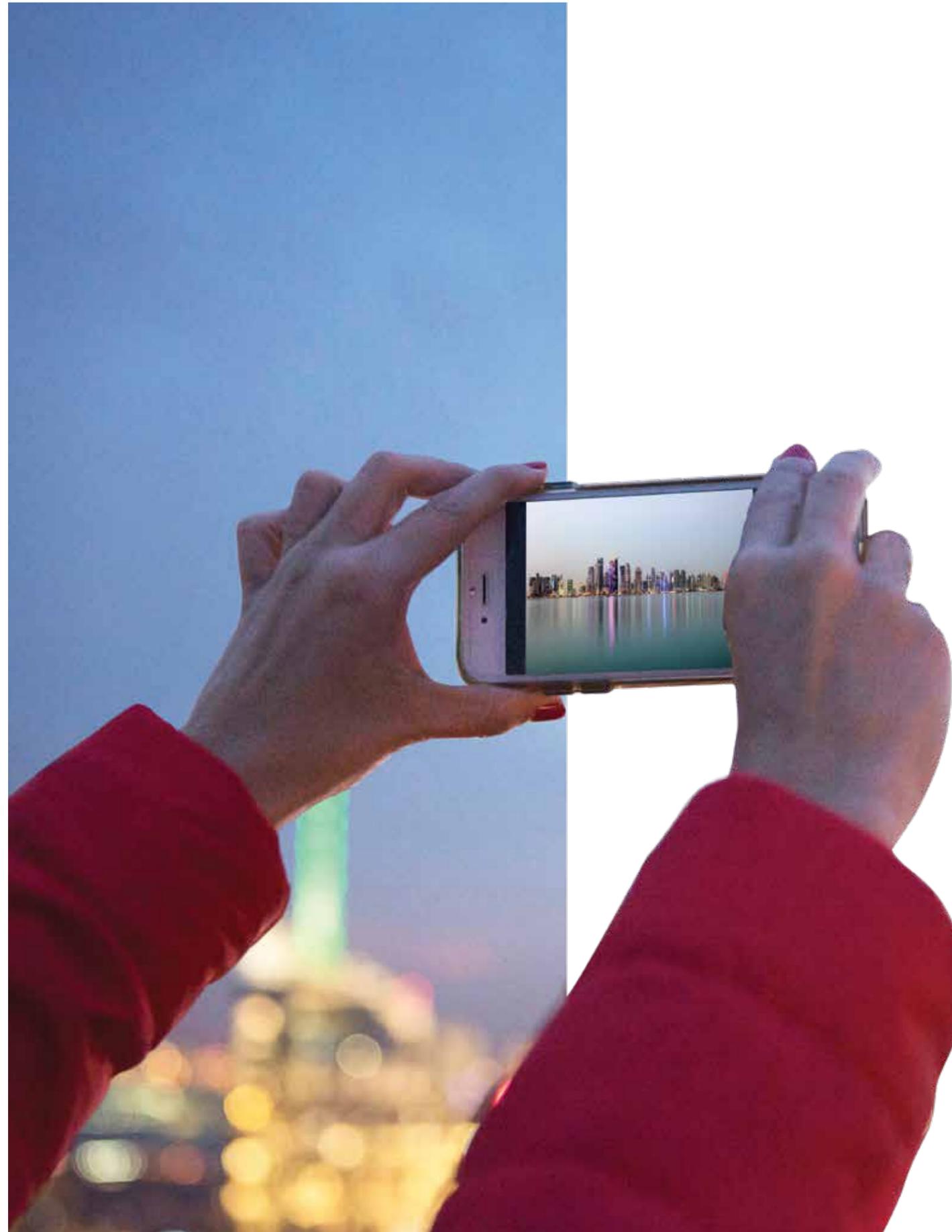
The Board of Directors (the "Board") is committed to maintaining high standards of corporate governance aligned with the needs of the company and the interests of all our stakeholders and ensuring that values, attitudes and behaviors are consistent across the business. The Board believes that effective and robust governance is essential to protecting shareholder value, delivering sustainable growth and ensuring that the Company operates in a responsible and transparent manner.

Over the past year, the Board has evolved its corporate governance framework to ensure that the highest standards of corporate governance and best practice are applied across all business functions and operations and, in particular, to implement the requirements of the QFMA Corporate Governance Code as substantively as possible. We consider this critical to the integrity of our business and a key component in maintaining investors' trust. We require and expect all Board members, all Executive Management members, leadership team members, staff and suppliers to act with honesty, integrity and fairness in all of their dealings and demonstrate the principles of transparency, responsibility, justice and equality set out in the QFMA Corporate Governance Code. Our business principles set out the standards that we set ourselves and are designed to ensure we continue to operate lawfully and with integrity and respect.

The Board acknowledges its responsibility to oversee the management of the Company and we are confident that the Board and the Executive Management team of Vodafone Qatar have appropriate and sufficiently robust governance policies and procedures in place to ensure that the Company operates in the best interests of shareholders.

**Abdulla Bin Nasser Al Misnad**

Chairman



## Corporate Governance at Vodafone Qatar and Compliance with QFMA Corporate Governance Code

### (a) Structural Changes at Vodafone Qatar

As noted in the executive summary to its Annual Report, Vodafone Qatar P.Q.S.C. ("Vodafone Qatar" or the "Company") has undergone significant structural changes during 2018. On 29 March 2018, Qatar Foundation for Education, Science and Community Development ("Qatar Foundation") acquired the entire indirect equity interest of Vodafone Group Plc in Vodafone Qatar (held through Vodafone Europe B.V and equating to 22.95% of the shares in Vodafone Qatar) (the "Transaction"). From that date, the existing management agreement in place with Vodafone Group Plc (and other related entities) was terminated and Vodafone Group Plc ceased to have any management control in respect of the business and operations of Vodafone Qatar. However, on termination of the existing management agreement, Vodafone Qatar entered into a co-operation agreement with Vodafone Group Plc to ensure its continued use of and access to the Vodafone brand and Vodafone products and services ("Co-operation Agreement").

### (b) Impact of the Transaction on Vodafone Qatar's Corporate Governance

The completion of the Transaction has necessitated certain corporate governance related changes within Vodafone Qatar, namely:

- (i) **Board of Directors:** the structure of the Board of Directors of Vodafone Qatar was changed to reflect the exit of the Vodafone Group Plc appointed Board Members. The total number of Board Members of Vodafone Qatar was reduced from nine (9) to seven (7) members, four (4) of whom are appointed by Qatar Foundation (through Vodafone and Qatar Foundation LLC, the corporate entity that holds Qatar Foundation's indirect equity interest in Vodafone Qatar, equating to 45% of the shares in Vodafone Qatar following completion of the Transaction) and the remaining three (3) Directors are independent members elected by the shareholders of the Company. The structure of the Board of Directors is addressed in more detail below.

(ii) **Composition of Board Sub-Committees:** following the re-structure of the Board, the composition of the Board sub-committees, namely the Audit Committee, Remuneration Committee and Nomination Committee was also re-structured to include new Board members and to reflect the requirements of the QFMA Corporate Governance Code. The structure and operation of the Board sub-committees is addressed in more detail below.

(iii) **Chief Executive Officer (“CEO”):** Mr. Ian Gray, Vodafone Qatar’s former CEO and Board Member, retired and stepped down from both positions following the Company’s Annual General Assembly held on 19 March 2018. H.E. Sheikh Hamad Bin Abdulla Al-Thani took the role of CEO. Sheikh Hamad’s biography and responsibilities are set out below and in the Executive Management Team section of the Annual Report.

### (c) Other Major Changes at Vodafone Qatar

As noted in the executive summary of the Company’s Annual Report, and in addition to the above structural changes, the following major changes also occurred in 2018:

(i) **Extension of Licence:** The Company’s Public Mobile Telecommunications Networks and Services Licence (the “**Licence**”) originally granted by the Communications Regulatory Authority (CRA) for 20 years was extended for an additional 40 years to 2068, reducing the related amortisation cost annually from QR 403 million to QR 84 million. The Board of Directors believes that this change will sustain the Company’s financial growth and profitability over the long term. For details about the financial impact, please refer to the financial statements ended 31 December 2018 included in the Company’s Annual Report.

(ii) **Reduction in the Share Capital of the Company:** Vodafone Qatar implemented a reduction in its share capital from QR 8.454 billion to QR 4.227 billion by means of reducing the nominal value of the shares of the Company from QR 10 per share to QR 5 per share (the “**Capital Reduction**”). The Capital Reduction was implemented after obtaining shareholders’ approval at the Company’s Extraordinary General Assembly held on 19 March 2018 and all other requisite regulatory approvals. This reduction in the nominal value of the shares of the Company did not impact the value of the shares held by shareholders and did not have any impact on the cash position or financial liquidity of the Company. The Board of Directors believes that this change will deliver the long term growth potential of the Company, attract new investors

and enable future payment of dividends in line with the applicable law and the Company’s Articles of Association. The implementation of the Capital Reduction required a suspension of trading in the Company’s shares for one day on Thursday, 15 November 2018, as per regulatory requirements. For further details about the Capital Reduction please refer to the Company’s website ([www.vodafone.qa](http://www.vodafone.qa)).

(iii) **Steps Taken to Ensure Compliance with the QFMA Governance Code:** Vodafone Qatar has endeavoured and continues to take steps to align its policies and practices with the requirements of the QFMA Corporate Governance Code as well as international best practice governance principles. In particular, to ensure compliance with the QFMA Corporate Governance Code, Vodafone Qatar has made extensive amendments to the following key corporate governance documents for the Company:

- (i) Governance Charter;
- (ii) Board Charter;
- (iii) Terms of Reference for the Audit Committee;
- (iv) Terms of Reference for the Remuneration Committee;
- (v) Terms of Reference for the Nomination Committee;
- (vi) Vodafone Qatar Share Trading Guidelines; and
- (vii) Articles of Association.

The revised Governance Charter and Board Charter, the updated Terms of Reference for the various Board sub-committees and Articles of Association are available to view on the Company’s website.

### (d) Violations of the QFMA Governance Code

Vodafone Qatar has not been subject to any sanctions or financial penalties imposed by the QFMA for non-compliance with any provisions of the QFMA Corporate Governance Code. Vodafone Qatar highlights in this report any specific areas of non-compliance with particular provisions of the QFMA Corporate Governance Code, including the reasons for any such non-compliance and the steps taken, or proposed to be taken, by the Board of the Company to ensure compliance in the future.

## Board of Directors

### Role of the Board of Directors

The Board is responsible for approval of the overall business strategy of Vodafone Qatar and for ensuring that a high standard of governance is adhered to throughout the business. The Board:

- (a) has ultimate responsibility for the management, direction and performance of Vodafone Qatar;
- (b) is required to exercise sound and objective judgement on all corporate matters independent from executive management;
- (c) is accountable to shareholders for the proper conduct of the business; and
- (d) is responsible for ensuring the effectiveness of and reporting on the Company’s system of corporate governance.

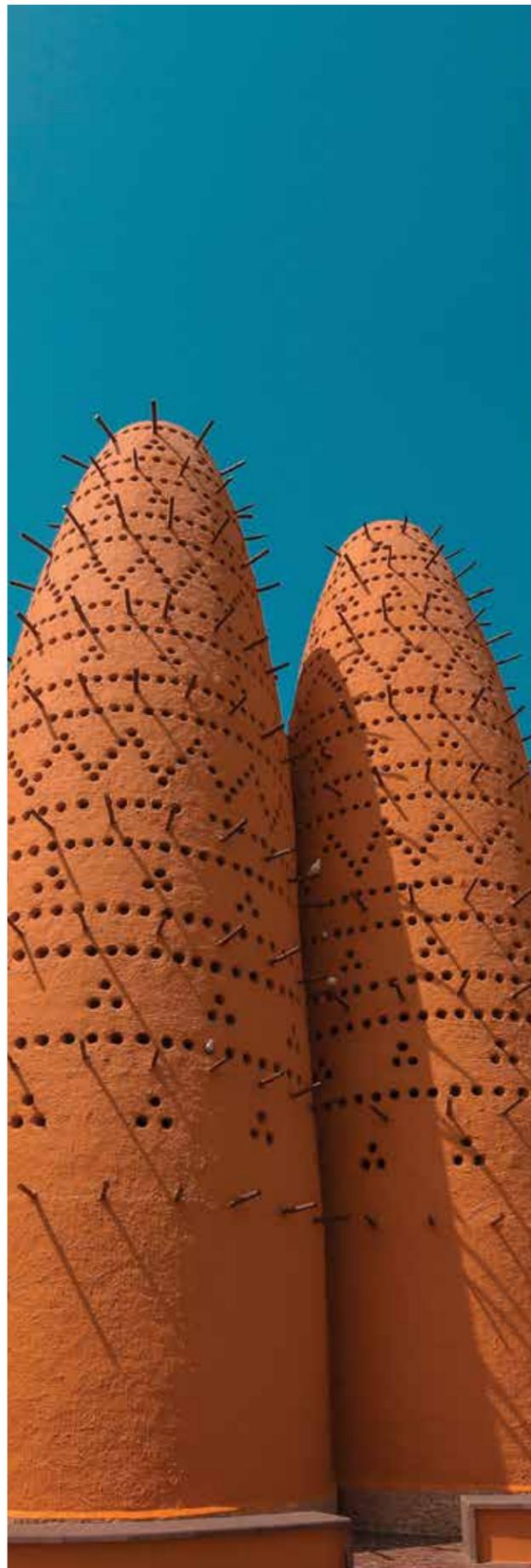
Vodafone Qatar’s Board Charter (which complies with Article (8) of the QFMA Corporate Governance Code) provides more details of the Board’s duties, functions and responsibilities as well as the obligations of individual Board members are available online ([www.vodafone.qa](http://www.vodafone.qa)).

### Board Composition

The Company’s Board of Directors was elected by the Annual General Assembly of shareholders for a maximum term of three (3) years expiring on 25 July 2019. The current Board of Directors as of 31 December 2018 comprises seven (7) members as detailed below. We would highlight that at the start of 2018, the Board of Directors was composed of nine (9) members. However, following the Transaction which resulted in the restructuring of the Company and the exit of Vodafone Group, the composition of the Board was amended (as approved by the Shareholders of the Company in the Annual General Assembly held on 19 March 2018). The exiting Board members were Ian Gray, Vivek Badrinath, John Otty and Gianluca Ventura. The new members who joined the Board as representatives of Vodafone and Qatar Foundation LLC with effect from 29 March 2018 were H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani and H.E. Sheikh Saoud Abdul Rahman H.A. Al Thani

Name	Position	Date Appointed	Representing
H.E. Mr. Abdulla Bin Nasser Al Misnad	Chairman Non-Executive Independent	25/07/2016	All shareholders
H.E. Mr. Akbar Al Baker	Vice Chairman Non-Executive Independent	25/07/2016	All shareholders
Mr. Rashid Fahad Al-Naimi (Managing Director)	Executive	23/06/2008	Vodafone and Qatar Foundation LLC
Mr. Nasser Jaralla Al Marri	Non-Executive Independent	25/07/2016	All shareholders
Mr. Nasser Hassan Al-Naimi	Non-Executive	07/11/2016	Vodafone and Qatar Foundation LLC
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani	Non-Executive	29/03/2018	Vodafone and Qatar Foundation LLC
H.E. Sheikh Saoud Abdul Rahman H.A. Al-Thani	Non-Executive	29/03/2018	Vodafone and Qatar Foundation LLC

The members of the Board of Directors are qualified with sufficient knowledge and satisfy the conditions for Board membership as set out in Article (5) of the QFMA Corporate Governance Code. In compliance with Article (6) of the QFMA Corporate Governance Code, a third of the Board of Vodafone Qatar are independent members and the majority are non-executive Board members.



## Biography of Board Members

### H.E. Mr. Abdulla Bin Nasser Al Misnad

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

Mr. Abdulla Al Misnad is the Chairman of the Al Misnad Company having its roots in the private sector business since the 1950's.

Mr. Abdulla Al Misnad is a prominent and active businessman in Qatar who is the Founder and Chairman of the Board of Qatari Investors Group, a publicly listed share holding company.

The following are some of the positions presently held by Mr. Al Misnad:

- Al Misnad LLC – Chairman
- Qatari Investors Group – Chairman
- al khaliji Bank – Vice Chairman

### H.E. Mr. Akbar Al Baker

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

Qatar Airways Group Chief Executive, His Excellency Mr. Akbar Al Baker, is one of the most recognisable figures in the global aviation industry. His vision and commitment enabled the ground-breaking development of Qatar Airways from a small regional carrier into one of the world's leading global airlines in the span of just 20 years. Today, Qatar Airways flies more than 200 state-of-the-art aircraft to more than 160 destinations across six continents.

In August 2017, H.E. Mr. Al Baker was announced as the Chairman of the Board of Governors (BoG) of the prestigious global aviation industry body, the International Air Transport Association (IATA), which came into effect in June 2018.

H.E. Mr. Al Baker is also a member of the Executive Committee of the Arab Air Carriers Organisation (AACO) and is anon-executive Director of Heathrow Airport Holdings (HAH) - the company responsible for the running and development of the U.K.'s largest airport. In June 2015, the President of the Republic of France, Francois Hollande, presented H.E. Mr. Al Baker with the Legion of Honour in recognition of his leadership in the aviation industry.

In 2019, H.E. Mr. Al Baker was appointed Secretary-General of Qatar's National Tourism Council (NTC).

A highly-motivated individual, H.E. Mr. Al Baker, a successful businessman in Doha and beyond, holds a private pilot license and is also CEO of several divisions of Qatar's national airline - including Qatar Executive, Hamad International Airport, Qatar Aviation Services, Qatar Aircraft Catering Company, Qatar Distribution Company, Qatar Duty Free and Internal Media Services, to name a few.

#### Education

- BA, Economics and Commerce - Sydenham College (India)

### Mr. Rashid Fahad Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 70,000 shares

As the CEO of Investments at the Qatar Foundation for Education, Science and Community Development, Mr. Rashid Al-Naimi is responsible for investment portfolios and long-term investment policies. He is also the residing Chairman of MEEZA and Mazaya Qatar, and a Board Member representing Qatar Foundation across numerous companies, including Vodafone Qatar.

Mr. Al-Naimi has an outstanding record of delivering successful restructurings that continuously improve shareholder value. In 2015, he was honoured by the Arab Economic Forum with the "Achievement in Leadership Award". Prior to joining the Qatar Foundation, Mr. Al-Naimi was the Manager of Human Resources for RasGas Company Limited.

#### Education

- MBA – University of Oxford (United Kingdom)
- BSc, Economics – Indiana State University (United States)

### Mr. Nasser Jaralla Al Marri

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 250 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

Mr. Nasser Al Marri has served as Chairman of the Financial Affairs Authority at the General Headquarters of the Qatar Armed Forces/ Ministry of Defence since 2016. After years spent in leading roles cross the government such as CFO of Marafeq Qatar/ Qatari Diar, Director of Business Development and Investment Promotion in the Ministry of Economy and Commerce, Director of Admin & Finance in the Ministry of Economy & Commerce.

Other roles include serving as Finance Director for the Qatar National Food Security Programme and National Human Rights Committee. He was Vice Chairman of Qatar Steel International Company and a Board Member of Qatar Mining Company. Today, he serves as a Board Member of Masraf Al Rayan Bank and is Chairman of Al Rayan Investment Company.

#### Education

- MSc, Accounting and Financial Science – Southampton University (United Kingdom)
- BA, Business Administration – Qatar University (Qatar)

### Mr. Nasser Hassan Al-Naimi

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

As Chief of Investment, Research and Development at Qatar's Ministry of Defense, Nasser Hassan Al-Naimi oversees local and international investments in various areas, including mergers and acquisitions. He also provides executive support to the office of H.E. the Minister of State for Defense Affairs.

On behalf of the Ministry, Mr. Al-Naimi is Managing Director of Barzan Holdings, a wholly owned subsidiary of the Ministry of Defense, and a Board member of several direct investments held by the Ministry of Defense. In his private capacity, he is a Board Member of Artan Holding, a Qatari Holding Company which owns and manages a varied portfolio of companies in industries ranging from education to real estate. Mr Al-Naimi also co-founded a fund named MKaNN Ventures which invests in early-stage technology companies.

#### Education

- MA, Strategic Management
- BSc, Business Management

### H.E. Sheikh Hamad Bin Faisal Thani Jassim Al-Thani

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

Sheikh Hamad Bin Faisal Al Thani is widely known in the region and regarded as one of Qatar's most influential business figures. In addition to his post as Board member of Vodafone Qatar, Sheikh Hamad currently holds the following positions:

- Chairman and Managing Director - al khaliji Bank
- Vice Chairman - Qatari Investors Group
- Board Member - Qatari Businessmen Association
- Board Member - Qatar Insurance Company (QIC)

Previously, he was the Minister of Economy and Commerce of Qatar and Vice Chairman of Qatar National Bank (QNB). Other senior roles include Chairman of Qatar General Organization for Standard and Metrology, member of Supreme Council for Economic Affairs and Investment, Director of Customs Department and Heir Apparent Office, Diwan Al Amiri.

#### Education:

- Bachelor, Political Science

### H.E. Sheikh Saoud Abdul Rahman Hassan Al-Thani

Number of shares held directly in Vodafone Qatar as of 31 December 2018: 0 shares

Number of shares held indirectly in Vodafone Qatar as of 31 December 2018: 0 shares

In addition to his post as Board member of Vodafone Qatar, Sheikh Saoud Al-Thani currently holds the positions of Chairman of Gulf Bridge International Inc. a company registered and incorporated in the British Virgin Islands (BVI) and Vice-Chairman at Qatar Solar Technologies (QSTec), a polysilicon manufacturing company headquartered in Doha, Qatar.

Sheikh Al Thani is an offshore and onshore oil and gas engineer whose energy career has spanned over 20 years, with more than 10 of these years in senior leadership roles around the world. Previously he was Chairman of Qatar Fuels (WOQOD) and Executive Director of Gas and Power for Qatar Petroleum International. Sheikh Al-Thani has an outstanding record in optimizing organizations, teams and investments to create new opportunities that increase shareholder value.

Sheikh Al Thani is a regular keynote speaker at energy conferences around the world and has led numerous international Qatari delegations on different Governments international conferences and meetings. He is a firm believer in the value of continuing education and research and is passionate about enabling people and organizations to maximize their full potential.

#### Education:

- BSc, Petroleum Engineering – King Fahd University of Petroleum and Minerals (Saudi Arabia)
- Executive MBA – Henley Business School, University of Reading (United Kingdom)

## Combination of Positions

Each Board member has provided written confirmation to the Company Secretary confirming that they do not and shall not combine board membership positions as stipulated in the QFMA Corporate Governance Code.

## Board Meetings

Article 36 of Vodafone Qatar's Articles of Association requires the Board of Directors to meet at least six (6) times per year and that no more than three (3) months shall go by without the Board holding a meeting which is in line with the requirement set out under Article (14) of the QFMA Corporate Governance Code. Vodafone Qatar holds additional Board meetings throughout the year as and when required and held a total of seven (7) meetings during the financial year ended 31 December 2018 as indicated in the table below.

Board Members	Attendance						
	16 January 2018 (Vodafone Group Board Appointed Members attending)	15 February 2018 (Vodafone Group Board Appointed Members attending)	26 February 2018 (Vodafone Group Board Appointed Members attending)	30 April 2018 (First Board Meeting after Transaction completion)	24 July 2018	22 October 2018	12 December 2018
H.E. Mr. Abdulla Bin Nasser Al Misnad	✓	✓		✓	✓	✓	✓
H.E. Mr. Akbar Al Baker	✓	x	✓	✓	✓	✓	✓
Mr. Rashid Al Naimi	✓	✓	✓	✓	✓	✓	✓
Mr. Nasser Jaralla Saeed Al Marri	✓	✓	✓	✓	✓	✓	✓
Mr. Nasser Hassan Al Naimi	✓	✓	✓	✓	✓	✓	✓
Mr. Ian Gray (Vodafone Group Plc)	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. Vivek Badrinath (Vodafone Group Plc)	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. John Otty (Vodafone Group Plc)	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. Gianluca Ventura (Vodafone Group Plc)	✓	✓	✓	N/A	N/A	N/A	N/A
H.E. Sheikh Hamad Bin Faisal Thani Jassim Al Thani	N/A	N/A	N/A	✓	✓	✓	✓
H.E. Sheikh Saoud Abdul Rahman H.A Al Thani	N/A	N/A	N/A	✓	✓	✓	✓

Board meetings are structured to facilitate open discussion and participation by all Directors in matters relating to strategy, trading and financial performance and risk management. All substantive agenda items have comprehensive supporting briefing material which is circulated to all Directors in advance of each meeting.

Directors who are unable to attend a particular Board meeting due to other commitments are provided with all the information relevant for such meetings and are able to discuss issues arising in the meeting with the Chairman and/or the Chief Executive Officer and may elect to appoint a proxy for voting purposes.

## Board Performance / Achievements

Please refer to the Executive Summary in the Company's Annual Report for a summary of the key achievements delivered by the Board and Executive Management during the financial year ended 31 December 2018.

## Board Remuneration

Subject to compliance with the requirements of the Commercial Companies Law and the QFMA Corporate Governance Code, namely that the Board remuneration shall not exceed 5% of the Company's net profit after deduction of the legal reserve, and payment of dividends to the shareholders of not less than 5% of the paid up capital, Vodafone Qatar's Board is recommending the payment of remuneration to the Board of Directors of the Company in recognition of their achievements during the financial year ended 31 December 2018. The total remuneration proposed for the Vodafone Qatar Board of Directors for the financial year ended 31 December 2018 is referred to in the Company's financial statements as at that date and which are included in the financial statements section of the Company's Annual Report.

## Independent Advice

The Board recognises that there may be occasions where one or more of the Directors consider it necessary to seek independent legal and/or financial advice at the Company's expense. Independent legal and/or financial advice is sought by the Board as and when it is considered appropriate. No independent legal and/or financial advice was sought by the Board during the financial year ended 31 December 2018.

Board Member	Position	Board Member Type
Mr. Nasser Al Marri	Chairman	Independent & Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Vodafone and Qatar Foundation LLC & Executive
H.E. Sheikh Saoud Abdul Rahman H.A Al Thani	Member	Vodafone and Qatar Foundation LLC & Non-Executive

## Division of Responsibilities

Vodafone Qatar maintains a clear separation between the roles of the Chairman, Managing Director and Chief Executive Officer with a clear division of responsibilities as follows:

- the Chairman is responsible for the operation, leadership and governance of the Board, ensuring its overall effectiveness;
- the Managing Director is responsible for providing leadership and direction to the Chief Executive Officer and the Executive Management team in respect of the Company's overall strategic management and acting as the principal point of contact and liaison between the Chief Executive Officer and the Board in respect of strategic and operational matters; and
- the Chief Executive Officer is responsible for the management of the business and implementation of the Company's overall strategy and policy.

## Board Committees

Vodafone Qatar currently has an Audit Committee, Remuneration Committee and Nomination Committee, each of which is operated in accordance with a specific and detailed Terms of Reference approved by the Board. The Terms of Reference for each Board Committee are available online ([www.vodafone.qa](http://www.vodafone.qa)). Members of the Board committees are not remunerated separately for membership of each committee.

## Audit Committee

The membership of the Audit Committee of Vodafone Qatar was reconstituted following the completion of the Transaction and the exit of Vodafone Group Plc from the operation and management of the Company.

The Audit Committee of Vodafone Qatar currently consists of the following members who have the necessary expertise to fulfil the responsibilities of the committee:

Article 18.3 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should be comprised of at least three (3) members, the majority of whom should be independent and the Chairman shall be independent. Vodafone Qatar's Board believes the current composition of the Audit Committee is appropriate for its effective operation. Please see below for further information on the rationale for the current membership of the Audit Committee.

The Audit Committee responsibilities include:

- preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution, and conducting periodic audits whenever necessary;
- setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work;
- overseeing the Company's Internal Controls following review by the External Auditor's to ensure compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements;
- overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports;
- considering, reviewing and following up the External Auditor's reports and notes on the Company financial statements;
- ensuring the accuracy about and reviewing the disclosed numbers, data and financial statements and whatever submitted to the General Assembly;
- making coordination among the Board, Senior Executive Management, and the Internal Controls of the Company;
- reviewing the systems of financial and Internal Control and risk management;
- conducting investigations in financial control matters requested by the Board;
- providing coordination between the Internal Audit Unit in the Company and the External Auditor;
- reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard;
- reviewing the Company's dealings with related parties, and making sure whether such dealings are subject to and comply with the relevant controls;

- developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company;
- supervising the training programmes on risk management prepared by the Company and their nominations;
- preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and preparing reports of certain risks at the request of the Board and / or the Chairman;
- implementing the assignments of the Board regarding the Company's Internal Controls;
- engaging with the External Auditor and Senior Executive Management regarding risk audits with a focus on the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report;
- assessing the Company's processes to comply with governance requirements with regard to applicable laws, regulations, Code of Business Conduct and Ethics;
- reviewing and monitoring the procedures by which the Company complies with the governance requirements in respect of: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- reviewing reports and disclosures of significant conflicts of interest; and
- overseeing the activity and credentials of the Company's internal auditors, including the review of the Internal Audit Terms of Reference, plans, resource requirements, staffing and organizational structure, ensuring consistency and compliance with the Vodafone Internal Audit methodology and approach.

Article 19 of the QFMA Corporate Governance Code requires the Audit Committee of a listed company to meet at least six (6) times per year. During the year 2018, the Audit Committee met on two (2) occasions as follows:

Committee Members	Attendance	
	26 February 2018 (Vodafone Group Appointed Members Attending)	22 October 2018 (New Audit Committee Members Attending)
Mr. Nasser Al Marri	✓	✓
Mr. Rashid Fahad Al-Naimi	✓	✓
H.E. Sheikh Saoud Abdul Rahman H.A Al Thani	N/A	✓
Mr. John Otty (Vodafone Group Plc)	✓	N/A

As noted above, the Audit Committee membership was re-constituted following completion of the Transaction. In re-constituting the Audit Committee, due consideration was given to the requirements of the QFMA Corporate Governance Code and in particular, the requirement for a majority of the members of the Audit Committee to be Independent Board Members. Vodafone Qatar was restricted by the fact that its Chairman is an Independent Board Member (as provided for under Article 29.3 of the Company's Articles of Association) and is prohibited from acting as a member of any Board Committee (Article 7 of the QFMA Corporate Governance Code). Accordingly, only two Independent Board Members were available for membership of the Audit Committee, one of whom was H.E. Akbar Al Baker, the Vice Chairman, who was appointed by the Board as the Chairman of the Remuneration Committee. Accordingly, to ensure the Audit Committee could operate effectively and was not adversely impacted by attendance issues arising from the other business commitments of its members, the Board took the decision to appoint only one Independent Board Member to the Audit Committee, Nasser Al Marri, who was nominated as Chairman of the Audit Committee (as per the requirement to appoint an Independent Board Member as Chairman under Article 18 of the QFMA Corporate Governance Code). Given the significant experience of the members of the Audit Committee, the Board of Vodafone Qatar believes that all members of the Audit Committee will exercise their roles in an independent and impartial manner to protect the best interests of the Company.

Article 19 (Committees' Work) of the QFMA Corporate Governance Code requires a minimum of six (6) Audit Committee Meetings per year. The Company however believes that bi-annual meetings of the Audit Committee, which generally take place in advance of the Company's reporting of its half year and full year results, are sufficient to ensure and maintain robust and effective oversight of the necessary internal audit controls and the scope of responsibilities of the Audit Committee outlined above. The Audit Committee provides a detailed report and recommendations directly to the Board at the Board meetings to approve the Company's half year and full year financial results, which supplements the report provided

to the Board by the Company's external auditors. The Company also adheres closely to international governance best practice and compliance with which is continually monitored and tracked by the Company's independent internal audit function and formally reported to the Audit Committee on a bi-annual basis. In addition, as part of the Company's Internal Audit function, regular audits and deep dives are undertaken to monitor and ensure compliance by the relevant business functions in the Company against specific business critical controls. The results of these audits and deep dives are presented to the Audit Committee for review as part of the Audit Committee meetings. Notwithstanding the same, Vodafone Qatar will undertake to review the frequency of the Audit Committee meetings to align more closely with the requirements of the QFMA Corporate Governance Code.

The main recommendations of the Audit Committee to the Board of Vodafone Qatar in 2018 were as follows:

- recommendation for the Board to approve the Company's financial statements for the nine (9) months ended 31 December 2017, following the review of the report from the External Auditors;
- recommendation for the Board to approve the appointment of the Company's External Auditors for the financial year 2018 following detailed review of commercial and technical offers from several auditing firms;
- recommendation for the Board to approve the options presented to the Audit Committee to address the accumulated losses of the Company;
- recommendation for the Board to approve the financial statements for the half-year ended 30 June 2018, following the review of the report from the External Auditors;
- recommendation for the Board to approve the Internal Audit strategy for the Company up to 2020;

## Remuneration Committee

The membership of the Remuneration Committee of Vodafone Qatar was re-constituted following the completion of the Transaction and the exit of Vodafone Group Plc from the operation and management of the Company.

The Remuneration Committee of Vodafone Qatar currently consists of the following members who have the necessary expertise to fulfil the responsibilities of the committee

Board Member	Position	Board Member Type
H.E. Mr. Akbar Al Baker	Chairman	Independent & Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Vodafone and Qatar Foundation LLC & Executive
Mr. Nasser Al Naimi	Member	Vodafone and Qatar Foundation LLC & Non-Executive

Article 18.2 of the QFMA Corporate Governance Code requires that a company's Remuneration Committee be comprised of at least three (3) Board members. Vodafone Qatar's Remuneration Committee comprises of three members, one of whom is an Independent Board Member. Prior to the completion of the Transaction, the Remuneration Committee comprised of four (4) members, one (1) of whom was an Independent Board Member.

The purpose of the Remuneration Committee is to determine and have oversight of the Company's remuneration policy and principles, in particular, as they apply to Board Members and Senior Executive Management.

The Remuneration Committee is responsible for:

- setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and the distribution of dividends not less than 5% of the Company's share capital (in cash and in kind) to shareholders; and
- setting the foundations of granting allowances and incentives in the Company, including possible issuance of incentive shares for its employees.

The Remuneration Committee met twice during 2018 as follows:

Committee Members	Attendance	
	19 February 2018 (Vodafone Group Appointment Members Attending)	30 April 2018 (New Remuneration Committee Members Attending)
H.E. Mr. Akbar Al Baker	X	✓
Mr. Rashid Fahad Al-Naimi	N/A	✓
Mr. Nasser Al Naimi	✓	✓
Mr. Vivek Badrinath (Vodafone Group Plc)	✓	N/A
Mr. Gianluca Ventura (Vodafone Group Plc)	✓	N/A

The main recommendations put forward to the Board in 2018 by the Remuneration Committee were as follows:

- approval of the proposed salary increase for Senior Executive Management for the 2018 financial year;
- approval of the proposed salary increase for all other Company employees for the 2018 financial year;
- notwithstanding the change in the Company's financial year end to 31 December 2017, the Remuneration

Committee recommended approval of the calculation of the Company's Global Short Term Incentive Plan ("GSTIP") on the basis of the full twelve (12) month period to 31 March 2018 in accordance with the GSTIP performance metrics initially communicated to Company employees;

- approval of the GSTIP for the Financial Year 2018 being calculated on the basis of the nine (9) month period from 1 April 2018 to 31 December 2018;

- (e) approval of the remuneration packages for new executive appointments, namely the Chief Executive Officer (effective 19 March 2018), the Chief Operating Officer (effective 19 March 2018) and the Chief Human Resources Officer (effective 8 May 2018);
- (f) approval of the company performance multiplier to support the calculation of the Company's GSTIP for the financial year ended 31 December 2017;
- (g) approval of the methodology for calculating the GSTIP for the Company's executive team for the financial year ended 31 December 2017;
- (h) approval of the methodology for calculating the proposed Long Term Incentive (LTI) award for each member of the executive team of the Company to be paid out in March 2020; and
- (i) approval of the Company's GSTIP metrics and targets for FY2018 (i.e. the nine (9) months ended 31 December 2018).

The Remuneration Committee provides an update and a summary of its recommendations to the Board. This happens on an annual basis during the Board meeting to approve the Company's full year results and in some cases, more frequently, depending on the nature of the matters reviewed by the Remuneration Committee.

The full Terms of Reference for the Remuneration Committee are publicly available on Vodafone Qatar's website [www.vodafone.qa](http://www.vodafone.qa).

### Nomination Committee

The membership of the Nomination Committee of Vodafone Qatar was re-constituted following the completion of the Transaction and the exit of Vodafone Group Plc from the operation and management of the Company.

The current Nomination Committee (which has oversight of the nomination and appointment of Board members and ensuring the proper application of formal, rigorous and transparent procedures) comprises of the following members who have the necessary expertise to fulfil the Committee's tasks:

Board Member	Position	Board Member Type
H.E. Sheikh Hamad Faisal Al-Thani	Chairman	Vodafone and Qatar Foundation LLC & Non-Executive
H.E. Sheikh Saoud Rahman Al-Thani	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Vodafone and Qatar Foundation LLC & Executive
Mr. Nasser Al Naimi	Member	Vodafone and Qatar Foundation LLC & Non-Executive

The Nomination Committee is responsible for:

- (a) developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership;
- (b) nominating whom it deems fit for the Board membership when any seat is vacant;
- (c) developing and drafting a succession plan for managing the Company to ensure the speed of a suitable alternative to fill vacant jobs in the Company;
- (d) nominating whom it deems fit to fill any job at the level of Senior Executive Management;
- (e) receiving candidacy requests for the Board membership;
- (f) submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the QFMA; and
- (g) submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.

No meeting of the Nomination Committee occurred during 2018 due to the fact that no Board elections took place in 2018 and therefore no annual report was submitted to the Board concerning the items set out in (g) above. Vodafone Qatar will give consideration to combining the Nomination Committee and the Remuneration Committee into one Committee called the "Nomination and Remuneration Committee" as permitted under Article 19 of the QFMA Governance Code.

The full Terms of Reference for the Nomination Committee are publicly available on Vodafone Qatar's website [www.vodafone.qa](http://www.vodafone.qa).



### Sharia Advisor

The Company has appointed a Sharia advisor with specialist knowledge and expertise in financial transactions with not less than ten (10) years of experience in supervising Islamic financial institutions.

The Sharia advisor has various responsibilities and duties in respect of Vodafone Qatar's Sharia compliance including, but not limited to, the following:

- (a) approving Sharia aspects of the Company's Articles of Association and by-laws;
- (b) approving agreements and contracts in relation to financial transactions;
- (c) approving financing structures, terms, and documents;
- (d) reviewing Company operations and activities from a Sharia perspective;
- (e) approving Sharia training to support employees in complying with Sharia standards and improving their capabilities; and
- (f) preparing a report confirming the Sharia compliance status of the Company for inclusion in the Company's Annual Report.

### Company Secretary

The Company Secretary acts as secretary to the Board and sub-committees of the Board and, with the consent of the Board, may delegate responsibility for the administration of both the Audit and Remuneration committees to other suitably qualified staff. The Company Secretary is responsible for:

- (a) recording the minutes of the Board meetings, setting out names of the attending and absent members and the meeting discussions and noting members' objections to any decision issued by the Board;
- (b) recording the Board decisions in the register prepared for this purpose as per issuance date;
- (c) recording the meetings held by the Board in a serial numbered register prepared for this purpose and arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the members' objections, if any;
- (d) safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records;
- (e) sending to the Board members and participants (if any) the meeting invitations accompanied with the agenda at least one week prior to the meeting's specified date, and receiving members' requests to add any items to the agenda with submission date;
- (f) making full coordination between the Chairman and the members, among members themselves, as well as between the Board and related parties and stakeholders in the Company including shareholders, management, and employees;
- (g) enabling the Chairman and the members to have timely access to all information, documents, and data pertaining to the Company; and
- (h) safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of the QFMA Corporate Governance Code.

The appointment or removal of the Company Secretary is a matter for the Board as a whole. The current Company Secretary of Vodafone Qatar is Ian Quigley, Legal Director for the Company. Mr. Quigley joined Vodafone Qatar in June 2013 and has held the role of Company Secretary since 22 October 2018 taking over from Mr. Brett Goschen, Chief Financial Officer who was Company Secretary from 1 October 2017. Mr. Quigley has been closely involved in the execution and management of company secretarial and governance related matters of the Company for several years as part of his previous role as Head of Legal and Assistant Company Secretary. Mr. Quigley has over 12 years of international experience as a corporate commercial lawyer and has held a variety of legal and company secretarial roles in Vodafone Group companies. Prior to joining Vodafone Qatar, Mr. Quigley was a senior corporate lawyer in Vodafone Ireland and was the joint Company Secretary of a joint venture network infrastructure sharing company with Hutchinson 3G in Ireland. In addition to his role as Company Secretary, Mr. Quigley is responsible for the legal, compliance, privacy and risk functions within Vodafone Qatar.



## Executive Management Team

**Sheikh Hamad Bin Abdulla Al Thani** | Chief Executive Officer

Shares held in Vodafone Qatar as of 31 December 2018: 5,000 shares

Hamad Al Thani is responsible for the overall creation, implementation, and integration of the long range strategic, financial, commercial and operational direction of the Company. Hamad Al Thani also oversees key internal and external stakeholder engagement to influence the environment in which the Company operates by liaising with the employees, the Board, and key Government entities. He chairs the Company's operational governance framework which includes committee oversight of the following: Strategy, Budget, CAPEX allocation, Commercial Approval, Trade Review, Brand Review and Assurance committees.

**Khames Mohammed Al Naimi** | Chief Human Resources Officer

Shares held in Vodafone Qatar as of 31 December 2018: 0 shares

Khames Al Naimi is responsible for the coordination and implementation of the overall human resources strategy of the Company. Within the scope of his role, he is responsible for ensuring the success of the Company's HR programmes, embedding best practices within the Company's Human Resources functions.

**Diego Camberos** | Chief Operating Officer

Shares held in Vodafone Qatar as of 31 December 2018: 0 shares

Diego Camberos, as Chief Operating Officer, is responsible for the coordination and implementation of the Company's overall strategy for commercial, enterprise, digital, and customer operations.

**Brett Goschen** | Chief Financial Officer

Shares held in Vodafone Qatar as of 31 December 2018: 0 shares

Brett Goschen heads the Financial Operations, Financial Planning, Reporting & Analysis, Supply Chain Management and Business Partnering functions of the Company. He is responsible for the accounting and disclosure of the assets, liabilities, financial position and profit and loss of the Company and ensures that the financial statements of the Company comply with the local and global accounting policies. Brett Goschen also oversees the Treasury, Investor Relations and Business Intelligence functions of the Company.

**Ramy Boctor** | Chief Technology Officer

Shares held in Vodafone Qatar as of 31 December 2018: 0 shares

Ramy Boctor is responsible for the development and implementation of the overall technology strategy of the Company. Ramy Boctor oversees all aspects of the Design, Planning and Rollout and Optimization of the Radio and Fixed access network. He is also responsible for the Technology Security, Service Delivery, and IT functions of the Company.

## Senior Management Remuneration for 2018

For details of remuneration paid to the Senior Executive management team of Vodafone Qatar, please refer to the Company's financial statements as of 31 December 2018 which are also included in the Vodafone Qatar Annual Report.

## Internal Control and Risk Management

### (a) Internal Control Processes

The Board has overall responsibility for internal risk management and control processes. Based on management's assessment of internal controls relating to financial reporting, no material internal control failures were noted by the Company during the financial year ended 31 December 2018.

In addition, Vodafone Qatar's External Auditors performed an audit on the Company's internal control systems to ensure compliance with Article 20 of the QFMA Corporate Governance Code. The report from the External Auditors includes an assessment of the Company's internal control mechanism and the duties and functions of the Company's internal departments and business functions in that context. The audit report is intended to identify major risks that may impact the Company and ensure there are appropriate risk identification and remedial mechanisms in place. The report from the External Auditor will be presented to the Audit Committee of the Company for review. The recommendation of the Audit Committee will then be presented to the Vodafone Qatar Board for final approval. A copy of the approved report will be sent to the QFMA.

### (b) Compliance Programme

Vodafone Qatar has implemented a dedicated and robust compliance programme in accordance with international best practice. As part of the compliance programme, Vodafone Qatar applies specific compliance policies and controls across all high-risk activities, including customer and data privacy, network security and resilience and anti-bribery, designed to ensure that all material financial and

business risks for the Company are identified and managed appropriately.

The existence and effectiveness of Vodafone Qatar's internal controls and processes to achieve and maintain compliance with all governance policies is primarily the responsibility of Vodafone Qatar's management and is monitored through compliance and internal audit. Internal audit provides an independent assurance over the internal control system and reports significant issues to the Audit Committee in relation to the risk based yearly audit plan.

### (c) Business Continuity Management

Vodafone Qatar has an established business resilience framework that addresses and mitigates the risk of the business being unable to resume its operational activities within a reasonable time following the occurrence of any events leading to business interruption. The Company has established a dedicated Business Continuity Management ("BCM") Steering Committee comprised of senior executives from key functions in the business which meets on a bi-annual basis and reports directly to the Executive Management team of the Company. The scope of the BCM Steering Committee and its main areas of responsibility are as follows:

- (a) ensure compliance with the BCM policy and its procedures;
- (b) approve BCM procedures and all related processes, rules and documents;
- (c) monitor continuous improvement of the BCM program and procedures;
- (d) ensure that all members of the business are aware of their responsibilities related to BCM;
- (e) define, drive and support the implementation of BCM Strategy within Vodafone Qatar;
- (f) approve and prioritize BC Strategies for critical business processes and systems prior to implementation;
- (g) monitor the development, review and implementation of BCM plans;
- (h) approve and monitor the review of the Company's crisis management plan;
- (i) define recommendations to improve BCM strategies and operations within the Company; and
- (j) support and promote awareness actions.

The Business Continuity, Crisis Management, Technology Resilience and Site Emergency Response Plans set out the requirements to protect the Company against the impact of emergencies and disruptions to critical business operations through effective and timely response (within predetermined timeframes) to an emergency or crisis.

### (d) Enterprise Risk Management

Vodafone Qatar operates a comprehensive ongoing risk management and assessment programme within the business. The primary objectives are to balance the risks the business takes with potential reward, support the achievement of corporate strategy and anticipate any future threats. The Company believes a vigilant and robust approach to risk management enables informed decision making, provides senior management with appropriate visibility of relevant business risks, defines the level of risk the Company is willing to take and facilitates risk based assurance activity. On a bi-annual basis, the risk management function reports to the Audit Committee on the top 10 risks that the Company believes would have the greatest impact on the Company's strategic objectives, operating model, viability or reputation. These risks, plus relevant mitigating actions, are catalogued and tracked in the Company's 'Risk Register' and are then subject to additional reporting, oversight and assurance on an ongoing basis.



## Internal Audit

Vodafone Qatar's Internal Audit Department provides objective and independent assurance over critical business processes and projects. The Internal Audit Department reviews business and technology processes to identify the risks, review the controls, make recommendations and track management action plans until completion to enable better management of the business by identifying those aspects of the business that could be controlled more effectively. The Internal Audit team has the independence to report objectively on any function without being constrained by line management through reporting to the Chair of the Audit Committee and with a secondary reporting line to the Managing Director of the Company. The Internal Audit team monitors and supports key governance structures and activities to ensure ongoing effectiveness. The team also identifies and promotes good business practices and reviews the Company's financial and accounting policies and processes to evaluate and assess any relevant risks in that context.

The Internal Audit Department provides a detailed report every six months to the Audit Committee which includes the following information:

- (a) procedures of control and supervision in respect of financial affairs, investments, and risk management;
- (b) review of the development of risk factors for the Company and the appropriateness and effectiveness of the systems of the Company to face drastic or unexpected changes in the market;
- (c) comprehensive assessment of the Company's performance regarding its implementation of the internal control system in compliance with provisions of the QFMA Corporate Governance Code;
- (d) the Company's compliance with applicable market listing and disclosure rules and requirements;
- (e) the Company's compliance with internal control systems when determining and managing risks;
- (f) the risks faced the Company, their types, causes and the actions taken in this regard; and
- (g) the suggestions for addressing the violations and mitigating the risks.

In addition, Internal Audit operates in co-operation with and has full access to, the Vodafone Qatar Audit Committee. Internal Audit provides a detailed report, together with a series of recommendations, on the internal control, risk and compliance performance of the Company directly to the Audit Committee during the Audit Committee meetings that take place at half year and full year, and separately on particular issues as required. Vodafone Qatar notes that Article 22 of the QFMA Corporate Governance Code

requires Internal Audit to submit a report every three (3) months to the Audit Committee. Vodafone Qatar believes that the current frequency of reporting (i.e. bi-annually and separately as required) is sufficient to ensure and maintain robust and effective oversight of the necessary internal audit controls.

Article 21 of the QFMA Corporate Governance Code prescribes that a company's Internal Audit function should be independent from the day-to-day functioning of the company. The Board considers the Internal Audit Department as being independent from Vodafone Qatar. This independence is reinforced by the reporting line of the Internal Audit function into the Chair of the Audit Committee and a secondary reporting line to the Managing Director of the Company.

## External Auditor

The decision to appoint the External Auditors including a review of the External Auditor's remuneration is made at the Annual General Assembly at which all shareholders are able to participate. The External Auditors attend the Annual General Assembly to present their report and to answer queries from shareholders.

The purpose of appointing an External Auditor is to provide objective assurance to the Board and shareholders that the financial statements have been prepared in accordance with all related laws, regulations and International Financial Reporting Standards (IFRS) and that they fairly represent the financial position and performance of the Company in all material aspects.

Deloitte and Touche ("Deloitte") currently holds the position of Vodafone Qatar's External Auditors and they conduct a full audit at the end of the Company's financial year and supplement this with a review of the Company's half-year results. Article 23 of the QFMA Corporate Governance Code provides that External Auditors shall be appointed by the General Assembly each year which may be renewed for one or more terms provided this does not exceed five years which is in line with Article 141 of Commercial Companies Law No. 11 of 2015. Vodafone Qatar's Articles of Association (Article 66) are aligned to the Commercial Companies Law and state that an auditor can be appointed for a period not exceeding five consecutive years.

The appointment of Deloitte followed detailed review and consideration by the Audit Committee of technical and commercial offers received from various firms to provide external audit services to the Company. The decision to appoint Deloitte as the External Auditors of Vodafone Qatar was ratified by the Vodafone Qatar Board of Directors on 26 February 2018 and approved by the shareholders of the Company at the Annual General Assembly which took place on 19 March 2018.

## Disclosure and Transparency

### Disclosure obligations

Vodafone Qatar has throughout 2018 complied with the disclosure requirements set out in the rules and regulations of the Qatar Financial Markets Authority (QFMA) and the Qatar Stock Exchange (QSE).

Vodafone Qatar conforms to all disclosure requirements of Article 25 of the QFMA Corporate Governance Code. It has disclosed its quarterly financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) to the QSE, the QFMA and the Qatar Central Securities Depository (QCSD) within the deadlines and rules stipulated. Furthermore, Vodafone Qatar has ensured that all sensitive and material information and announcements were disclosed to the market, its shareholders, the investment community and the general public in a timely, accurate, complete and transparent manner as required by the applicable laws and regulations. Material information includes, but is not limited to, Board of Directors meetings dates, agenda and resolutions, results announcements, Annual General Assembly invitation, agenda and resolutions, periodic press releases and any other material matters impacting and / or related to the ongoing performance and operation of Vodafone Qatar that has the potential to affect the Company's share price.

Vodafone Qatar has ensured that all financial results, approved presentations, official announcements and press releases of significance are available on the Company's website on the day of publication.

In addition, all information about the Chairman, Board Members, Senior Executive Management and major shareholders holding 5% and above of the Company's share capital are disclosed on the Company's website and in the Annual Corporate Governance report.

Vodafone Qatar responds appropriately and responsibly to confirm, deny or clarify any matter or market rumour which has the potential to affect the Company's share price or reputation ("**Market Rumours**"). No such Market Rumours arose in the financial year ended 31 December 2018.

## Conflicts of Interest and Insider Trading

### Conflicts of Interest and related Party Transactions

Vodafone Qatar has an established Conflicts of Interest Policy that forms part of its Governance Policy framework and Code of Conduct. The purpose of this policy is to promote and maintain transparency and proper management of any potential conflict of interest relating to employees and their personal interests outside Vodafone Qatar. Application of this policy in accordance with international best practice and serves to protect the interests of both the Company and its employees from any impropriety.

The Vodafone Executive Management Team and all staff in positions of key responsibility or influence are required to undertake an annual self-assessment to declare any personal or professional interests that would either make it difficult for them to fulfil their duties to the Company or that might otherwise create an appearance of impropriety that could undermine public confidence in Vodafone Qatar.

Details of transactions entered into by Vodafone Qatar with related parties of the Company during the financial year ended 31 December 2018 are more particularly set out in the financial statements included in the Company's Annual Report.

### Anti-Bribery

As noted in the 'Compliance Programme' section of this report set out above, Vodafone Qatar operates to an established and comprehensive framework that is in accordance with global best practice and designed specifically to manage a number of areas of compliance and business risk. This framework extends to include customer and data privacy, network security and resilience and anti-bribery.

As part of the anti-bribery programme specific actions and measurements are taken to actively manage identified sources of risk. Measures taken include:

- (a) mandatory training for all staff in key positions of responsibility or influence;
- (b) creating and maintaining an official register in which all employees are required to record all corporate gifts or hospitality whether given or received.

Breaches of this policy are treated as a serious disciplinary offence.



## Insider Trading

Vodafone Qatar has in place a policy summarising share trading guidelines and specifically, the insider trading rules and regulations applicable in Qatar. This policy together with relevant share trading black-out dates, is communicated to the Vodafone Qatar Board, Executive Management Team and all employees prior to the commencement of each trading black-out period (i.e. at least fifteen (15) days prior to the disclosure of any financial results to the QSE). Vodafone Qatar has provided the QSE, the QFMA and the QCSD with a list of Insiders within the Company – the list of Insiders is continuously reviewed and updated as necessary. In addition, Vodafone Qatar monitors the trading activities related to the Company's shares by its Directors and Executive Management Team.

## Litigation and Disputes

Vodafone Qatar has not been a party to any new (i.e. not previously disclosed) material conflicts or disputes, including arbitration and lawsuits, in the financial year ended 31 December 2018.

## Our Shareholders

Vodafone Qatar is compliant with Article 29 of the Corporate Governance Code. Shareholders have all the rights conferred upon them by related laws and regulations including the Corporate Governance Code and the Company's Articles of Associations and by-laws. Further, the Board of Directors ensures that shareholders' rights are respected in a fair and equitable manner.

## Shareholder Relations

Vodafone Qatar has a dedicated Investor Relations function and is committed to communicating to shareholders, investors and financial analysts the Company's strategy, activities and financial and business performance as permitted by applicable QSE rules and regulations. The Investor Relations function as part of its primary purpose and function acts to maintain an active and transparent dialogue with investors through a planned programme of investor relations activities and disclosures throughout the year including (but not limited to):

- (a) publication of financial statements, earning releases and investor presentations of quarterly, half-year and full-year results;
- (b) publication of an Annual Report of the Company that provides a comprehensive overview of the company's financial and business performance for the year;
- (c) hosting of investors and analysts calls to coincide with the release of the Company's financial results at which senior executive managers provide an overview of business and financial performance;
- (d) hosting of the Annual General Assembly meeting which all shareholders are invited to attend, actively participate and to exercise their voting rights;
- (e) ongoing meetings with institutional investors and analysts, attended by the Chief Executive Officer and/or the Chief Financial Officer to discuss the business and financial performance;
- (f) disclosure of material information;
- (g) answering shareholders' and analysts' queries and concerns on a timely manner;

(h) attending ongoing conferences and roadshows throughout the year; and

(i) updating the Investor Relations website dedicated to the Company's shareholders, investors and analysts.

## General Assembly Meeting

In compliance with Article 32 of the QFMA Corporate Governance Code, the Company's Articles of Association affirm the right of shareholders to call Annual General Assembly and Extraordinary General Assembly meetings (AGA and EGA respectively) for the purposes of affording shareholders the opportunity to discuss and raise questions to the Chairman and Board Members with respect to any items on the agenda of the relevant General Assembly.

The Company endeavours to hold its AGA or any EGA at an appropriate time and place to enable the majority of shareholders to participate in such meeting. The Company further ensures that shareholders are entitled to appoint a proxy to attend the AGA and EGA on their behalf and details in this regard are contained in the AGA and EGA notices. Vodafone Qatar sets out the agenda items for the AGA and EGA in its notice to the shareholders and details of the proposed resolutions are presented to the shareholders at the AGA and EGA meetings. The resolutions are disclosed immediately after the meeting to the QSE and the QFMA. The minutes of meeting are disclosed immediately after approval. The resolutions and the minutes are available to view on the Company's website.

## Access to information

Vodafone Qatar has a dedicated "Investor Relations" page on its website which provides shareholders and other stakeholders with information relating to the Company. The information is regularly updated to ensure that shareholders have most up to date information.

Additionally, as per Article 12 of the Vodafone Qatar's Articles of Association shareholders have access to the Company's shareholder register for free.

## Major Shareholders

The Company's major shareholders as at 31 December 2018 holding 5% and above of the Company's share capital are as set out in the table below:

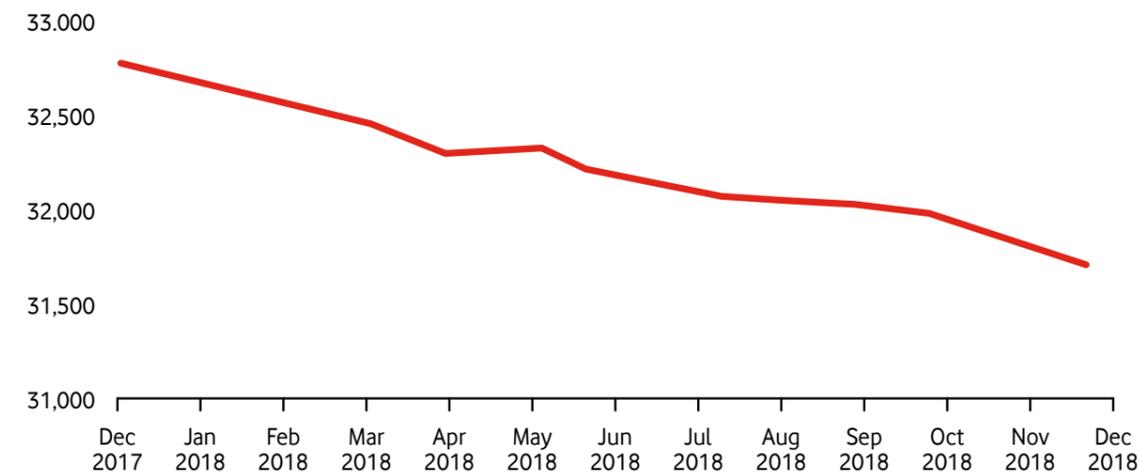
Name	Category	Domicile	Shares	Percent
Vodafone and Qatar Foundation LLC (1)	Corporation	Qatar	380,430,000	45.00%
Pension Fund - General Retirement and Social Insurance Authority	Government	Qatar	56,881,620	6.73%
Military Pension Fund - General Retirement Authority	Government	Qatar	43,714,800	5.17%
Qatar Foundation for Education Science and Community Development (2)	Corporations	Qatar	42,270,000	5.00%
		<b>Total</b>	<b>523,296,420</b>	<b>61.90%</b>

(1) Vodafone and Qatar Foundation LLC owns 45% of the Company's capital and is itself 100% owned by Qatar Foundation.

(2) Accordingly, Qatar Foundation's ownership interest in the Company (both directly held and indirect through Vodafone and Qatar Foundation LLC) totals 50% of the Company's capital.

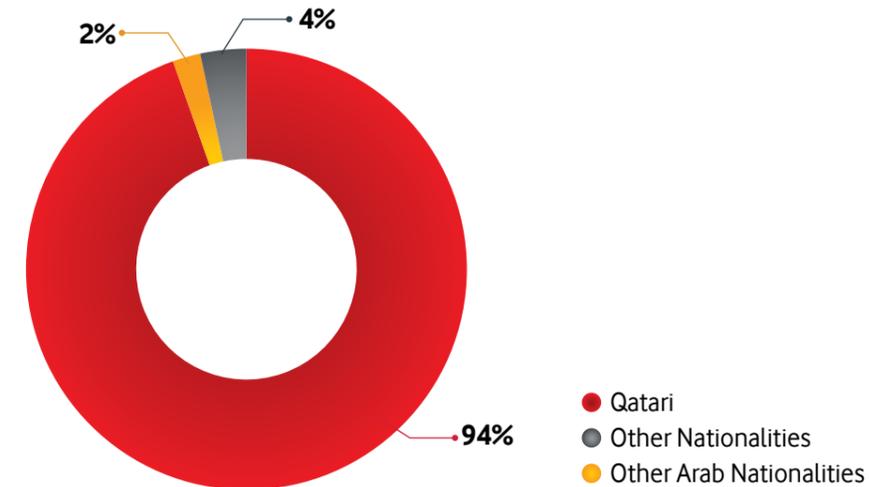
## Shareholder Base by Nationality

On 31 December 2018, the total number of shareholders in Vodafone Qatar reached 31,701 down from 32,764 as end of December 2017.



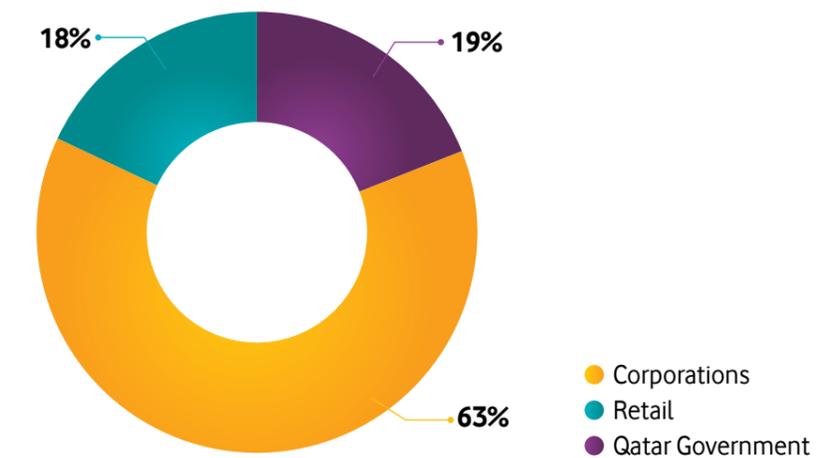
The percentage of shares held by Qatari shareholders (being shareholders, either citizens or entities incorporated in Qatar) reached 94% of the Company's share capital (including the 45% equity stake held by Vodafone and Qatar Foundation LLC) down from 95% as at 31 December 2017.

Shares owned by shareholders from other Arab nationalities and other nationalities reached respectively 2% (remained unchanged from last year) and 4% (up from 3% last year) of the Company's share capital.



## Shareholder Base by Category

On 31 December 2018, the percentage of the Company's issued and paid up share capital owned by corporations reached 63% whilst the percentage owned by Qatar Government and Retail shareholders reached respectively 19% and 18%.

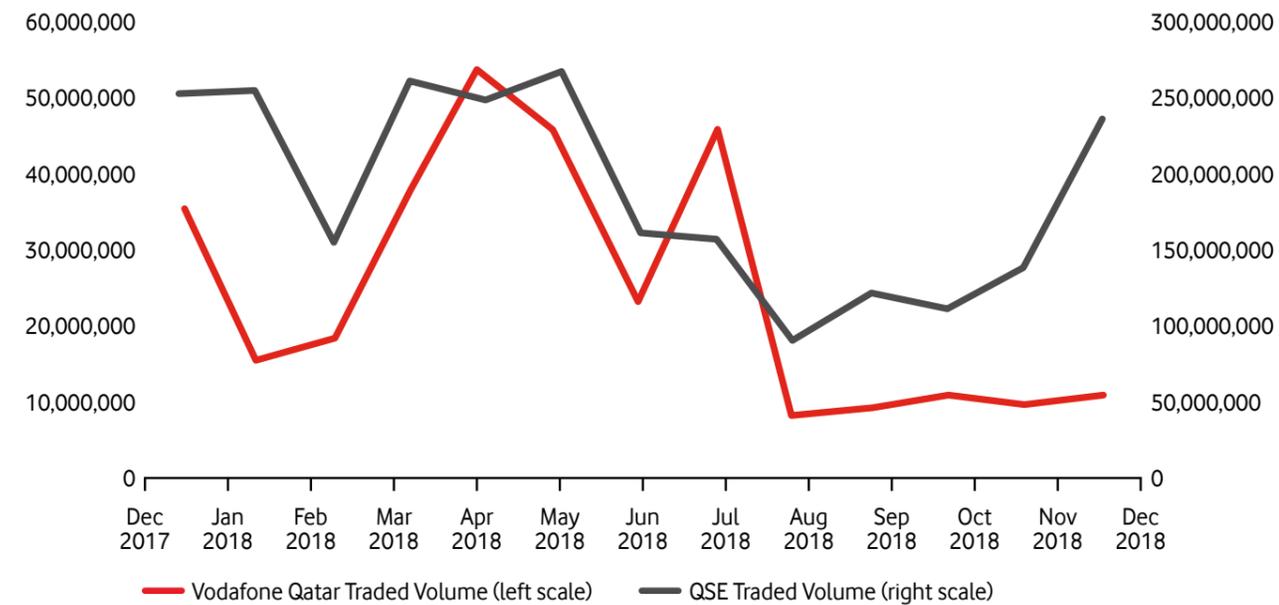


## Share Trading Activity

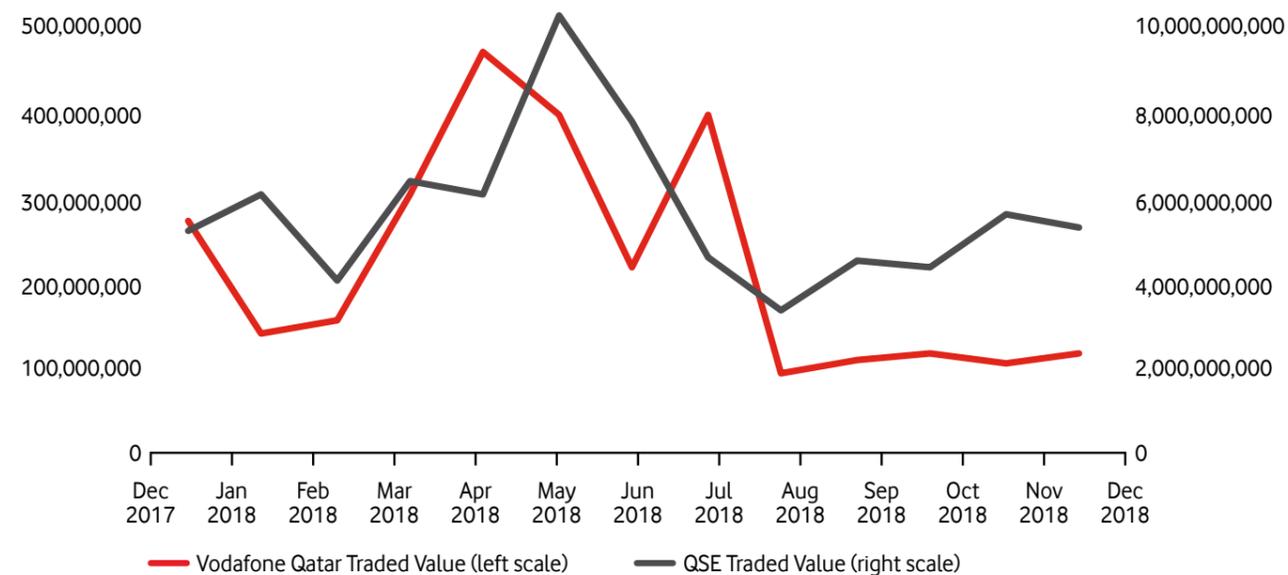
Vodafone Qatar's stock was the top volume traded stock on the QSE during the year 2018 with a monthly average traded volume of 24.5 million shares.

The number of Vodafone Qatar shares traded in 2018 was 293.6 million shares and the value of the Vodafone Qatar shares traded was QR 2.6 billion

### Traded Volume

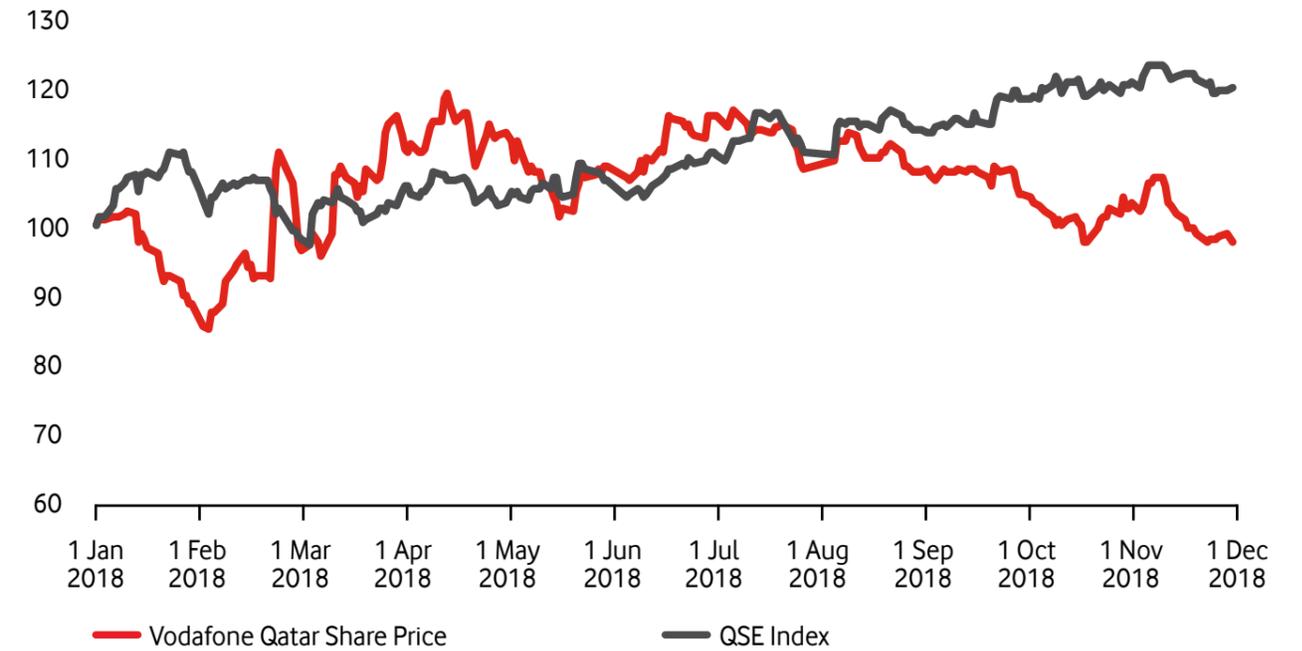


### Traded Value



## Share Price Movement

In the financial year ended 31 December 2018, Vodafone Qatar's share price decreased by 2.62% (from QR 8.02 at 31 December 2017 to QR 7.81 at 31 December 2018).



## Major Transactions

Vodafone Qatar was not involved in any Major Transaction(s) in the financial year ended 31 December 2018.

## Employee Rights

Vodafone Qatar's Board of Directors ensures that all employees are treated equally without any discrimination whatsoever on the basis of race, gender or religion. Remuneration policy and packages have been established to incentivise employees to perform in the best interests of the Company and retain and reward employees who demonstrate exceptional performance.

Appropriate mechanisms are in place to enable all employees to report known or suspected breaches of Company policies confidentially and without the risk of a negative reaction from other employees or their superiors.

## Corporate Social Responsibility

We believe that the true value of a business lies in how it creates economic, environmental and social value. We incorporate our core competencies to engage with communities where we live and work. We hope to deepen personal links, enhance the quality of life in our surroundings and create opportunities for a better future for all people in Qatar.

In 2018, we focused our investments in three key areas:

- (1) Digital literacy
- (2) Community giving
- (3) Youth empowerment

These investments are regulated through our Charitable Donations Policy, which ensures all our contributions are linked to using mobile communication technology for social welfare, environmental protection or community support. Our Social Investments Committee assess all requests based on transparent and objective evaluation criteria.

